



Commonwealth of Massachusetts
**EXECUTIVE OFFICE OF HOUSING &
LIVABLE COMMUNITIES**

Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus Jr., Secretary

May 14, 2025

Elaine Silva
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Dear Ms. Silva:

Thank you for the opportunity to respond to the Office of the State Auditor's (SAO) performance audit of the Emergency Assistance (EA) Family Shelter Program.

THE AUDIT REPORT

The audit report focuses on contracting processes used by the Executive Office of Housing and Livable Communities (EOHLC) between 2021 and 2024, over two administrations. While we share the goal of promoting transparency, accountability, and best practices in the use and management of both emergency and competitively procured contracts, the SAO's report misses the urgent need for reform to the flawed system we inherited, the scale of the crisis that was thrust upon Massachusetts during this time, and the magnitude of the turnaround that has occurred since the Healey-Driscoll Administration took office. Nonetheless, EOHLC is committed to taking steps to advance shared goals as further outlined below.

OVERVIEW

It is important to offer the full context of the situation we confronted. The Healey-Driscoll Administration inherited two dual challenges when we arrived in office: (1) an unprecedented surge of families seeking emergency shelter and (2) a deeply flawed shelter system that was ill-equipped to handle such a surge.

The shelter system we inherited was flawed from the outset and simply not set up to handle the growing number of families entering the system. The system had:

- No requirement for all family members to prove residency or intent to remain in Massachusetts;
- No capacity limit, waitlist, or policy for prioritizing shelter placements based on clinical risks and needs;
- No requirement for all family members to have lawful immigration status;
- No length of stay limit, with some families allowed to stay as much as 6-8 years in the EA system;
- No CORI criminal background check system nor mandatory disclosure requirement of criminal convictions before entry; and
- An increasing use of costly hotels for shelter.

Massachusetts is a Right to Shelter state, and that Right to Shelter law had not been meaningfully updated in over 40 years. It was in this context that we began to confront an unprecedented surge of families seeking Emergency Shelter. The number of families eligible for and requesting emergency assistance shelter in Massachusetts began to grow in 2022 due to federal policies on immigration and work authorization. This was compounded by a shortage of affordable housing related to the reduced production of homes over the last decade in Massachusetts. Between July 1, 2023 and July 1, 2024, Massachusetts experienced its largest population increase in 60 years—69,603 new

residents—primarily driven by net immigration, further straining the shelter system.¹ In August 2023, Governor Healey declared a state of emergency, as the EA Shelter System—designed for up to 4,100 families—was operating well above full capacity, and on track to serve over 13,000 families by the following year.

To meet this unprecedented challenge, the Administration moved quickly to initiate a number of reforms to lower the caseload, reduce taxpayer costs, and improve safety.

In November 2023, the Administration declared that the shelter system could not expand beyond a capacity of 7,500 families and began prioritizing families for shelter based on need. In April 2024, Massachusetts enacted its first-ever limit on EA shelter stays (at nine months). That stay limit was later reduced to six months. Governor Healey also moved with the Legislature to reform the Right to Shelter law. Our emergency shelter system now requires proof of Massachusetts residency for all family members as well as the requirement that all family members have lawful immigration status, with limited exemptions. The Governor imposed mandatory CORI checks for all residents before entry into the system. And the Administration has announced that it will phase out the use of hotel shelters.

As a result of these and other changes implemented by Governor Healey, for the first time since July 2023, the number of families in EA shelter has fallen back below 5,000. The number of hotels used for EA has been cut by more than half and will be eliminated by summer 2025. And approximately 85 percent of families seeking shelter are now longtime Massachusetts families. These all represent significant progress toward establishing a Right to Shelter system for families where stays are rare, brief, and non-recurring, and costs are financially sustainable to the Commonwealth.

EOHLC agrees that emergency procurements should be used only as necessary, that appropriate records should be maintained, that vendors should be paid only what they are owed, and that sound financial management and the health and safety of families in shelter should be paramount in all decision making. That is what occurred during the audit period.

We respond in full to each finding below.

EOHLC's Response to the Report

Audit Finding 1: “The Executive Office of Housing and Livable Communities failed to adequately assess and act upon the increased demand for service resulting in improper and unlawful emergency procurements for food and transportation services.”

