



March 25, 2026

Scott Heid  
Audit Manager  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> Floor  
Albany, NY 12236-0001

Dear Mr. Heid:

The following are the Office of Mental Health's (OMH) comments in response to the Office of the State Comptroller's (OSC) Follow-Up Audit Report 2025-F-11 entitled, "Controls Over the Empire State Supportive Housing Initiative."

**OSC Recommendation 1**

*Increase the frequency of the Office's provider monitoring visits to ensure ESSHI units are adequately maintained, provider performance is acceptable, and Guidelines are met.*

Status – Partially Implemented

Agency Action – OMH has increased the number of its provider monitoring visits from nine projects during the initial audit period (July 2019 through December 2022) to 28 projects between January 2024 and June 2025. Additionally, OMH officials stated another 18 visits were scheduled to be completed by the end of September 2025. According to March 2025 field office meeting minutes, all field offices are increasing the frequency of monitoring visits to twice per contract cycle, including once within the first year of a new project site opening. Because OMH ESSHI contracts are 5-year cycles and the new monitoring guidelines were just issued in March 2025, we were unable to determine whether OMH met its Guidelines' requirement of one monitoring visit within the first year, or if OMH has increased its visits to two per cycle since we issued the initial audit report. We reached out to three providers (one that had a completed monitoring visit and two with scheduled monitoring visits based on OMH data) to verify whether the visits had occurred or were scheduled. The one provider confirmed the visit occurred. Of the two providers with scheduled visits, one confirmed the visit was scheduled and may have already occurred and the other provider did not respond to our request.

Although monitoring visits have increased, we found instances where issues identified in the initial audit were not resolved. We reinspected certain ESSHI units that were not properly maintained during our initial audit to determine whether providers had corrected the identified issues and whether other issues were present. Of the six provider projects visited from our initial audit, we judgmentally selected two projects for reinspection totaling 20 units based on geographical location, number of previously identified issues, and whether the same residents were residing in the units. Of these, we revisited eight units with 14 issues identified in the initial audit, such as wall damage, bubbling or peeling paint, water stains, unclean floors and carpets, and signs of vermin. In one of the eight units, a continued presence of cockroaches and peeling/chipped paint had not been addressed; however, the provider documented that they had made multiple attempts to correct the issues, but the resident refused entry. Of the remaining seven units, we found that providers had not addressed 69% (nine of 13) of the

identified issues. Additionally, we observed five new issues across four of the units, including needed repairs to windows, walls, cabinets, and a stove.

### **Response 1**

As OSC stated, OMH has increased the frequency of monitoring visits to ensure compliance with OMH guidelines for supportive housing programs (including ESSHI). In the response to the initial report, OMH disagreed with OSC's assumption that the mere presence of physical plant issues was evidence of ESSHI providers' failure to meet contractual obligations. The ESSHI program is designed to increase independence in the service areas of the tenant's choosing. ESSHI service providers should support a tenant in submitting a work order for repairs where that level of support is needed and requested by the tenant, ensuring the maximum amount of independence. In instances where the ESSHI provider is also the property manager, they should be responsive to those work orders, but it is also incumbent on the tenant to allow access to complete repairs. As OSC acknowledges, in at least one instance the issue was due to the tenant refusing staff entry into their home to make the necessary repairs, not provider non-compliance.

It should also be noted that for one of the two programs revisited by OSC, the ESSHI funding provides a rental stipend and services for market rate apartments rented from private landlords. Absent documentation to show that the ESSHI service provider failed to provide support or advocacy requested by the tenant, physical plant issues are not relevant to an assessment of a providers' performance or OMH's oversight. ESSHI service providers are *not* responsible for cleaning floors or carpets (or any other cleaning) in apartments.

### **OSC Recommendation 2**

*Develop and implement a process that ensures provider contracts have objectives and performance measures that are attainable, measurable, and reportable prior to awarding contracts.*

Status – Partially Implemented

Agency Action – OMH officials reported that OMH convened a workgroup in November 2023 to standardize language for provider contract plans across all housing models. OMH has developed and implemented contract language templates that include objectives and performance measures that are attainable, measurable, and reportable for newer programs, such as Critical Time Intervention, Home-Based Crisis Intervention, and Youth Safe Spaces. However, OMH has yet to implement such contract language for its supportive housing work plans, including ESSHI. OMH officials stated that their priority is new projects, and that ESSHI contracts will be updated as ESSHI contracts come up for renewal.

### **Response 2**

OMH has implemented an agency-wide initiative to develop standardized workplan language to ensure objectives and performance measures are attainable, measurable and reportable, with prioritization given first to new program types and then to existing licensed programs. OMH intends to develop standardized language for supportive housing programs (inclusive of ESSHI) in the first half of 2026.

### **OSC Recommendation 3**

*Develop and issue policies and procedures to field offices related to monitoring and reviewing work plans to ensure providers comply with contract requirements.*

Status – Not Implemented

Agency Action – OMH has not developed policies and procedures for field offices related to monitoring and reviewing work plans. According to OMH officials, this will be done following the implementation of the standardized contract language for ESSHI provider contract work plans.

### **Response 3**

As noted above, OMH has begun the process of universally overhauling contract workplans to develop standardized templates. OMH is prepared to update policies and procedures and the supportive housing monitoring review tool to include review of the workplan as soon as template language has been finalized.

### **OSC Recommendation 4**

*Review work plans during the Office's monitoring visits to better evaluate program success.*

Status – Not Implemented

Agency Action – According to OMH officials, review of work plans during monitoring visits will begin after the implementation of standardized contract language for ESSHI provider contract work plans and policies and procedures for field offices to monitor and review work plans have been developed.

### **Response 4**

As indicated in our response to recommendation 3, OMH has begun the process of universally overhauling contract workplans to develop standardized templates. OMH has discussed with field offices the need to incorporate work plan reviews on monitoring visits and will implement when the template language has been finalized and incorporated on contracts.

### **OSC Recommendation 5**

*Develop a mechanism to track and monitor non-SMI resident data to incorporate lengths of stay and occupancy rated into measures of success.*

Implementation Status – Partially Implemented

Agency Action – OMH is exploring a mechanism to track and monitor data on non-serious mental illness (SMI) residents. According to July 2025 meeting minutes, OMH's Taxonomy Committee-which reviews and advises the executive team on program code changes in fiscal, licensing, and survey system-proposed adding a program code in OMH's Child and Adult Integrated Reporting System to allow supportive housing programs to report on their non-SMI populations. This change would enable tracking and oversight of these programs without affecting SMI data. OMH officials stated that testing of this change is on going and did not indicate a time frame for implementation.

### **Response 5**

OMH is finalizing testing and anticipates implementation in the first quarter of 2026.

Please let us know if you have any questions or require additional information concerning the above.

Sincerely,



Benjamin Rosen  
Executive Deputy Commissioner