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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

July 14, 2025

Barbara C. Guinn  
Commissioner  
Office of Temporary and Disability Assistance  
40 North Pearl Street  
Albany, NY 12234

Re: Oversight of Homeless Shelters  
Report 2024-F-31

Dear Commissioner Guinn:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of State Finance Law, we have followed up on the actions taken by officials of the Office of Temporary and Disability Assistance to implement the recommendations contained in our initial audit report, *Oversight of Homeless Shelters* (Report [2018-S-52](#)).

**Background, Scope, and Objective**

According to the U.S. Department of Housing and Urban Development's 2023 Annual Homeless Assessment Report to Congress, New York State has the second largest population of people experiencing homelessness in the United States, with 103,200 homeless individuals, 15,175 of whom live outside of New York City. New York also had the largest increase in this population—64.9%—between 2007 and 2023. While New York State has the second highest population of homeless individuals in the United States, it has the second lowest percentage of homeless persons that are unsheltered (4.9%).

The Office of Temporary and Disability Assistance (OTDA or Office) administers programs for the State's low-income residents and provides leadership, guidance, and support to local Social Services Districts (Local Districts) and the New York City Department of Homeless Services (DHS) in the operation of these programs. OTDA oversees the State's network of emergency homeless shelters—ranging from large former hotels, apartment houses, and armories, to smaller multi-family houses, specifically designed housing units, and hotels and motels—and is responsible for administering a system of supervision, inspection, and enforcement to ensure shelters' compliance with applicable rules and regulations, including the New York Codes, Rules and Regulations and Social Services Law.

In general, shelter facilities must be maintained in a good state of repair and sanitation in conformance with applicable State and local laws, regulations, and ordinances to ensure a safe, comfortable environment for residents. In 2020, OTDA updated regulations to require all new family and adult shelters, regardless of size, to be certified prior to opening if they are in receipt of public funding. Family and adult certified shelters each provide a range of services, which may include private rooms, access to nutritious meals daily, supervision, permanent

housing preparation, and assessment, recreational, referral, child care, health care, and social rehabilitation services.

OTDA officials stated that, as of October 21, 2024, there were 588 certified shelters. In addition, they stated that 552 hotels and motels were also used for housing people experiencing homelessness across the State. Counties throughout the State utilize hotels and motels to house a significant portion of their homeless populations. In fact, for many rural counties, hotels and motels are the only option, as there are no formal shelters. Of the 57 counties outside of New York City, 25 (44%) do not have a designated shelter facility.

OTDA is required to inspect all shelters at least annually. OTDA performed 573 such inspections in 2022 and 566 in 2023. Inspection components include checking for health and safety issues; general facility management and financial conditions; the condition of the grounds, buildings, and other property; qualifications of the operators and employees; compliance with regulations regarding residents' rights; and programs designed to promote self-sufficiency and enable residents to transition to permanent housing. Shelters must correct any inspection violations within 30 days or submit an acceptable corrective action plan (CAP) if unable to resolve violations within that time frame. OTDA monitors CAP progress and, when appropriate, conducts follow-up inspections to verify issues have been remediated. OTDA also accepts work orders, repair invoice documentation, and photographs as evidence of remedied violations when closing out CAPs.

Additionally, Local Districts that make hotel/motel referrals must inspect the hotels/motels in which families are placed at least every 6 months and provide a copy of those inspection reports to OTDA within 30 days of completing an inspection.

OTDA's funding of shelter services is administered through the Local Districts, comprising DHS and the Human Resources Administration serving the five boroughs of New York City, and 57 county offices throughout the rest of the State. Local Districts submit shelter reimbursement claims to OTDA. If violations identified during shelter inspections are not remedied, OTDA has the authority to withhold all or a portion of the payment until the issues are rectified. For 2023, Local Districts submitted \$2.2 billion in gross claims to OTDA for homeless housing reimbursement, an increase of 38%—or \$600 million—from the 2017 gross claims totaling \$1.6 billion.

