October 21, 2019

Office of the General Counsel
Regulations Division
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

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I would like to offer the following comments to the United States Department of Housing and Urban Development (HUD or the Department) in response to the notice titled “Notice of Demonstration To Assess the National Standards for the Physical Inspection of Real Estate and Associated Protocols” published in the Federal Register on August 21, 2019.

Formed in 1933, NAHRO represents over 20,000 housing and community development individuals and agencies. Collectively, our members manage over 970,000 public housing units, 1.7 million Housing Choice Vouchers (HCVs), and receive over $1.5 billion in Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program funding to use in their communities. NAHRO has the unique ability to represent public housing agencies, local redevelopment agencies, and other HUD grantees of all sizes and geography.

This comment letter focuses on HUD’s proposed National Standards for the Physical Inspection of Real Estate (NSPIRE) protocol.

The NSPIRE demonstration would change the way that public housing agencies, owners, and agents (POAs) inspect public housing properties. HUD’s Real Estate Assessment Center (REAC) wants to ensure that public housing units are adequately maintained, so they are developing the NSPIRE protocol to emphasize regular upkeep and maintenance of units throughout the year, rather than immediately before inspections. HUD notes that their goal in pursuing the demonstration is to:

- Establish more objective, better-defined deficiency definitions which will be validated by a third-party contractor.

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• Require properties to complete and submit their annual self-inspection results electronically;
• Incorporate less complex inspection protocols using indicators aligned to quality;
• Reduce the number of inspectable areas at properties to simplify the process and reduce administrative errors;
• Deliberately group deficiencies into one of three categories;
• Better identify all health and safety deficiencies; and
• Adopt a new scoring model that places the most emphasis on the areas considered the most important—the residents’ homes.

According to the Department, HUD’s NSPIRE Model has three major components: (1) Three Types of Inspections, (2) Three Categories of Deficiencies, and (3) Three Inspectable Areas. The Three Types of Inspections include POA self-inspections; those conducted by contractors and/or federal inspectors; and those conducted solely by federal inspectors. The Three Categories of Deficiencies are Health and Safety; Function and Operability; and Condition and Appearance, with each category ideally resulting in emergency work orders, routine work orders, and other maintenance respectively. The Three Inspectable Areas will be Inside, Outside, and Unit.

NAHRO is pleased that HUD is shifting the focus of public housing inspections away from more superficial “curb appeal” deficiencies to more substantial safety deficiencies through the demonstration. NAHRO believes that a more consistent, accurate, objective inspection that includes standards that focus on deficiencies that have the most impact on residents is critical to ensuring that residents in public housing live in safe and secure homes. NAHRO believes that the NSPIRE demonstration is a step in the right direction to achieving this. As such, NAHRO strongly believes that the new model’s focus on health, safety, and function while limiting the inspection of some condition and appearance deficiencies is appropriate and acceptable.

HUD asks whether there are specific health and safety deficiencies that should be added to the current list of emergency health and safety or health and safety deficiencies, whether there are other property characteristics HUD should consider in its inspection and scoring protocol, and aspects that may cause higher administrative burden to agencies. NAHRO believes that the best way to determine the answer to these questions is to begin the demonstration and determine, through feedback from participating PHAs and inspections, whether there are additional health and safety items to add or if there are other property characteristics HUD should consider. These changes should come up organically once the demonstration begins, allowing HUD to adjust as needed.

It is critical that HUD continue asking participating PHAs about the administrative burden related to NSPIRE throughout the demonstration. Specifically, HUD needs to assure that a healthy mix of small, medium, and large agencies are represented in the demonstration to ensure an appropriate cross-section of opinions and experiences. Often, program requirements cause significantly more administrative burden to small PHAs than larger PHAs as they have smaller staff and fewer resources. For example, NAHRO represents numerous small public housing agencies who have noted concerns regarding the POA self-inspections. Continuous self-reporting throughout the year and submission of all work orders and preventative maintenance orders may add significant administrative burden to small PHAs who previously submitted all information to HUD at a single point in time during the year. NAHRO understands the intent of having PHAs submit work orders on a rolling basis but asks HUD to pay special attention to the impact of this requirement on smaller PHAs throughout the demonstration.

In order for HUD to fine-tune and perfect the NSPIRE Demonstration as much as possible before requiring all agencies to participate in the new inspection protocol, it will be critical that HUD ensure that participating PHAs and inspectors have ample opportunity to voice concerns and challenges to HUD. Participants in the UPCS-V demonstration, also managed through REAC, have noted their satisfaction throughout the process. NAHRO strongly recommends that HUD roll out this demonstration in the same manner as the UPCS-V demonstration. This includes stakeholder calls, consistent feedback and response, and listening sessions.
NAHRO appreciates HUD’s efforts to improve the inspection protocol for public housing to ensure that residents have access to safe, secure housing, while ensuring that inspections focus on areas considered the most important—the residents’ homes. NAHRO looks forward to working with HUD moving forward and providing additional feedback from our members participating in the demonstration, to ensure that NSPIRE is a more consistent, accurate, and objective inspection protocol that includes standards that focus on items that have the most impact on residents.

Thank you,

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