

Homelessness Initiatives in New Orleans

MICHAEL J. "MIKE"
WAGUESPACK, CPA

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Why We Conducted This Audit

We evaluated homelessness initiatives in New Orleans between January 2019 and December 2024 in response to a legislative request that asked us to evaluate the effectiveness of these initiatives. Several entities are involved with administering homelessness initiatives in New Orleans, including the City of New Orleans (City), UNITY of Greater New Orleans (UNITY), and the Louisiana Housing Corporation (LHC).

What We Found

Overall, we found that of the \$216.3 million that the City and UNITY spent, more than half went to paying long-term rent subsidies and for supportive services to unhoused individuals placed in permanent supportive housing. In order to better address homelessness, the New Orleans area Continuum of Care (CoC) should increase collaboration, communication, and data sharing among the City, UNITY, and providers. In addition, monitoring of providers, including shelters, could be improved to ensure compliance with HUD requirements and ensure provider effectiveness. Specifically, we found:

- **Between January 2019 and June 2024, the City and UNITY spent \$216.3 million on homelessness initiatives, primarily from federal funds. Of that, they spent \$122.4 million (56.6%) on permanent supportive housing programs, which provide long-term rent subsidies and supportive services for individuals experiencing homelessness who also have a disability.** Overall, UNITY expended \$178.2 million (82.4%), and the City expended \$38.1 million (17.6%). Of the \$216.3 million, \$126.4 million (58.4%) was spent by 32 providers that had agreements with either the City or UNITY for homelessness initiatives.
- **The City, LHC, and UNITY have processes to monitor providers; however, most fiscal and programmatic compliance monitoring was suspended during the COVID-19 pandemic.** For example, between fiscal years 2019 and 2022, the City's Office of Housing Policy and Community Development did not conduct any programmatic monitoring, and it did not conduct any monitoring on two (16.7%) of 12 providers between fiscal years 2019 and 2023. LHC did not conduct required monitoring between fiscal years 2020 and 2022, and it did not conduct contract monitoring of UNITY for Emergency Rental Assistance Program (ERAP) funds. UNITY did not conduct monitoring on 3 (13.6%) of 22 providers in calendar year 2019, 12 (52.2%) of 23 providers in 2020, 7 (30.4%) of 23 providers in 2021, 13 (56.5%) of 23 providers in 2022, and 14 (56.0%) of 25 providers in 2023. In addition, UNITY did not conduct monitoring of three providers over the course of three years.

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What We Found (Cont.)

- **The New Orleans CoC needs increased collaboration among the City, UNITY, and providers in order to develop and implement a cohesive strategic plan for addressing homelessness in New Orleans.** New Orleans does not have a current strategic plan to address homelessness; however, the City is in the process of developing a long-term strategic plan. UNITY does not have a current strategic plan and has not always conducted annual gap analyses. In addition, better data sharing could improve planning, service delivery, and transparency.
- **According to the Office of Homeless Services and Strategy (OHSS) and UNITY, 275 individuals have been housed through targeted encampment decommissioning. Overall, OHSS's process for decommissioning encampments generally followed city ordinances and best practices.** Between September 2023 and December 2024, OHSS decommissioned eight (57.1%) of the 14 encampments originally identified and completed rehousing efforts on the remaining six encampment sites. As of December 2024, UNITY spent \$2.3 million (15.4%) of the \$15.0 million three-year special HUD grant available, in part, for addressing encampments. In addition, various external circumstances impacted OHSS's progress.
- **The City is not providing adequate oversight of shelters to ensure that shelters are following minimum health and safety standards, especially given the vulnerability of the population residing in shelters.** While the City has a process to conduct fiscal and programmatic monitoring of the shelters it funds, it does not regularly inspect these shelters to ensure they are meeting HUD's habitability standards. Despite ongoing maintenance and sanitary issues at the City's low barrier shelter, the City conducted minimal monitoring of the facility.
- **Family coordinated entry for shelters is not always accessible for families in need, because it is not always easy for them to contact UNITY.** In addition, UNITY did not always conduct annual evaluations and surveys of coordinated entry as required by HUD and UNITY's policy.
- **Providers we surveyed indicated that the City and UNITY need to improve communication, including better availability and responsiveness to providers, clarity regarding policies and procedures, and more timely reimbursements.** In addition, information about available resources is difficult to find and may be out of date.
- **New Orleans faces multiple challenges to effectively address homelessness. Lack of affordable housing, as well as the need for living wage employment opportunities, is a primary driver of homelessness.** Other challenges New Orleans faces to effectively address homelessness include behavioral health and substance use needs, transportation, funding, and staffing levels.

We made 19 recommendations and 2 matters for legislative consideration. The agencies agreed with 18 recommendations, disagreed with 1, and neither agreed nor disagreed with 3. Some recommendations were addressed to multiple agencies.

View the full report, including management's responses, at www.lla.la.gov.