The objective of our initial audit, issued on March 10, 2020, was to determine if OTDA has adequately overseen homeless shelters to ensure they were operating in compliance with applicable laws, rules, and regulations. The audit found OTDA was not providing adequate oversight of homeless shelters to ensure that conditions were safe. We observed conditions that posed significant health and safety risks to the State's homeless population. Specific observations included:

- 96 of 159 (60%) homeless shelters visited were generally in unsatisfactory condition.
- Serious violations noted during visits included structural damage, mold, vermin, bug infestations, excessive garbage in rooms, and missing or malfunctioning smoke detectors.
- Discrepancies between OTDA's shelter inventory and Local Districts' lists of facilities.

We also determined OTDA oversight could be improved through better risk assessment, more effective information tracking or monitoring of corrective actions, and enforcement of existing consequences for violations. We also encountered transparency and cooperation issues that led to delays in receiving information, scheduling and performing shelter site visits, and scheduling meetings.

The objective of our follow-up was to assess the extent of implementation, as of February 2025, of the eight recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

OTDA officials made some progress in addressing the problems we identified in the initial audit report. Of the initial report's eight audit recommendations, five were implemented, one was partially implemented, and two were not implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Improve policies and procedures for using inspection checklists, monitoring shelter violations, and ensuring shelter inspections.*

Status – Implemented

Agency Action – OTDA issued new policies and procedures for its annual inspections of homeless shelters in March 2024. These policies and procedures require that all family and adult shelters be inspected annually. Hotel and motel inspections must be conducted within 10 business days of their assignment in the Shelter Management System (SMS). Additionally, OTDA created new inspection checklists in 2024 that are mandatory for all inspections. All shelter inspections are to be scheduled, entered into, and tracked in SMS. Under these new procedures, CAPs are also tracked in SMS. If more than 30 days pass after an inspection is completed and a CAP hasn't been submitted where required, inspectors follow up with the shelter to ensure that violations have been corrected or a long-term solution is put in place.

#### **Recommendation 2**

*Refine inspection checklists to better document regulatory requirements.*

Status – Partially Implemented

Agency Action – OTDA updated its 2024 annual homeless shelter site visit checklists to be more comprehensive and to include all the applicable regulatory requirements. We compared the regulatory requirements that were not addressed in the prior checklists from the original audit and found that OTDA has made significant progress in making the checklists more comprehensive in order to better document regulatory requirements. However, we reviewed the 2024 checklists and found some regulatory requirements still have not been addressed, specifically, staircases and aspects of the Americans with Disabilities Act requirements.

### **Recommendation 3**

*Take steps to ensure shelter violations are corrected, which may include partially or fully withholding reimbursements for homeless services or reconsidering provider eligibility in the homeless shelter system in accordance with applicable regulations.*

Status – Implemented

Agency Action – OTDA has taken steps to ensure that shelter violations are corrected. When necessary, OTDA documents corrective actions in the CAP reports that are completed at the end of each annual inspection. CAP reports detail the regulation number cited, a description of the violation, the required corrective actions, and photographs of the issue cited, all of which are to be included in the inspection documentation. Providers are then required to submit their own photographs and/or additional documentation to show the actions taken by the provider to correct the CAP. OTDA staff then review the actions taken to determine whether it is appropriate to clear the CAP. According to OTDA officials, if the provider's efforts are insufficient, the process continues until the matter is resolved. Details of the inspections (including violations), the required corrective actions, and the provider's responses to the CAP are maintained in SMS.

We selected a sample of five homeless shelters that had CAPs identified during their 2024 annual inspections. We visited the five shelters and reviewed the corrective actions taken. For three of the shelters, we were able to confirm that 32 of 36 CAPs had been corrected, reported in SMS, and approved by OTDA. The remaining four CAPs pertained to a kitchen that is no longer used.

According to shelter officials, a total of 25 CAPs had been submitted to the Local District for the two remaining shelters. Of the 25 CAPs, we found 12 had been corrected, four could not be verified due to snow cover on the day of our visit, seven were in the process of being corrected, and two had not yet been corrected. However, these 25 CAPs hadn't been submitted to OTDA for review; therefore, OTDA could not take any action.

