

Council of Large Public Housing Authorities

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July 29, 2022

Office of General Counsel Regulations Division Department of Housing and Urban Development 451 Seventh Street, SW Room 10276 Washington, DC 20410-5000

RE: [Docket Nos. 6086-N-02] Request for Comments: National Standards for the Physical Inspection of Real Estate and Associated Protocols

The Council of Large Public Housing Authorities ("CLPHA") appreciates the opportunity to submit comments to the United States Department of Housing and Urban Development ("HUD") in response to the notice titled "Request for Comments: National Standards for the Physical Inspection of Real Estate and Associated Protocols."

CLPHA is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. Our membership of more than seventy large public housing authorities ("PHAs") own and manage nearly half of the units in the nation's public housing program, administer more than a quarter of the subsidies in the Housing Choice Voucher (HCV) program, and operate a wide array of other housing programs.

While CLPHA understands HUD's need to update its decades-old inspection protocols and prioritize the health and safety of residents, we have significant concerns about HUD's timeline to implement NSPIRE for public housing, multifamily, and the HCV programs. Particularly at a time when PHAs continue to grapple with administrative and operational challenges caused by the ongoing COVID-19 pandemic, it is not realistic or practical to implement NSPIRE in 2023.

CLPHA hosted a listening session to hear from our PHA members that are participating in the NSPIRE and NSPIRE-V demonstrations. We are very concerned about the following observations detailed by our members.

NSPIRE will significantly increase PHAs' administrative costs.

Although NSPIRE will operate as a web-based platform, PHAs will be forced to expend limited administrative resources to implement NSPIRE. These costs are not trivial, and HUD should acknowledge them and carefully consider the appropriate administrative funding needed prior to its implementation. HUD should also consider how the ongoing pandemic will make compliance difficult with HUD's timeline to implement NSPIRE in 2023.

Hardware Costs – PHAs will be required to procure costly mobile technology (tablets and smartphones) to electronically submit inspection data to HUD. While some agencies have transitioned to paperless systems that may support this type of inspection model, many have not. Thus, PHAs will need to make large-scale technology investments in a relatively short period to comply with NSPIRE in 2023. In the past, HUD provided devices to PHAs for inspection, but there are currently no plans to do so for NSPIRE. However, supply chain delays and shortages continue to make it difficult to purchase electronic devices.

Software Costs - PHAs will incur significant software costs to implement NSPIRE. PHAs will also need sufficient time to upgrade their PHA software to integrate with NSPIRE. CLPHA members have reported that their software vendors have not yet begun to build the infrastructure needed to integrate with the NSPIRE software as many vendors report they are awaiting the NSPIRE Final Rule before making technology investments. Normal PHA software system upgrades can take more than a year to fully launch, but our members are concerned that their vendors will need even more time to launch NSPIRE.

Staff Costs – PHAs will incur significant staff/contractor retraining costs to implement NSPIRE. Early in the demonstration, HUD provided PHA staff with free tablets and training on NSPIRE standards, guidance on inspection protocols, and how to use mobile technology to capture NSPIRE data. However, CLPHA members participating in the NSPIRE demonstration report that HUD's technical assistance and training have been inconsistently applied, requiring PHAs to expend significant staff resources. Likewise, some PHAs noted that they are currently burdened by inspection backlogs due to expiring CARES Act waivers, and new inspection regulations may only exacerbate this burden if more time to properly train staff/contractors is not allowed. Additionally, CLPHA members expect that their third-party inspection contract costs will increase as contractors increase their fees to cover their staff retraining costs. Another consequence of the COVID-19 pandemic raised by our members is the shortage of qualified inspectors. Increased labor costs and labor shortages are significant challenges to implementing NSPIRE efficiently and effectively in a relatively short period.

NSPIRE technology is not reliable.

In addition to concerns that large PHA software vendors are not ready to deploy software upgrades to integrate with NSPIRE, CLPHA members are concerned that the NSPIRE web-based platform is not reliable or ready for implementation. NSPIRE demonstration participants report that the current test platform frequently fails in the field and requires inspectors to return to the office to upload inspection data manually. CLPHA is concerned that HUD is prematurely setting an implementation timeline for NSPIRE while the technology is not reliable and ready for use nationwide.

NSPIRE-V Demonstration is not representative of the HCV portfolio.