Response: EOHLC cannot concur with and rejects Audit Finding 1 as fundamentally wrong and unfounded.

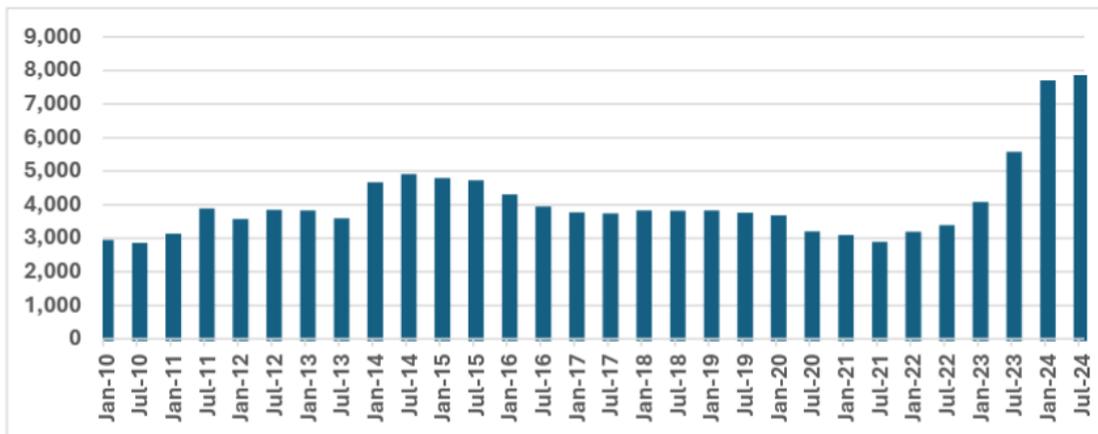
There is no question that the Commonwealth has been confronted by an unprecedented crisis. The SAO itself has used the words “crisis” and “incredibly challenging time” to describe the situation we have faced. The emergency procurements conducted were proper, lawful, and effective during this period of emergency.

The SAO’s suggestion that its own performance auditors could have predicted a once in a lifetime surge in shelter demand—when shelter system operators throughout the country did not—is surprising to say the least. EOHLC strongly rejects the suggestion that it should have foreseen what was, in fact, a historically unprecedented increase in demand for EA shelter services driven by international and national forces far beyond EOHLC’s control.

In large part, the SAO’s report relies on a narrow slice of data covering the years 2021 to 2023 to suggest that the dramatic rise in demand was a predictable trend. While demand has fluctuated over time, it has never risen at a rate, or to a level, that it experienced beginning in 2023:

¹ UMass Donahue Institute, Massachusetts Summary of U.S. Census Bureau Vintage 2024 Population Estimates (Dec. 19, 2024), https://donahue.umass.edu/documents/UMDI_Summary_of_the_U.S._Census_Bureau_V2024_State_Population_Estimates_.pdf.

Figure 1. Historical EA Shelter Caseload Typically Remains Below 4,000: 2010-2024



In fact, 2023 was not the first time that the EA system had experienced a rise in demand. In November 2014, for example, the EA system expanded to serve 4,825 families, a record at the time. But prior increases in demand had never continued or increased at the level seen in 2023, and EOHLIC could not have predicted the national and international causes. EOHLIC took an appropriately measured response to the initial rise in demand. It worked with contracted shelter service providers through existing contracts, a rolling RFR, and newly procured vendors to expand the shelter system, as had happened in the past.

But demand did not moderate and was further compounded by the low exit rates, data not requested or considered by the SAO. By August 2023, the EA caseload had surpassed its 2014 record, and it was clear that the system was facing an unprecedented rise in demand for shelter. On August 8, 2023, the Governor declared a State of Emergency due to the rapid and unabating increase in the number of families with children and pregnant people seeking shelter. The Governor also worked cooperatively with the Legislature to implement much needed reforms. The result has been a much more efficient and much more effective shelter system, capable of meeting the most pressing needs of Massachusetts families experiencing homelessness.