### **Recommendation 4**

*Add hotels/motels to the homeless shelter inventory upon initial resident referral.*

Status – Not Implemented

Agency Action – OTDA provided a copy of its current inventory of hotels/motels used for emergency placement of homeless. To determine the accuracy and completeness of this inventory, we requested the inventories of hotels/motels used for emergency placements of homeless people from five counties (Local Districts). A comparison of the Local Districts' inventories to OTDA's inventory revealed 13 hotels/motels that were listed on the Local Districts' inventories but not on OTDA's inventory. In addition, 10 hotels/motels listed on OTDA's inventory were not on the Local Districts' inventories. OTDA officials stated that the inventory list is a "moving target" while Local Districts use or discontinue use of hotels/motels in accordance with their homeless housing needs. However, OTDA has not changed the process that was in place during the prior audit to ensure the inventory listing of hotels/motels used by the Local Districts is updated timely. More work needs to be done to ensure these inventories reconcile.

### **Recommendation 5**

*Continue to evaluate and develop SMS to ensure it is being used to its full potential in assisting the Office in monitoring risk at homeless shelters.*

Status – Implemented

Agency Action – On July 12, 2021, OTDA upgraded SMS and began requiring Local Districts and providers to upload information into SMS, including all emergency shelter operational plans and requests for the creation of new shelter and/or provider accounts. Further, new shelter/provider accounts must be created before the Local District and provider can begin work on the operational plan within SMS. Once the accounts are created, Local Districts enter separate operational plans into SMS for each shelter that receives State or State-administered grants or funds.

Once the 2021 SMS upgrade was completed, all certified and uncertified shelters already in operation were required to enter their fiscal year 2022 budget into SMS, along with their operational plan. Shelters that opened after the changes were required to submit a budget along with the operational plan in SMS.

### **Recommendation 6**

*Review required plans to help homeless individuals and families secure permanent housing.*

Status – Not Implemented

Agency Action – OTDA officials advised us that our recent follow-up ([2024-F-36](#)) on another audit, *Homeless Services Housing Needs Assessment* ([2021-S-23](#)), covered this recommendation; therefore, they did not provide us with any additional information. In that audit, we found OTDA did not adequately ensure that needs assessments and independent living plans were completed in a timely manner and that all client support services were provided. We found that only 30% of clients in our sample (44 of 145) transitioned to permanent housing, meaning 70% (101 clients) either did not exit the shelter and transition to permanent housing or did not report their reason for leaving the homeless shelter system to OTDA.

During that follow-up ([2024-F-36](#)), we assessed the extent of the implementation of the following recommendation to OTDA: *Take additional steps to ensure that Local Districts and shelter providers complete treatment plans.* We determined the recommendation was not implemented. Treatment plans outline specific goals to help the client exit the shelter and return to self-sufficiency. Without ensuring the client receives the services tailored to their needs, the goal of self-sufficiency and permanent housing can be harder to achieve. We found OTDA continues to put the responsibility on the Local Districts to ensure that treatment plans are complete and has taken no additional steps to ensure Local Districts and shelter providers complete treatment plans. However, it is ultimately OTDA's responsibility to oversee the Local Districts to ensure clients receive the services needed.

### **Recommendation 7**

*Ensure facilities are aware of the Grant Program, which could help them make needed health and safety improvements.*

Status – Implemented

Agency Action – OTDA provided copies of the 2023 and 2024 Emergency Shelter Repair Grant information sheets, which detail the annual \$1 million in grants available. According to OTDA officials, this document is given to providers during their annual inspection. Providers are encouraged to apply for grants of up to \$150,000 to be used for shelter repairs and improvements. Improvements covered by the grants may include repair or replacement of roofs, windows, exterior building repairs, and fire and security systems. The grant information sheet also details ineligible expenses, such as ongoing operating costs (e.g., staff salaries/bonuses, insurance) and outside amenities (e.g., fencing, playgrounds, picnic tables). OTDA awarded two grants totaling \$125,810 in 2023 and two grants totaling \$300,000 in 2024. During our site visits to the five shelters, staff from these providers indicated that OTDA made them aware of the availability of the grants.

### **Recommendation 8**

*Improve transparency and cooperation to maintain good governance.*

Status – Implemented

Agency Action – Since the initial audit, OTDA has improved its transparency and cooperation with the auditors. During our follow-up, our requests were responded to timely, records were provided as requested, and the auditors were afforded access to the staff required for meetings and discussions throughout this follow-up.

Major contributors to this report were Ray Barnes, Don Cosgrove, Famia Qureshi, and Mark Womeldorph.

OTDA officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of OTDA for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Brandon Ogden  
Audit Manager

cc: Thomas Cooper, Office of Temporary and Disability Assistance