



Council of Large Public Housing Authorities

455 Massachusetts Avenue, NW, Suite 425

Washington, DC 20001-2621

Executive Director: Sunia Zaterman

phone: 202.638.1300 | **fax:** 202.638.2364

web: www.clpha.org

October 21, 2019

Regulations Division
Office of General Counsel
US Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410-0500

Re: [Docket No. FR-6160-N-01] Notice of Demonstration to Assess the National Standards for the Physical Inspection of Real Estate and Associated Protocols

To Whom It May Concern:

The Council of Large Public Housing Authorities (“CLPHA”) is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. We support the nation's largest and most innovative public housing authorities (“PHAs”) by advocating for policies and programs that most effectively serve low-income residents. Our members own and manage nearly half of the nation’s public housing program, administer a quarter of the Housing Choice Voucher (“HCV”) program, and operate a wide array of other housing programs. CLPHA members collectively serve over one million low-income households.

We appreciate the opportunity to submit comments on the proposed National Standards for the Physical Inspection of Real Estate (NSPIRE) Demonstration. While we applaud HUD’s interest in updating a 20-year-old inspection model and prioritizing the health and safety of residents, we have some concerns about HUD’s readiness to roll out the technology required for NSPIRE, the process HUD is using to introduce NSPIRE and solicit participation from PHAs, alignment between the demonstration’s goals and what HUD is proposing through NSPIRE, administrative burden, and HUD’s lack of a specific plan to evaluate NSPIRE and share feedback with stakeholders.

CLPHA has some members who are currently participating in the UPCS-V demonstration. While most report general satisfaction with multiple aspects of the demonstration, many members have voiced considerable frustration with the roll-out of UPCS-V, particularly with the technology infrastructure and required changes to PHA software. CLPHA is concerned that the NSPIRE demonstration will be plagued by the same issues in which HUD attempts to implement an ambitious inspections pilot among PHAs without first completing and testing all of the needed technology changes.

We also have concerns about the process that HUD is using to introduce the demonstration. Similar to UPCS-V, the Department is asking for agencies to volunteer for the demonstration at the same time that HUD asks for comment on the demonstration. This timing of events puts agencies in the difficult position of volunteering for a demonstration before having a full understanding of the commitments

required of their staff. The costs to PHAs of participating in a demonstration such as NSPIRE are not trivial, and PHAs cannot fully estimate those costs and assess whether it is in their best interest to participate without first having full knowledge of the demonstration's details. We recommend that HUD continue to accept registration from interested PHAs past the deadline for comments on this notice and for as long as details of the inspections protocol continue to be announced. Further, we strongly recommend that in future demonstrations, HUD avoid soliciting interest in participating in the demonstration until all relevant details of demonstration have been made public.

Given costs to PHAs for participating in NSPIRE, we suggest that HUD offer financial assistance to PHAs willing to participate in the demonstration. While PHAs may see long-term cost savings if elements of NSPIRE are adopted as part of the inspections process, there are substantial administrative costs involved with participating in the demonstration that go completely unacknowledged in this notice. These costs include expenses for educating staff and participants about the new standards, changes to software and hardware, increased inspection times as a result of working with new standards, and staff time for participating in sessions with HUD to provide feedback on the demonstration. As we have seen from the UPCS-V demonstration, these are not nominal costs and HUD should acknowledge them and carefully consider appropriate compensation for NSPIRE participants.

CLPHA is also concerned that some of the proposed changes do not have a clear rationale and are not consistent with HUD's stated goals for the demonstration. During listening sessions in spring 2019, HUD stated that the goals of the demonstration would be to 1) ensure families are living in decent and safe housing, and 2) ensure accuracy through better identification of substandard properties, increased objectivity and defensibility of inspections, and a streamlined inspection process. While NSPIRE's intent to emphasize health and safety standards is clear, we have concerns that the proposed standards do not aid in the identification of substandard properties and continue to suffer from subjectivity issues. Many of the standards describe deficiencies in vague terms that require more clarity for PHAs to fully understand how property conditions will be assessed.

Similar to UPCS-V, HUD is proposing to implement NSPIRE without a clear evaluation plan or formalized way to share feedback received from property owners. HUD's process for sharing participant reactions to UPCS-V has been rather opaque and there is limited information available about what feedback the Department has received on UPCS-V. We recommend that HUD arrange for more stakeholder listening sessions on owners' reactions to NSPIRE and create a more formalized plan for soliciting feedback on NSPIRE and sharing that feedback with other stakeholders. UPCS-V also has no formal evaluation plan, which has resulted in little information as to what elements of that demonstration should be exported to NSPIRE. We strongly urge REAC to consider collaborating with PD&R on a formal evaluation of NSPIRE, particularly if NSPIRE is intended to become the inspections standard used for all programs.

