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**OFFICE OF THE COMPTROLLER**  
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AUDIT

BUREAU OF AUDIT

January 5, 2015

The Honorable Gilbert Taylor  
Commissioner  
New York City Department of Homeless Services  
33 Beaver Street, 10th Floor  
New York, NY 10004

Re: **Letter Report on the Department of Homeless Services'  
Controls over Its Count of Unsheltered Homeless Youths  
(Report Number MG14-065SL)**

Dear Commissioner Taylor:

I am writing to inform you that with this letter report, the Audit Bureau is closing the audit of the controls implemented by the Department of Homeless Services ("DHS") over its efforts to count unsheltered homeless youths as part of the homeless youth count initiative. The audit's objective was to determine whether DHS had adequate controls to ensure that its count of unsheltered homeless youths was reasonably accurate. However, the audit is being closed because in the course of assessing the controls, we found that DHS's count methodology may have increased the risk of significantly underreporting the number of unsheltered homeless youths. Thus, given the potential weakness in the count methodology, we determined that there is limited value in an assessment of DHS's controls over the count at this time.

Specifically, during initial audit fieldwork, DHS officials advised us that certain popular gathering places for youths were excluded from the count and that DHS does not have data pertaining to the number of homeless youths that are at these locations. We also subsequently learned that DHS's count methodology does not include a statistical adjustment that reflects the potential number of youths uncounted at these locations. We therefore recommend that DHS consider modifying its count methodology to include more of those areas known to be locations where unsheltered homeless youths congregate. The details of this issue are described below.

In 2012, the U.S. Interagency Council on Homelessness ("USICH"), in collaboration with the U.S. Departments of Housing and Urban Development ("HUD"), Health and Human Services ("HHS"), and Education ("ED"), launched *Youth Count!* ("youth count"), an interagency initiative designed to develop strategies for counting unaccompanied homeless youths (both sheltered and

unsheltered) up to 24 years of age.<sup>1</sup> New York City was one of the nine communities asked to participate in the pilot program.<sup>2</sup>

The youth count was incorporated into HUD's mandated Point-in-Time count.<sup>3</sup> HUD did not establish a particular methodology for the Point-in-Time count, but allowed each community flexibility in developing its own methodology for performing the count. DHS utilizes its Homeless Outreach Population Estimate ("HOPE") to arrive at the number of unsheltered homeless individuals in the City it reports to HUD.<sup>4</sup> The HOPE count is performed by volunteers and is planned, coordinated, and carried out locally by DHS, with the assistance of other City agencies, such as the Police Department, Department of Parks and Recreation, and the Department of Youth and Community Development. The 2013 HOPE count was conducted on January 28, 2013. DHS reported to HUD that an estimated 128 homeless youths in the City were unsheltered on that night.<sup>5</sup> Homeless advocacy groups have publicly expressed concerns that the count underreported the number of unsheltered homeless youths, estimating that number to be 3,800—significantly higher.

During initial fieldwork, we observed that the methodology used by DHS for its count increased the risk of significantly underreporting the number of unsheltered homeless youths. For the HOPE count, DHS instructed its volunteers to count homeless persons (including youths) who were congregated in public areas, such as sidewalks, parks, and subway stations. Because DHS does not have the capacity to survey all of these areas, it applies a statistical formula to the actual count results to estimate the number of homeless individuals in the City who are at these locations at that point in time.

In addition to these public areas, DHS officials acknowledged that there are other popular areas where youths may congregate, including abandoned buildings, shopping malls, laundromats, all-night movie theaters, ATM vestibules, cars, and fast-food restaurants. Nevertheless, DHS restricts its count to the public areas noted in the paragraph above and does not include in its estimate to HUD the unsheltered youths who may be congregating in other areas. The statistical formula used by DHS to estimate the number of homeless youths does not project or account for those youths who may be residing in non-public areas that are not canvassed on the night of the count. DHS officials said that some of these locations (e.g., abandoned buildings) were excluded from the count due to concerns for the safety of the volunteers. Other locations, which included ATM vestibules, fast-food restaurants, and laundromats, were excluded because they were private enterprises and officials said they did not

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<sup>1</sup> According to HUD, a sheltered homeless person resides in a supervised publicly or privately operated shelter that provides a temporary living arrangement (including congregate shelters, transitional housing, and hotels or motels). An unsheltered person's primary nighttime residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a sidewalk, car, park, abandoned building, bus or train station, airport, or camping ground. A person is considered homeless only when residing in one of these places at the time of the count.