EOHLIC also rejects the assertion that the emergency procurements were improper or unlawful. The emergency procurements put in place as demand spiked addressed critical unmet needs for food and transportation for families and children. As the demand for shelter grew, EOHLIC maintained an open procurement for EA shelter services. But longstanding providers began to run out of the ability not only to provide physical shelter but also to meet urgent needs for food and transportation. Further, the number of new vendors bidding for this open procurement for shelter services, which included food and transportation, was limited. EOHLIC, bound by its statutory obligation to provide shelter and associated services to eligible families, had to find a solution. For a limited period during the peak of the emergency, EOHLIC placed families in hotels without immediate shelter service providers.² In many cases, these hotels could not provide access to refrigeration or cooking facilities. EOHLIC did not have direct contracts for food, so it had to move quickly to secure food services. Specifically, on September 25, 2023, EOHLIC executed an emergency contract with Spinelli’s. Spinelli’s was an existing Massachusetts Emergency Management Agency (“MEMA”) contractor that had provided much needed services to the Commonwealth during the COVID crisis under the prior administration. Spinelli’s was uniquely qualified and capable of addressing immediate and constantly fluctuating needs at frequently varying locations.³ EOHLIC executed the contract with Spinelli’s on an

² EOHLIC also procured additional shelter service providers during the winter of 2023-2024.

³ EOHLIC provided the SAO with email correspondence specific to the decision to why Spinelli’s was selected. EOHLIC believes it is important to consider the information contained in the correspondence. EOHLIC did explore existing statewide contracts. The statewide contract available was limited to unprepared foods, which was not suitable as many locations had no kitchens. The email correspondence also provides the names of three vendors shared with EOHLIC from MEMA, which were all considered prior to the selection.

emergency basis because allowing hundreds of families and children sheltered in hotels to go without access to food was rightly determined to be an unacceptable alternative.⁴ Instead of utilizing this procurement tool given to agencies, the alternative choice for EOHLC would have been to ignore the health and safety needs of the families and wait at least 5 to 6 months to competitively procure food and transportation services. By doing so, EOHLC would have risked not only the health and safety of those families, but violated its obligation to provide shelter and associated services to these families. It is important to note that EOHLC immediately initiated a procurement process and phased out these emergency contracts as EA shelter providers were brought on to serve all hotel sites. Today, no direct food contracts remain in place.

The SAO report notes that “EOHLC should have entered into short-term emergency contracts with vendors while they examined the need for long-term services.” EOHLC did just that. On the day the Spinelli’s emergency contract was executed, EOHLC initiated a procurement process for food services on COMMBUYS. The procured contracts included several food vendors, including Spinelli’s, and were signed in early spring 2024. The Spinelli’s emergency contract ended in March 2024. EOHLC also attempted to competitively procure for transportation services following the execution of our emergency contract with Mercedes Cab Company / Pilgrim Transit (MCC), but received no satisfactory bidders. Further information on this contract can be found in our response to Audit Finding 5.

EOHLC does not turn to emergency procurements lightly. But each day that food or shelter services were delayed would have risked leaving children and families without food or safe housing. EOHLC is confident that it was appropriate and lawful to utilize emergency procurements under these circumstances. Nonetheless, EOHLC fully supports the use of competitive procurements and of emergency contracts only for the time necessary to respond to the emergency, and the importance of transparency and accountability in the contracting process. That is what occurred here.

Audit Finding 2: “The procurement files required by Section 21.05(3) of Title 801 of the Code of Massachusetts Regulations did not contain sufficient evidence and documentation to support EOHLC’s decision to contract with Spinelli, and EOHLC did not consider an opportunity to accept a flat rate on an emergency no-bid contract with Spinelli for food delivery services.”

Response: EOHLC agrees that maintaining a complete procurement file ensures the retention of sufficient documentation supporting decisions to enter into emergency contracts. In its procurement files for the Spinelli emergency contract, EOHLC included the executed Spinelli’s contract and the written justification for an emergency contract, both of which were produced to the SAO.

EOHLC acknowledges that the additional documentation described in the report would further document the basis for procurement decisions. EOHLC commits to further clarifying its internal policies and procedures on the collection and retention of thorough documentation for emergency contract procurement files and for documenting processes to ensure that cost-saving opportunities were thoroughly evaluated.