Finally, we note that the implementation of yet another inspections demonstration does not appear to move HUD any closer to a uniform inspections standard across programs. As CLPHA has stated before in comments on previous inspections notices, a uniform standard shared by Public Housing, the Housing Choice Voucher Program, and Multifamily would be welcome by PHAs to reduce

administrative burden so long as the standard is clear and implemented through a process that includes multiple opportunities for feedback from property owners.

We respond to HUD's specific requests for comment below.

1) HUD requests comment on its proposed list of Health and Safety deficiencies and asks whether other deficiencies should be added to the list.

HUD should consider formalizing the term "health and safety standards." Given recent reports of threats to health and safety experienced by residents in federally assisted housing, we agree that a renewed emphasis on health and safety standards is needed and warranted. However, our members are concerned with some of the items listed in the proposed health and safety deficiencies, some of which are arguably not a threat to health and safety. For example, it is not clear what rationale is being used to consider a jammed cabinet drawer or clogged sink to be a health and safety issue. The notice and the proposed standards available on HUD's website do not specify how HUD is defining "health and safety." Many state and local housing codes provide a definition of at least the types of items that fall within health and safety concerns. Defining this term, with public input, would allow for a better understanding of what issues HUD is prioritizing and the types of deficiencies that are included in this category.

Several items on the health and safety deficiencies list are also overly vague and require additional clarity. For example, one deficiency listed is an "improperly stored flammable or combustible item or near an ignition source." This definition needs to define what constitutes "near." Under this definition, a can of hairspray sitting in the same room as a kitchen oven would be considered a severe health and safety deficiency.

Our members are also concerned about the categorization of standard versus severe deficiencies. It is unreasonable to expect a PHA to take "immediate" corrective action to address some of the deficiencies categorized as severe. While nuisances to residents, PHAs should be allowed adequate time to correct issues such as clogged sinks, which do not represent an imminent threat to health and safety. Health and safety threats suggest a sense of urgency to avoid imminent harm to residents, and thus deficiencies such as clogged sinks by nature do not constitute health and safety threats. Differing opinions on what amounts to a threat to health and safety would be another reason for HUD to consider formally defining this term. We would suggest that health and safety deficiencies all be placed in one category that provide PHAs a short but reasonable time to address the issue.

2) Regarding the demonstration's focus on health and safety, HUD seeks comment on whether prioritizing these deficiencies over certain condition and appearance deficiencies is appropriate.

While CLPHA agrees that an emphasis on health and safety deficiencies is an appropriate priority for HUD, the deficiencies included under health and safety are very broad in scope and include items that do not belong under the "health and safety" umbrella. Please see comments above in item #1 for further detail.

3) HUD seeks comment on whether they should consider any other property characteristics in the inspection protocols.

We do not find any property characteristics lacking in the NPSIRE inspection protocols. Instead, as previously mentioned, we consider many of the proposed deficiencies to be excessive and disconcertingly vague.

4) HUD asks for feedback on what incentives they should provide to high-performing properties and what criteria should be used to determine high performance.

We suggest that high-performing PHAs be moved to a more extended inspections schedule for their properties with high scores, such as every 4 years. In the absence of information on a proposed scoring model, we are unable to comment further on scoring for high-performing agencies.

5) HUD seeks comment on administrative burden of NPSIRE compared to UPCS.

Most of the administrative costs incurred by agencies participating in NSPIRE will be costs associated with running two inspections standards simultaneously for different properties and costs involved in participating in a new standard, such as staff training and IT development. However, our members are also concerned that their staff will need to increase routine inspections of properties participating in demonstration given the excessive list of health and safety deficiencies. HUD should consider providing assistance to PHAs participating in NSPIRE to address increased administrative burdens incurred by participants.

6) HUD seeks input on what elements of UPCS they should not export to NSPIRE.

In the notice, HUD notes many of the common complaints about UPCS, including the issue of deficiencies having intentionally broad language. We find many of these same concerns within the NSPIRE health and safety deficiencies. We urge HUD to formalize a definition of health and safety and reevaluate the proposed list of deficiencies to create a list with much more clarity that actually prioritizes health and safety threats.

In sum,

Thank you for the opportunity to submit these comments.

Sincerely,



Sunia Zatterman
Executive Director