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HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
COVID-19 Housing Stability Assistance Program
Amendment to Agreement for Quality Assurance Audit Services
Presentation to the SDHC Board of Commissioners
April 1, 2022

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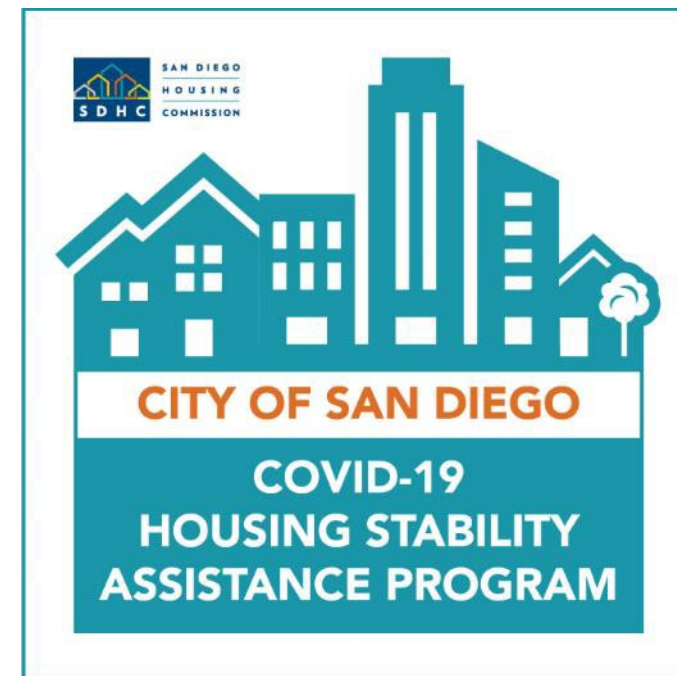


COVID-19 Housing Stability Assistance Program

Quality Assurance Audit Services

Program Overview

- SDHC administers and operates the City of San Diego COVID-19 Housing Stability Assistance Program.
 - Helps pay rent and utilities for City of San Diego households with low income that experience financial hardship due to or during the ongoing COVID-19 pandemic.
- Payments (As of March 30, 2022):
 - Payments Disbursed: \$191,762,369.22
 - Households Assisted: 16,656
- Applications (As of March 30, 2022 at 10 a.m.):
 - 46,762 applications submitted
 - 75.4 percent with income up to 30 percent of San Diego's Area Median Income (AMI)
 - 39,543 additional applications started but not completed



COVID-19 Housing Stability Assistance Program

Quality Assurance Audit Services

Third-Party Audits

- SDHC contracts with a third party to conduct audits on applications for the program.
 - Supports compliance with federal and state regulations
 - Supports program integrity
 - Safeguards against suspected fraud
- Audits review:
 - Whether or not required documents were submitted
 - Verification of applicant eligibility
 - Accuracy of calculated award amounts
 - Compliance with funding requirements



COVID-19 Housing Stability Assistance Program Quality Assurance Audit Services Contract

- April 2021: Initial contract awarded to Nan McKay & Associates
 - Non-competitive process in accordance with SDHC Procurement Policy guidelines due to the urgency and time constraints associated with COVID-19 Housing Stability Assistance program funding
- October 2021: New contract awarded to Nan McKay & Associates
 - Need for quality assurance audit services continued
 - Non-competitive process in accordance with SDHC Procurement Policy guidelines
 - Amount not to exceed \$250,000
 - Eight-month term (October 19, 2021 – June 30, 2022) with one-year renewal option
 - Services include:
 - Conduct remote reviews adhering to SDHC training
 - Complete electronic auditing form
 - Conduct reviews and submit results within 72 hours of review
 - Conduct a minimum of 20 audits per day
 - Provide weekly reports to SDHC



COVID-19 Housing Stability Assistance Program

Quality Assurance Audit Services

Contract (Continued)

- Ongoing allocation of additional funding to the COVID-19 Housing Stability Assistance Program
 - Expanded the program and the anticipated term of its operations
 - Increased the number of applicant households to serve, which increased the number of applications to audit
- Funding regulations expanded and changed.
 - Increased need to audit files to ensure compliance
- Proposed amendment to current contract
 - Increases the maximum allowed compensation for the current term and the renewal option, if exercised, by \$152,100 to a total maximum compensation amount of \$402,100
 - Contract expenses are based on a fee per completed audit.
 - If fewer audits are needed, actual contract expenses would reflect only the costs of the completed audits.



COVID-19 Housing Stability Assistance Program Quality Assurance Audit Services Staff Recommendations

That the SDHC Board of Commissioners (Board) take the following actions:

- 1) Authorize an amendment to the Housing Commission's agreement with Nan McKay & Associates for Quality Assurance Audit services for the COVID-19 Housing Stability Assistance Program (HSAP) by increasing the maximum compensation for the current and optional term (if exercised) of the agreement in the amount of \$152,100 for a total maximum compensation amount of \$402,100 for the continued Quality Assurance Audit services, as required due to additional funding sources received to expand HSAP and assist more households.
- 2) Authorize the Interim President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided the total program/project budget amount after substitution does not exceed the approved total budget, and increase compensation by not more than 20 percent of the total agreement amounts, if necessary, should the operational need arise, without further action by the Housing Commission Board.





COVID-19 Housing Stability Assistance Program Quality Assurance Audit Services Staff Recommendations (Continued)

- 3) Authorize the Interim President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner in advance of approval for the designee to sign.





COVID-19 Housing Stability Assistance Program Quality Assurance Audit Services

Questions & Comments

