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September 24, 2018

Mr. Samuel D. Roberts
Commissioner
Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, NY 12243

Howard A. Zucker, M.D., J.D.
Commissioner
Department of Health
Empire State Plaza, Corning Tower
Albany, NY 12237

Re: Oversight of Hotels and Motels Used for
Homeless and Mixed-Use Temporary
Residency
Report 2018-F-12

Dear Commissioner Roberts and Dr. Zucker:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of Temporary and Disability Assistance (OTDA) and the Department of Health (DOH) to implement the recommendations contained in our audit report, *Oversight of Hotels and Motels Used for Homeless and Mixed-Use Temporary Residency* (Report 2016-S-49) issued June 27, 2017.

Background, Scope, and Objective

According to Department of Housing and Urban Development 2017 data, of the 89,503 homeless people in New York State, 13,002 live in areas outside of New York City (NYC). Counties throughout the State utilize hotels and motels to house a substantial 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 the NYC area, 25 (44 percent) do not have a designated shelter facility.

OTDA has assigned responsibility for the inspection of hotels and motels housing the homeless to local Social Services Districts (SSDs) and to the NYC Department of Homeless Services, but remains responsible for monitoring their activities. Similarly, DOH oversees its own district offices and county health offices across the State, excluding NYC, which are responsible for permitting and inspecting temporary residences (hotels and motels).

Our initial audit report examined whether OTDA and DOH adequately ensured that hotels and motels used for homeless and mixed-use temporary residency were properly permitted and

adhered to State public health standards. The audit report concluded that, of the 80 hotels and motels we visited, 24 (30 percent) were in generally unsatisfactory condition, exhibiting problems such as mold; water damage; structural damage; and fire safety issues, including exposed wiring and missing smoke detectors. Also, despite OTDA's establishment of a standard checklist to guide required six-month inspections, SSD practices lacked uniformity, and confusion existed regarding the inspection process. Additionally, OTDA had not provided SSDs with sufficient guidance about corrective action plans to address unsatisfactory conditions. Finally, the audit report concluded that, while material aspects of OTDA's inspection program were similar to activities performed by DOH, neither agency had investigated the possibility of sharing information concerning their hotel and motel inspections to minimize duplication of efforts.

The objective of our follow-up was to assess the extent of implementation, as of August 31, 2018, of the four recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that OTDA and DOH have made progress in addressing the issues we identified in the initial audit. Of the four prior report recommendations, all four were fully implemented.

Follow-Up Observations

Recommendation 1

Provide additional guidance and establish uniform procedures for SSDs' staff to ensure full understanding of the goals of the inspection checklist as well as the inspection function.

Status - Implemented

Agency Action - OTDA issued additional guidance to SSDs in September 2017, including uniform actions to be taken when hotels or motels are found to be uninhabitable or with unsatisfactory conditions. Further, OTDA issued a supplement to previously issued guidance reminding SSDs of their six-month inspection requirements for commercial hotels and motels, including the purpose of the inspection checklist.

Recommendation 2

Establish clear and concise policies and procedures for recommended action to be taken by SSDs in the case of hotel and motel inspections that are found to be unsatisfactory.

Status - Implemented

Agency Action - In September 2017, OTDA issued policies detailing required actions SSDs should take when unsatisfactory hotels and motels are identified. Specifically, these policies indicate SSDs should request that the hotels/motels correct violations within 30 days or less. When life-threatening or safety-related issues are identified, the policies state SSDs

should not use those hotels/motels and should relocate any current placements. These actions are also recommended when hotels/motels refuse to correct any previously cited violations. In addition, the policies remind SSDs of the requirement to inspect hotels/motels every six months.

Recommendation 3

Establish a process to capture and analyze data from the six-month inspections submitted by the SSDs to better monitor habitability standards of hotels and motels used for homeless housing.

Status - Implemented

Agency Action - OTDA has developed a process to track SSD inspection report data including the location name, address, inspection dates, conditions observed, and follow-up on overdue reports. In addition, OTDA is in the process of developing a new system to manage the inspection data received from SSDs. Based on our review of OTDA's system documentation and information, it appears the system will:

- Accept electronic inspection reports from SSDs;
- Electronically record their review of inspection reports;
- Analyze inspection reports to monitor violations and their resolutions;
- Generate and send automated inspection reminders to SSDs based on each hotel/motel's previous inspection; and
- Produce reports documenting inspections (completed or outstanding).

Recommendation 4

Improve communication and collaboration among pertinent State and local government agencies to: prevent duplication of efforts; strengthen the current inspection system; and ensure the most efficient use of public resources to inspect temporary residences used to house the homeless.

Status - Implemented

Agency Action - OTDA and DOH have each implemented their own tracking systems to document communication with each other and SSDs. Our review of documentation from these systems substantiated the communications between OTDA and DOH as well as OTDA and the SSDs. For example, OTDA's documentation listed the instances of technical assistance provided to SSDs over the phone, by email, or in person, along with conversations between OTDA and DOH regarding inspections done by SSDs. Furthermore, the information in DOH's tracking system matches OTDA's. Officials from both DOH and OTDA expressed that information sharing has been beneficial.

Major contributors to this report were Ray Barnes, Cheryl Glenn, Lisa Whaley, and Brendan Reilly.

We thank the management and staff of both OTDA and DOH for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Mark Ren
Audit Manager

cc: Kevin Kehmna, OTDA
Diane Christensen, DOH
Division of Budget