More than 2 million low-income households use HCVs to afford modest, stable housing. By comparison, the public housing program consists of 958,000 public housing units. However, HUD is primarily testing NSPIRE at 4500 public and multifamily housing sites. However, less than 140 PHAs are participating in the NSPIRE-V demonstration – a voluntary demonstration to test and validate NSPIRE protocols for HCV units. Despite this apparent disparity in the demonstration, HUD also plans to implement NSPIRE-V in 2023. CLPHA is concerned that HUD is unable to observe the implications of NSPIRE-V for HCV properties with such a small test group. CLPHA recommends that the number of NSPIRE-V demonstration sites be expanded, particularly to include more large and very large PHAs so that HUD has an understanding of how NSPIRE-V may impact voucher program administration, the inspection process and, very importantly, landlord recruitment and retention. A 2018 study on what drives landlord participation in the HCV program found that frustration with the bureaucratic elements of the program and strict inspection processes discourage landlords from accepting vouchers. The success of the HCV program depends on the participation of private-market landlords. HUD should thoroughly assess if NSPIRE-V will discourage program participation.

CLPHA **strongly urges** HUD to delay the implementation of NSPIRE beyond 2023 and until the challenges detailed in this letter are fully addressed. Once HUD issues its final rulemaking, CLPHA also recommends that HUD allow PHAs a minimum of **one year** after NSPIRE's final rulemaking is completed to acquire the required mobile technology, retrain/hire staff and contractors, upgrade PHA software and adapt processes and procedures to deploy NSPIRE and NSPIRE-V.

See below our organization's comments to selected questions posed in HUD's Docket Nos. 6086-N-02, Request for Comments on the National Standards for the Physical Inspection of Real Estate and Associated Protocols:

HUD requests comments on the "mold risk" standard and required use of moisture meters.

CLPHA members voiced concern with HUD's proposed required use of moisture meters because of the technical competency required to use such meters to "identify sources of moisture conducive to potential mold or mold-like substances". Moisture meters can misidentify metals (pipes, wires,

corner beads, etc.) as moisture. PHA inspectors/contractors are not trained on how to use the specialized equipment needed to detect mold and will require additional training (for which there is currently no additional administrative funding).

CLPHA members also voiced concerns about HUD's recommendation (but not requirement) for inspectors to use an infrared camera to detect moisture intrusion. Inspectors will have differing interpretations of the moisture meter versus infrared camera threshold, leading to inconsistent findings. If PHA inspectors/contractors are asked to become familiar with mold detection using moisture meters in some circumstances and infrared cameras in others, it will require better training for inspectors, clear guidelines for detection equipment to use in certain circumstances, as well as funding for training and equipment procurement.

HUD also seeks comment on a recommended correction timeline when moisture levels conducive to mold growth are detected, which is more appropriately determined by a mold remediation specialist. Mold detection and remediation require highly trained and certified professionals. PHA inspectors/contractors should not be required to determine a correction timeline for mold remediation. This standard rises far above the current standard of observation for moisture-related defects and should not be included in the final NSPIRE standards.

Nonetheless, CLPHA members advise that mold-like substance deficiencies should have a correction timeline longer than 24 hours because mold generally takes longer to remediate. The correction timeline may differ based on several factors, such as the type of surface the mold is on (a porous or non-porous surface), the humidity level in the area where the mold is growing, and if the mold was the result of a tenant's action or the fault of the property manager. Molds detected in bathrooms (where humidity is high) may need longer correction timelines than molds found elsewhere. Surface mold can also be the result of tenant action or inaction. With HQS, inspectors could make a distinction between who and what likely caused the mold. NSPIRE should continue to allow inspectors to make that distinction.

HUD requests comment on advance notice of "safe" water supply conditions.

The responsibility for monitoring water quality and safety rests with local water suppliers and local government agencies, not PHAs Large PHAs work with many, sometimes dozens, of independent water districts that control water quality and have no control over the condition of local water. Some residents in assisted housing may reside in units with well water where controlling water quality is even further outside of the capabilities of the PHA, and HUD does not address how the quality of water used by assisted households in areas not served by local public water systems would be assessed.

