



April 26, 2023

Honorable Marcia L. Fudge  
Secretary  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, DC 20410

Dear Madame Secretary:

PHADA, NAHRO, CLPHA, and the MTW Collaborative represent almost every housing authority in the United States. We are writing as part of the public comment process to respectfully request that HUD defer the implementation of NSPIRE scoring for housing agencies with fiscal years ending March 31, 2023. **We do not believe this step will adversely impact the health and safety needs of public housing residents.**

Our associations will submit individual comments on the NSPIRE Scoring Methodology Notice before the April 27 deadline. The issues raised below are more general and reflect our overarching concerns regarding NSPIRE.

You and others in HUD's leadership have rightly stated that protecting the health and safety of residents is the primary objective of NSPIRE. Our members strongly support this goal. While we share the same objective, we differ in approaches. We think there is a mistaken belief within the Department that housing agencies cannot adequately guard the health and safety of residents without official NSPIRE scoring.

No one cares more about health and safety than local housing professionals who work with, and for, their residents on the ground every day. NSPIRE is not in effect now but PHAs still do their utmost to ensure safe living conditions. The Department has already decided to allow local agencies and owners the option to defer NSPIRE implementation in the voucher program. Thus, the Department is potentially exempting millions of Housing Choice Voucher residents from NSPIRE scoring until autumn 2024, perhaps even later. This is a clear indication that HUD recognizes official NSPIRE scores are not necessary to protect the health and safety of residents.

We have noted other policy and procedural matters in our respective comments. For example, HUD only recently issued the scoring notice but there are other essential elements that have not yet been released. Our organizations have consistently maintained that the Department should not roll out NSPIRE in a piecemeal approach. Unfortunately, that is exactly what is happening.

Our members have not had the opportunity to review the final rule, the final standards, or the administrative notice with the standards and scoring, as a whole. Consequently, the industry is being asked to provide input in the absence of a fully transparent environment.

The groups believe NSPIRE should be deferred because HUD has not yet responded to our public comments on the rule, submitted in 2021, or the standards notice many months ago. In addition, HUD has not yet provided feedback or scores to HAs that participated in the NSPIRE Demonstration, so those agencies do not know how well they performed during that process. Nor are they able to provide meaningful feedback without this additional critical information. Moreover, our organizations can only provide limited feedback on the NSPIRE scoring methodology without knowing how the scoring methodology performed in real demonstration inspections.

The simplest way to address these concerns is for HUD to issue advisory or provisional scores during an initial rollout period. This would allow for necessary modifications and corrections to be made while ensuring that PHAs are not unduly penalized or subject to local criticism because the system is still being fine-tuned. Responses to life-threatening deficiencies would still be required to protect residents, even if scores are provisional.

We have other legitimate concerns with the scoring including the fact that tenant caused damages are not factored into the methodology. PHAs have frequently encountered this problem over the years where they lost points for things that are completely beyond their control. HUD has acknowledged the validity of this point, but still has not addressed it in the latest iteration – even though our organizations have proposed some workable solutions outlined in our public comments – which, to date, the Department has not addressed.

The system does not consider the harsh budget reality that HUD and Congress fail to furnish adequate appropriations for needed physical repairs and improvements. In fact, HUD’s FY 24 proposed budget notes that there are 864 developments nationwide that may not have sufficient resources to address their escalating physical needs. The budget adds that REAC’s data identifies 650 developments representing over 114,000 units “with a limited remaining useful life with failing or trending to fail physical inspection scores.” This is a result of the fact that the total Capital Fund backlog of unmet needs exceeds \$70 billion.

Again, we respectfully request that you consider these concerns and defer official scoring. We agree changes are needed to improve the current inspection system. Indeed, many of our members have partnered with HUD over the last several years to test and initiate NSPIRE. We want to make sure, though, that the scoring system is transparent, fair, and accurate.

We appreciate your consideration.

Sincerely,



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PHADA



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