The SAO report appears to misunderstand an email chain in which EOHLC inquired about Spinelli’s delivery rates. In the email, EOHLC noted that invoices showed different delivery rates for certain locations, asked about the reason for this variation, and received an explanation that Spinelli’s delivery rates varied by geography. This exchange demonstrates that EOHLC exercised appropriate diligence in reviewing the Spinelli’s invoice, not that EOHLC was offered a fixed single-rate delivery fee. EOHLC acknowledges the SAO’s point that cost-saving opportunities should be considered. However, at best, it is speculative to find that a single-rate delivery fee could have resulted in lower delivery costs if accepted. In fact, EOHLC believes that such an analysis would not have been reasonably possible given the variable factors not known at the time.

Audit Finding 3: “The Executive Office of Housing and Livable Communities exercised insufficient oversight of its delivery contract with Spinelli, resulting in overpayments of \$4,136 on 9.6% of deliveries.”

⁴ EOHLC estimates the typical procurement process to be five to six months.

Response: EOHLC disagrees that the overpayment of 0.02% of costs under the contract supports a finding of insufficient oversight, but acknowledges that improvements made since the audit period have increased oversight efforts.

Spinelli's provided approximately 487,373 meals for families and children, at a total cost of \$9,446,698. The SAO report asserts \$4,136 in overcharges by Spinelli's, as well as \$1,686 in undercharges. The report identifies \$2,306 in net overpayments out of a contract with total costs of nearly \$10 million, an error rate of just 0.02%. This tiny error rate—just one-fiftieth of one percent—cannot justify a finding of systematic overpayment.⁵

EOHLC is committed to proper invoice review and approval processes. Since the audit period, EOHLC independently bolstered its invoice review process and implemented formal processes for verifying vendor invoices against contract terms and our data. In 2024, EOHLC launched PowerDMS, an internal tool for storing formal standard operating procedures agency-wide. PowerDMS also contains specific invoice review procedures and the roles and responsibilities of all involved, from program staff to the fiscal team. Moreover, EOHLC added additional staff at varying levels who touch the invoice process. EOHLC further addresses errors in invoices pursuant to the Office of the Comptroller's Bill Payment Policy.

Audit Finding 4: “The Executive Office of Housing and Livable Communities violated certain aspects of its contract with SKS Management, Inc. by not approving in writing the use of certain subcontractors.”

Response: EOHLC did properly supervise SKS Management Corporation's use of subcontractors, limiting use to approved subcontractors only.

EOHLC agrees on the importance of documenting approval of subcontractors and acknowledges that more records could have been maintained to document approval of subcontractors. In the case of SKS, SKS did not book hotels without EOHLC's approval. The approval process at the time was designed to allow EOHLC to nimbly respond to the daily fluctuating need to find hotel rooms for families eligible to be placed into shelter. Documents submitted to the SAO show that EOHLC approved the hotels booked by SKS. For example, SKS invoices itemize the names of the subcontracted hotels, their nightly rates, and total costs during the billing period. EOHLC was in regular contact with SKS as they located hotels in geographic locations requested by EOHLC and, in some cases, SKS took over the payment for hotels originally booked by EOHLC. The Commonwealth controlled the placement of families in subcontracted hotels and carefully tracked where each family was placed. EOHLC connected these families to EA shelter providers for general support, transportation services, and food delivery.⁶

EOHLC agrees with the SAO about the importance of documenting approval of subcontracts. EOHLC is committed to updating its internal policies and procedures to include clearer guidelines on documenting review and approvals of subcontracts.

Audit Finding 5: “The procurement files required by Section 21.05(3) of Title 801 of the Code of Massachusetts Regulations did not contain sufficient evidence or documentation to support EOHLC's decision to contract with Mercedes Cab Company / Pilgrim Transit. Its emergency no-bid contract for transportation services resulted in excessive costs.”

Response: EOHLC did maintain a procurement file documenting its basis for entering into an emergency contract with MCC, but EOHLC agrees on the importance of properly documenting procurement decisions.

⁵ In a recent report on improper payments, the U.S. Government Accountability Office set a threshold of “improper payment rates of 10 percent or higher” in identifying programs, drawing on requirements of the Payment Integrity Information Act of 2019, P.L. 116-117. GAO, *Improper Payments: Key Concepts and Information on Programs with High Rates or Lacking Estimates*, GAO-24-107482 (June 27, 2024), <https://www.gao.gov/assets/870/869747.pdf>. That threshold is 500 times higher than the improper payment rate SAO purports to have identified.