The entity that supplies the water and maintains the pipes should be responsible for the water quality rather than the PHA or property manager. CLPHA asserts that NSPIRE standards should follow the current HQS inspection guidelines that stipulate "the dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination..." and

that "the PHA should be satisfied that the water supply is approved by the State or local jurisdiction." Further, the U.S. Environmental Protection Agency requires every community water supplier to provide a Consumer Confidence Report; these reports are <u>available online</u> and can be accessed by HUD in advance of an inspection. It would be unreasonable to require PHAs to provide HUD with information on local water alerts in advance of the inspection. This reporting burden should instead be shifted to the entity that supplies the water and maintains the pipes.

HUD requests comment on temperature deficiencies, applicable time zones and months, and equipment requirements.

Some jurisdictions have their own standards regarding heating and temperature. In some cases, the local codes may surpass the federal standards. Several PHAs noted that different climates in regions of the country necessitate temperature standards that meet the local environment. Jurisdictions should not have their own standards superseded by federal temperature and heating standards. HUD should engage in tailoring temperature and heating standards specific to each of HUD's regions based on the local climate.

HUD requests comment on electrical-outlet, GFCI, and switch standards.

As with the temperature codes, some jurisdictions have electrical standards that surpass what HUD is proposing. These include local GFCI codes that mandate an outlet must be a certain distance from a sink. In cases where local codes go beyond those that HUD is proposing, the local deficiency standards should not be superseded.

CLPHA members are concerned that the GFCI correction timeframe for HCV properties is 30 days but 24-hours for public housing and multifamily properties. HUD should evaluate state and local fire and electrical safety codes nationwide to determine if a suitable correction timeline is 24-hour or a 30-days and align these standards under NSPIRE.

HUD requests comments on severe-non-life-threatening standards and timeline.

HUD must thoughtfully craft this standard so as not to impose undue burdens on PHAs while also protecting residents from unsafe living conditions. Some severe non-life-threatening issues may not be feasible to correct within 24 hours. Meanwhile, corrective action on other circumstances may warrant exceptions based on the regional climate and/or technical feasibility. If a failed inspection report is issued on a Friday night that has a 24-hour correction timeline, the PHA must work to mitigate that issue on a Saturday – posing an additional staffing challenge for PHAs.

PHAs participating in the NSPIRE Demonstration have reported more health and safety-related 24-hour findings than were under UPCS. This is due to the way the NSPIRE categorizes severe non-life-threatening issues. For instance, an exit sign's lightbulb being burned out may not need a 24-hour replacement time and could instead have a 30-day correction timeline.

For deficiencies that have a 30-day turnaround timeline, certain exceptions should be instituted. PHAs cannot paint the exteriors of structures during the winter for example. Other deficiencies may be caused by residents, such as towel-bar strings not being in place. Exceptions to the correction timeline based on region and who/what caused the deficiency should be considered.

HUD must also build in an exception to the correction timeline for natural disasters. When a hurricane causes damage to a unit, it may be months before that unit is again ready to be occupied. Residents may be subject to evacuation orders as well. The PHA should be given ample time to make the necessary repairs without being penalized by REAC. Likewise, exceptions should be granted for material shortages and supply chain delays. As an ongoing consequence of COVID-19, CLPHA members report extensive delays that are beyond their control to procure certain maintenance items that have resulted in the unit being out of compliance. For items that are non-life-threatening, NSPIRE should afford property owners sufficient time to address unit deficiencies and grant extensions when appropriate.

Furthermore, CLPHA members participating in the NSPIRE demonstration report that NSPIRE requires a PHA to respond to all deficiencies in a 24-hour period, rather than only those requiring a 24-hour turnaround time. PHAs are required to go into the web-based platform and record the correction, provide documentation of it (such as a picture of the work or a closed work order), and respond to all deficiencies. This documentation requirement causes a significant administrative burden on PHAs and far exceeds current UPCS or HQS requirements. NSPIRE software should be adapted to allow PHAs to upload the required documentation in a 24-hour period for deficiencies that are considered life-threatening only.

For the reasons detailed above, CLPHA **strongly urges** HUD to delay the implementation of NSPIRE beyond 2023 and until the challenges detailed in this letter are fully addressed. Once HUD issues its final rulemaking, CLPHA also recommends that HUD allow PHAs a minimum of **one year** after NSPIRE's final rulemaking is completed to acquire the required mobile technology, retrain/hire staff and contractors, upgrade PHA software and adapt processes and procedures to deploy NSPIRE and NSPIRE-V.

Thank you for the opportunity to comment on these most important regulations and their impact on the residents we serve.

Sincerely,

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