<sup>2</sup> The other eight communities that participated in the youth count were: Boston, MA; Cleveland, OH; Hennepin County, MN; Houston, TX; King County, WA; Los Angeles, CA; Washington State (focus on Whatcom County); and Winston-Salem, NC.

<sup>3</sup> The Point-in-Time count is an annual count of sheltered and unsheltered homeless individuals during a specified period of time, ranging from one to several days. The count is typically conducted during the last week in January.

<sup>4</sup> Conducted citywide since 2005, HOPE is an annual point-in-time estimate of unsheltered individuals that is used to project service needs and allocate resources for the unsheltered homeless population.

<sup>5</sup> For 2013, a total of 29,905 homeless youths were part of the City's Point-in-Time homelessness estimate. Of this total, 29,777 were sheltered homeless youths and 128 were unsheltered homeless youths.

want volunteers to disrupt business operations. DHS officials also said the HOPE count methodology has remained unchanged since the count's inception, and that HUD had not indicated it had any issues with DHS's methodology.

We recommend that DHS consider modifying its methodology to include more areas known to be locations where unsheltered homeless individuals congregate. Doing so would allow DHS to obtain a more accurate representation of the number of unsheltered homeless youths in the City. This would also help DHS in its efforts to project service needs and allocate resources where the needs are greatest. The HOPE count generally takes place during late evening/early morning hours (the 2013 count began at 11 p.m.), when business traffic is usually at a minimum. Accordingly, the extent to which business operations would be disrupted is debatable. Excluding these locations from the count could have resulted in a significant underreporting of unsheltered homeless youths.

The matters covered in this letter report have been previously discussed with DHS officials. We received a written response from DHS on November 20, 2014. In that response, DHS explains some of the history and context for its programs to count homeless people in New York City, including unsheltered youth. DHS appears to disagree with our recommendation that it modify its methodology for counting unsheltered youth to better take account of locations where they are known to congregate. This disagreement is partially based on the ground that "HOPE is not intended to constitute a count of unsheltered youth, but rather, is an estimate of all unsheltered individuals in the City." In making this assertion, DHS points to other agencies and other analyses that it contends have a greater focus on counting unsheltered youth. Further, DHS defends its present method of counting unsheltered youth by noting that "unsheltered persons in private spaces are not counted in part due to public safety and liability concerns as well as the need for cross year compatibility and consistency in the established count methodology."

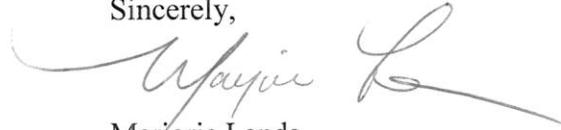
However, none of these assertions contradict our one recommendation to DHS. The fact that others may be more focused on counting unsheltered youth does not address the weaknesses in DHS's current methodology employed in its HOPE count. Moreover, we do not object to DHS's position that it excludes certain locations (e.g., abandoned buildings) from its count because they pose a public safety risk for volunteers. However, we do question DHS's contention that a count of private spaces would create a potential liability for DHS due to business disruption since the HOPE count takes place in the early morning hours when business operations would least be disrupted. Further, to the extent that changing the count methodology might make cross-year comparisons difficult, we suggest that DHS simply exclude the count results from those spaces when it conducts such comparisons.

Based on the foregoing, we find DHS's argument for excluding these private enterprises from its count unpersuasive and urge the agency to reconsider its response to the letter report's recommendation.

Hon. Gilbert Taylor  
January 5, 2015  
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The full text of DHS's response is included as an addendum to this letter report.

Sincerely,



Marjorie Landa

c: Kurt Schreiber, Attorney, DHS  
Mindy Tarlow, Director, Mayor's Office of Operations  
George Davis, Deputy Director, Mayor's Office of Operations



Gilbert Taylor  
Commissioner

November 20, 2014

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**BY HAND DELIVERY**

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Re: **DHS' Response to Audit Report on the Count of Unsheltered Youths in New York City** (MG14-065SL)

Dear Ms. Landa:

This letter is the New York City Department of Homeless Services' ("DHS" or the "Agency") response to the City of New York Office of the Comptroller's ("Comptroller" or "Auditors") Draft Letter Report dated October 22, 2014 ("Draft Report"), concerning its audit of DHS' efforts to count unsheltered youths as part of the "homeless youth count initiative." (Draft Report at 1) The objective of the Comptroller Audit was "to determine whether DHS had adequate controls to ensure that its count of unsheltered homeless youths was reasonably accurate." *Id.* The Draft Report states that the Auditors decided to close the audit "because in the course of assessing the controls, [they] found that DHS' count methodology itself may have increased the risk of significantly underreporting the number of unsheltered homeless youths." *Id.* The Auditors' recommended "DHS [should] consider modifying its methodology to include more areas known to be locations where unsheltered homeless individuals congregate." *Id.* at 3. DHS' response below describes the original aims and methodological justifications of the Homeless Outreach Population Estimate ("HOPE"), and presents information about the separate youth count that will take place in 2015 under the auspices of the NYC Continuum of Care. The Agency's role in a specific youth count is limited to its role as the Lead Agency for the City's Continuum of Care.

- **The HOPE Count**

Since 2005, New York City has conducted an annual count of the City's unsheltered homeless population, called the Homeless Outreach Population Estimate. HOPE is always conducted on the last Monday of January, a night in the middle of winter when only those truly without shelter would remain on the streets. HOPE estimates the number of unsheltered homeless individuals residing in public places (such as streets, parks, and under highways) and in subway trains and stations in the five boroughs of New York City. The count itself is conducted by thousands of volunteers who, between midnight and 4am, canvass the streets of the City. Unsheltered persons in private spaces are not counted in part due to public safety and liability concerns as well as the need for cross year compatibility and consistency in the established count methodology.

In developing the first HOPE count, DHS examined the best practices of other jurisdictions and developed expert methodology and statistical sampling procedures that have been recognized by the U.S. Department of Housing and Urban Development's ("HUD") as "statistically valid" and for which HUD recommends other participating Continuums of Care to follow.<sup>1</sup> Of significance is DHS' partnership with Hunter College's School of Social Work to provide decoys each year to gauge the statistical accuracy of the count.

Importantly, HOPE was designed to achieve a reliable count of all unsheltered individuals, regardless of age. As stated above, its expert methodology involves the use of an estimate – extrapolating on the total count of unsheltered individuals through the use of defined count zones and the use of decoys for statistical accuracy. However, as discussed below, beginning in 2013, DHS added new age categories to its HOPE questionnaire so it can obtain more data on the number of young people who are without shelter. DHS submits the results of the annual HOPE to HUD as a component of the New York City's Continuum of Care's annual Point-in-Time count.

- **The Continuum of Care and the Point-in-Time Count**

New York City participates in the HUD's Continuum of Care program, which is "designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources . . . improve data collection and performance measurement; and allow each community to tailor its programs to the particular strengths and challenges in assisting homeless individuals and families within that community."<sup>2</sup> DHS is the local Lead Agency for administration of the Continuum of Care on behalf of the New York City Coalition on the Continuum of Care ("NYC COC"), "a

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<sup>1</sup> Homeless Assistance Programs: A guide to Counting Unsheltered Homeless People. Second Revision, 2008. HUD, at 21.

<sup>2</sup> See, <https://www.hudexchange.info/coc/coc-program-eligibility-requirements/> (last visited November 1, 2014).

broad-based coalition of homeless housing and shelter providers, consumers, advocates, and government representatives, working together to shape citywide planning and decision-making.”<sup>3</sup>

HUD requires participating Continuums of Care, including the NYC COC, to conduct an annual Point-in-Time (“PIT”) count to report the number of sheltered persons on single night and a count of unsheltered homeless persons every other year. For the 2013 PIT counts, HUD required all participating Continuum of Care to conduct counts of both sheltered and unsheltered persons. HOPE constitutes the count of unsheltered persons. To provide data on the number of sheltered homeless persons in New York City, DHS relies on census numbers from the City’s various shelter systems, including those operating under the auspices of DHS, New York City’s Human Resources Administration (“HRA”) and the New York City’s Department of Youth and Community Development (“DYCD”). As the local Lead Agency, DHS is responsible for submitting to HUD the results of the annual PIT sheltered and unsheltered counts.