⁶ The documents that EOHLC provided to the SAO demonstrate these facts. For example, SKS invoices clearly identify the families placed in SKS's subcontracted hotels, including the room numbers occupied by those families and the number of nights those families occupied the rooms.

In its procurement file for the emergency contract with MCC, EOHLC included the executed contract with MCC and the justification for an emergency contract, both of which were produced to the SAO.⁷ EOHLC acknowledges that additional documentation would further document the basis for procurement decisions. EOHLC commits to further clarifying its internal policies and procedures on the collection and retention of thorough documentation for emergency contract procurement files and to ensuring that cost-saving opportunities are thoroughly evaluated.

EOHLC respectfully disagrees with the report's assertion that EOHLC paid excessive transportation fees in light of important context not addressed in the audit report. EOHLC needed specialized transportation services and the cost that EOHLC paid was proportionate to the difficulty of the required work. EOHLC required statewide, on-demand transportation services by a vendor able to scale. Transportation services had to be guaranteed to be available between 8 am and 6 pm, Monday to Saturday. The service provider needed to accomplish pick-ups and drop-offs on short notice (with fluctuating demand), and not in close proximity to public transit.⁸ The services provided had to be appropriate and safe for families with children, including access to car seats and booster seats, a fact not included in the report.⁹ EOHLC determined that MCC was uniquely qualified to meet these needs and that its rates were fair. The isolated invoices and charges that the SAO questions in its report do not undercut EOHLC's determination. A few examples are instructive:

- MCC provided nearly 16,000 rides. Out of those 16,000 rides, the report identifies just two as incorrectly invoiced. That equates to 0.01% of all rides.
- The report characterizes the rate of “no shows” and canceled rides as excessive, questioning why EOHLC did not question such no shows and cancellations. But EOHLC questioned MCC on cancellations and some cancellations were not charged as a result. EOHLC worked to reduce no shows and cancellations by proactively educating families placed in hotels on access to public transportation, availability of MassHealth transportation, and on the appropriate use of MCC transportation.
- The report also questions a ride for 55 people to an “urgent care” facility, asking why a group of this size would need to go to urgent care absent a catastrophic or large-sale emergency. The destination, however, was a health care clinic, not an urgent care facility. Transportation to the clinic facilitated a variety of health care services, including vaccines, screenings, and other care not necessarily associated with a catastrophic or large-scale emergency event.

EOHLC conducted a competitive procurement process for transportation services after securing the emergency contractor. EOHLC posted a Request for Response for transportation services on December 15, 2023.¹⁰ On January 26, 2024, EOHLC closed the procurement without selection of a vendor because of a lack of satisfactory bids.¹¹

As noted in our response to Audit Finding 4, EOHLC has already strengthened its invoice review processes and implemented formal processes for verifying vendor invoices against contract terms and our data.

⁷ The justification itself extensively described the basis under which the emergency contract was utilized, why MCC was selected, and EOHLC's intent to competitively procure for long term transportation services.

⁸ Where there was proximity to public transportation, families were encouraged to utilize such services instead of those provided by MCC as long as their destinations were in or near locations served by public transportation.

⁹ The report's source of comparison to MCC, an established transportation company, is a Boston Police Department's website with meter rates. The report should consider the fact that the EA Family Shelter program served families and *children*, who required safety gear, such as car seats. MCC was able to provide transportation for these families with children and provided necessary gear that homeless families often do not possess.

¹⁰ See <https://www.commbuys.com/bsso/external/bidDetail.sdo?docId=BD-24-1076-OCDDDE-HS003-96057&external=true&parentUrl=bid> .

¹¹ The report concludes that it was “unclear” why EOHLC made the decision to utilize the services of MCC without adequate justification or evidence. The lack of satisfactory bids received in response to our competitive procurement speaks volumes to the extremely unique and challenging nature of this service.

Audit Finding 6: “The Executive Office of Housing and Livable Communities mismanaged certain aspects of some of its contracts with both types of shelter providers (traditional shelters, hotels, and motels).”