- **The Point-in-Time Count and Homeless Youth**

As noted in the Draft Report, the U.S. Interagency Council on Homelessness (“USICH”), in collaboration with HUD and the U.S. Departments of Health and Human Services and Education, created Youth Count! in 2012. Youth Count! is “an interagency initiative to *develop promising strategies for counting unaccompanied homeless youth*, up to 24-years-old, through innovative implementations of HUD’s 2013 [PIT] count.”<sup>4</sup> (emphasis added) In December 2012, HUD issued a “Supplemental Guidance on Counting Homeless Youth”<sup>5</sup> (“Youth Guide”) with its “2013 Housing Inventory Count and [PIT] Count of Homeless Persons: Data Collection Guidance.”<sup>6</sup> In the Youth Guide, HUD directed participating Continuum of Care to report the total number of persons by age category in their counts of sheltered and unsheltered homeless persons as follows: Under age 18; between 18 and 24; and over the age of 24. *Id.* at 6.

In accordance with the Youth Guide, and as mentioned above, beginning in 2013, DHS added a question to its HOPE survey to account for the new age categories. DHS also received from the Supportive Housing Network of New York (“SHNNY”) a list of public places where youth are known to congregate, which DHS incorporated into the HOPE by assigning volunteers to survey during the count. In addition, the NYC COC decided to launch a pilot program to start the process of “developing promising strategies for counting unaccompanied homeless youth.” DYCD and SHNNY, both members of NYC COC, took the local lead in creating the pilot program for this separate youth count, which was administered in DYCD-contracted drop-

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<sup>3</sup> See, [http://www.nychomeless.com/html/about\\_us.html](http://www.nychomeless.com/html/about_us.html) (last visited November 1, 2014).

<sup>4</sup> See, [http://usich.gov/population/youth/youth\\_count](http://usich.gov/population/youth/youth_count) (last visited November 1, 2014).

<sup>5</sup> See, [https://www.hudexchange.info/resources/documents/2013HICandPITGuidance\\_Youth.pdf](https://www.hudexchange.info/resources/documents/2013HICandPITGuidance_Youth.pdf) (last visited November 1, 2014).

<sup>6</sup> See, <https://www.hudexchange.info/resources/documents/2013HICandPITGuidance.pdf> (last visited November 1, 2014).

in centers. DHS was not actively involved in either the planning or administering of the separate youth count pilot program.

Following the lessons learned from the 2013 pilot youth count, the City enhanced its methodology for counting homeless youth in the annual PIT count through establishing a workgroup, which includes DYCD, DHS, the Center for Innovation Through Data Intelligence (“CIDI”), youth services providers, youth advocates and homeless youth representatives. The workgroup conducted a literature review of best practices around the country for estimating the unsheltered youth population and consulted national experts in the field, and has been meeting monthly in 2014. New strategies developed by the workgroup will be incorporated into the 2015 PIT count.

During the course of the Comptroller Audit, DHS informed the Auditors that the purpose of its HOPE count was to obtain an accurate number of unsheltered homeless individuals residing in public places, which could then be compared to the results of prior HOPE counts to evaluate the City’s efforts to bring unsheltered homeless individuals off the street and into shelter. Additionally, DHS informed the Auditors that DYCD and SHNNY administered the separate youth count pilot program on January 28, 2013, the same day as DHS’ HOPE count. Finally, DHS informed the Auditors that the results of the HOPE count and the separate youth count pilot program represented sub-components of the PIT count results that DHS, as the local Lead Agency for NYC COC, would submit to HUD. These facts are absent from the Draft Report.

- **Conclusion**

As stated, HOPE is not intended to constitute a count of unsheltered youth, but rather, is an estimate of all unsheltered individuals in the City. Indeed, we appreciate the Auditors’ intentions to achieve a full and accurate count of the homeless and, in particular, homeless youth with respect to DHS. However, the NYC COC, DYCD and SHNNY have a greater focus on the specifics of the youth count, and we believe the Auditors conflate these various programs, and target HOPE for failing to accomplish a goal it is not meant to attain. DHS respectfully requests that the Auditors recognize these considerations as they determine how to conclude the report. Lastly, we find that the Auditors fail to note the significant recognition the City has received for its creation and implementation of HOPE, and of the value it brings to the City in evaluating its outreach efforts to assist unsheltered homeless individuals with leaving the streets and finding housing accommodations.

Sincerely,



Randi Rosenblum  
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Policy and Planning Division

cc: DHS  
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Michael King  
Aaron C. Goodman, Esq.

Mayor's Office of Operations  
George Davis, III  
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