Response: EOHLC properly managed its shelter providers and adhered to the terms of its contract, but is committed to continue improving its monitoring and invoice review processes. EOHLC agrees on the importance of using clearer contract terms and is committed to continuing to improve our contract terms and amendment practices and our monitoring and invoice review processes. But as to the specific issues identified in the report, EOHLC properly managed its shelter providers and adhered to the terms of its contracts, including:

- **Meeting Room Charge**

It is standard practice for hotels to charge hotel guests for the use of meeting rooms, conference rooms, or event space. EOHLC occasionally required such spaces to accommodate events such as parenting classes, legal service clinics, vaccination clinics, and other supportive services typically provided to families in the EA Family Shelter Program. As EOHLC informed the SAO, before a meeting room could be charged to EOHLC, provider staff had to make a request to EOHLC and EOHLC had to affirmatively agree in advance to pay for use of the meeting room. EOHLC agreed to pay for the use of a hotel meeting room in the one instance identified by SAO because the room was needed in order to meet with families to provide supportive services.

- **Room Charges**

The room charges identified in the report as improper were in fact used to shelter eligible homeless families enrolled in the EA Family Shelter Program. Some families required two hotel rooms to accommodate the size and composition of their family, as was the case in the instance identified by SAO.

It is important to note that the contract was amended in the next fiscal year to 96 rooms. EOHLC agrees with the SAO report that, in this situation, we could have executed a contract amendment more quickly. EOHLC is committed to ensuring that contracts reflect that all charges are contractually authorized and properly documented as part of our invoice review process as noted above.

- **Strategic Rehousing Initiative (SRI) Gift Cards**

There is no evidence to suggest that gift cards were misused. SRI funds are intentionally flexible in order to aid families exiting shelter. Providers are required to retain records and relevant documentation of expenses for their records, and to verify that expenses are allowable prior to submitting invoices to EOHLC. In the invoice mentioned in the draft audit report, EOHLC verified that the provider kept detailed information on each gift card disbursement.

Nonetheless, gift card usage is rare and EOHLC agrees gift cards should not be the primary mechanism utilized. Since the audit period, EOHLC issued an “Administrative Plan on the Uses of Strategic Rehousing Initiative (SRI) Funding,” as well as several memoranda further clarifying the use of SRI funding. The SRI Administrative Plan includes definitions, allowable uses, SRI approval and invoicing processes, among other information. EOHLC also developed an invoice template specific to SRI, which collects specific information on gift cards. EOHLC agrees to further review the practices of our providers to strengthen control mechanisms and verify use of the gift cards.

- **Diversion Program**

EOHLC maintains that the SAO did not have sufficient facts or information regarding diversion services as very few opportunities were presented to EOHLC to thoroughly explain how it works. Under the relevant contract, rates for diversion services could fall within a range that SAO averages to \$1,580 per family. The \$19,450 invoice at issue shows 8 diversion referrals and 79 calls from the homelessness prevention hotline.

SAO's alleged "discrepancy" appears to rest on averaging costs across both diversion services and homelessness prevention hotline calls and suggesting that the resulting \$200 per family is too low. This calculation does not reflect the reality of costs under this program, under which minimal costs were associated with calls from the prevention hotline and the costs for diversion services varied based on family needs.

Since the audit period, EOHLC separated out diversion services into their own contracts for providers. This allows for a more streamlined process, especially for invoice review. Diversion contracts are now set up as reimbursement contracts, requiring supporting documentation for all costs incurred from the previous month. EOHLC has also released other administrative plans relative to the diversion program to clearly define terms, appropriate use of funds, and standardize the program overall.

Other Matters:

- **“Many of the issues raised in this report point to a lack of sufficient administrative oversight at EOHLC during the emergency shelter crisis.”**

Response: EOHLC was in the midst of a crisis during the audit period. Since then, EOHLC has built a stronger, more sustainable shelter program, and increased staffing to appropriately accommodate the system to ensure it runs efficiently and achieves our goal that shelter be rare, brief, and nonrecurring. Many of the actions and policy reforms address the issues identified by the SAO report.

In June of 2023, [Family Welcome Centers](#) were opened to provide case management and day services to newly arriving families who were otherwise congregating at public transit hubs and crowding hospital emergency rooms already burdened with existing capacity constraints. By August of 2023, when EA caseload had finally surpassed its 2014 record and EOHLC's contracted service providers could no longer expand their capacity to meet increased demand, Governor Healey declared a [state of emergency](#). EOHLC subsequently instituted a 7,500-family capacity limit, the first such reform ever made to curb expansion of the EA system. The system and its social service providers could not afford to safely expand any further. By November of 2023, the system reached its [capacity limit](#). In the same month, the [Administration coordinated with the Department of Homeland Security](#) to secure work authorizations for newly arrived families that were in shelter.

Today, the EA system is providing shelter to 4,673 families, down from the 7,500-capacity limit, and caseload continues to decline following the Administration's successful implementation of length of stay limits combined with intensive rehousing efforts. Families are no longer seeking shelter at [Logan Airport](#), South Station, or emergency rooms because now they are effectively connected to appropriate support through a new two-track, [needs-based model of shelter](#). Furthermore, EOHLC has implemented new eligibility requirements addressing criteria such as qualifying immigration status and criminal history. There is now a six-month length of stay limit, and that policy is paired with more intensive case management resulting in more families exiting from EA than ever before. In April 2025, 814 families exited shelter, in March 766 families exited shelter, since August 2023, 8,340 total families have exited shelter, and the average length of stay is now less than one year.

In total, 6,967 sheltered families have been connected with work authorizations, 5,243 have been placed into jobs, and 1,485 families since January 2023 have been diverted from long term shelter, interventions never deployed by prior administrations. The EA system is now also more transparent than it has ever been, with an [online dashboard](#) tracking town-by-town caseload, biweekly spending reports to the Legislature and the media. Additionally, last year's [Special Commission on Emergency Housing Assistance Programs](#) offered policy recommendations that informed many program changes implemented by the Healey-Driscoll Administration over the course of this emergency response.

In addition to stabilizing the EA shelter system, the Healey-Driscoll Administration is working hard to bring down the cost of housing for all residents. At any given time, only [1.6% of homes](#) are available for rent or purchase, which is why this Administration has prioritized building more affordable and market rate housing to meet existing and future demand. It is why this Administration created EOHLC, why this Administration developed and passed

the [Affordable Homes Act](#) in partnership with the Legislature, why we initiated the [End Veterans Homelessness Campaign](#), proposed to [eliminate renter paid broker fees](#), and implemented the [MBTA Communities Act](#) with increasing urgency.

EOHLC appreciates the SAO's suggestion to increase sufficient administrative oversight from those that existed during the audit period. EOHLC believes the monumental changes we have made to our system, all while continuing to provide services to tens of thousands of homeless families and children, achieves the SAO's intent of this recommendation. EOHLC is committed to minimizing risk, providing continued transparency, and ensuring we can manage future crises from the many lessons learned over the last few years.

- **“EOHLC does not have an established policy or procedure to verify that hotels and motels are current on their tax obligations.”**

Over the course of the audit, EOHLC informed the SAO that it has an established process for addressing tax payments to municipalities. The report does not acknowledge this process.

EOHLC addresses local tax obligations through direct payments to municipalities by the Commonwealth. In FY24, EOHLC adopted a process through which the Commonwealth compared FY23 and FY24 local option excise tax revenues of municipalities in which EA hotels/motels were located and sent to municipalities with decreased revenues in FY24 a distribution in order to make up the loss.

In conclusion, EOHLC is committed to sound procurement practices and efficient administration of the EA program. EOHLC cooperated transparently with the SAO's inquiries, just as it has with other recent reviews, including that of the Special Commission on Emergency Housing Assistance Programs. EOHLC agrees with many of the principles examined in the SAO report. EOHLC agrees, for example, that emergency procurements should be used only as necessary, that appropriate records should be maintained, that vendors should be paid only what they are owed, and that sound financial management and the health and safety of families in shelter should be paramount in all decision making. EOHLC lived up to these standards during the audit period. As noted above, EOHLC has already made certain improvements to the EA system over the past two years and looks forward to addressing other areas identified in the audit report to future policies and practices that can be improved.

Sincerely,



Edward M. Augustus, Jr.
Secretary