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Regulations Division
Office of General Counsel
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 4176
Washington, DC 20410-5000

Via [regulations.gov](https://www.regulations.gov)

RE: FR-6086-N-04, Request for Comments: National Standards for the Physical Inspection of Real Estate and Associated Protocols, Proposed New Scoring Notice

The National Low Income Housing Coalition (NLIHC) is dedicated solely to achieving racially and socially equitable public policy that ensures people with the lowest incomes have quality homes that are accessible and affordable in communities of their choice. Our members include state and local housing coalitions, residents of public and assisted housing, nonprofit housing providers, homeless service providers, fair housing organizations, researchers, public housing agencies, private developers and property owners, local and state government agencies, faith-based organizations, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we focus on policy and funding improvements for extremely low-income people who receive and those who need federal housing assistance.

NLIHC welcomes the proposed NSPIRE Scoring Model reflecting NSPIRE's stated intent to provide reliable evaluations of housing conditions that protect residents by focusing on and assigning greater weight to in-unit habitability affecting residents' health and safety.

NLIHC supports most of the proposed scoring model provisions, especially the elimination of point loss caps. For emphasis we describe the key features in this letter that we support. NLIHC also offers several suggestions and register our disagreement with one proposed practice. In addition, we strongly urge HUD to require inspectors to provide residents and resident organizations all draft and final inspection reports at the same time as owners and/or managers. Finally, NLIHC urges HUD to include additional opportunities for residents to engage with the NSPIRE inspection process.

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Physical deficiencies are to be scored according to the location and scarcity of a deficiency. Regarding “location” we endorse reducing the number of “inspectable areas” from five to three – the dwelling “unit,” “inside” non-unit portions of buildings (e.g., community rooms, laundry rooms, corridors, stairs, etc.), and “outside” (e.g., building exteriors, parking lots, play areas, etc). We also welcome assigning greater weight to the location of a deficiency, heavily weighing in-unit deficiencies. Regarding “severity,” it is appropriate that the weight of a deduction for a given deficiency depend not only on location, but the severity of the deficiency – Life Threatening, Severe, Moderate, and Low, as detailed in the draft NSPIRE Standards published in the *Federal Register* on June 17, 2022.

Two scoring situations will determine whether a property fails an NSPIRE inspection: a score that is less than 60, and a property that has 30 points or more deducted due to in-unit deficiencies – even if the property receives a score greater than 60 overall. This emphasis on unit habitability is consonant with HUD’s stated intent to maximize the health and safety of units for residents.

Inspectable areas and items, as used under the UPCS inspection protocol, are to be eliminated. In their place, defects are assigned a Defect Impact Weight and a property’s score is reduced by point values assigned according to the type and severity of defects dependent on their location. NLIHC strongly endorses eliminating defect-specific point caps and allowing deductions multiple times for the same deficiency if it occurs in multiple, distinct instances (for example deductions for multiple broken windows in a unit).

Supplementing a property’s zero to 100-point score with additional symbols will help residents be aware of deficiencies regarding smoke and carbon monoxide detectors, because they are classified as Life-Threatening defects that must be corrected within 24 hours. We agree with adding symbols for the new “administrative requirements” that are property attribute requirements that must be met.

NLIHC Recommends: NLIHC recommends the Scoring Model add radon detectors to the list of scoring designations.

The proposed Table 8, “Letter Grades by Distribution of the Zero to 100-point Inspection Score” – as a substitute for the previous letter designations of “a,” “b,” “c” to indicate the presence of exigent health and safety defects – *could* provide residents with a clearer understanding of both a property’s overall score and its physical condition designated by a new letter grade (“A”-“F”) along with a narrative explanation of its physical condition. We say “*could*” because the proposed Scoring Model notice does not include residents when stating that a summary of the designations in the table will be provided to a property’s owner and/or manager shortly after the conclusion of an inspection.

NLIHC Recommends: NLIHC urges HUD to include residents among the recipients of such a summary at the same time an owner/manager receives the summary.

NLIHC also urges HUD to replace the word “*should*” with “*must*” in the “Meanings” column for properties with Letter Grades “C,” “D,” “E,” and “F.” In particular, a property with a Letter Grade of “E” “*must*” be “monitored regularly and “*must*” [replacing the current “*may*”] be reinspected more than annually to protect resident health and safety,” and a property with a Letter Grade of “F” “*must*” [not “*should*”] “be monitored and inspected regularly to protect resident health and safety...”

NLIHC disagrees with the proposal to only inspect the outside of buildings that contain units selected for inspection through sampling. We urge HUD to require inspections of both the exterior and interior of all buildings that contain residential units.

The proposed Scoring Model calls for draft and final inspection reports that will indicate a property's "Property Threshold Performance" (the property's score on the zero to 100-point scale) and its "Unit Threshold of Performance Factor" (the unit inspectable area defect deduction value per unit). The draft and final inspection reports will also provide summaries of inspection results as represented by a property's combined Property Score and Letter Grade.

At two places in the proposed Scoring Model notice, HUD claims residents will benefit from inspection reports: first at "IV. Administrative Details; E Scoring Designations" regarding a property's zero to 100-point score followed by the smoke detector and carbon monoxide detector deficiency designations; second at "Letter Grades" also at E, regarding a property's zero to 100-point score and its Letter Grade. However, the proposed Scoring Model notice only indicates that property owners and/or managers will receive a draft inspection report shortly after the conclusion of an inspection and then when a final inspection report is concluded. A draft inspection report will contain a preliminary score and all of the defects observed along with those that must be addressed within a certain timeframe. A final inspection report will provide a final score and all of the observed defects (following any appeals). Both the draft and final inspection report will also provide summaries of the inspection results. In addition, the proposal states that a PHA or owner/manager will receive a list of all health and safety items that must be corrected within 24 hours of an inspection.

NLIHC Recommends:

The Scoring Model notice does not state that residents and resident organizations will receive draft or final inspection reports, nor does it state that residents will receive a list of all health and safety deficiencies that must be corrected in 24 hours. NLIHC strongly urges HUD to specifically state in the final Scoring Model that residents and resident organizations must receive draft and final scoring reports and any list of all health and safety items that must be corrected within 24 hours of inspection. The final Scoring Model must also clearly state that residents must receive these at the same time as PHAs and owners and/or managers. It is important to include this direction in the Scoring Model, even if it is included in the final rule and/or the anticipated Administrative Notice. In addition, residents must have the same right to appeal (challenge) an inspection report.

NLIHC strongly urges the final Scoring Model, as well as the anticipated Administrative Notice, to include additional opportunities for residents to engage with the NSPIRE inspection process. Residents and resident organizations can identify systematic problems and propose solutions based on their experiences. For example, the Scoring Model should include in the scoring, the five units recommended by residents and resident organizations added to the random sample. Residents and resident organizations should have an opportunity before an inspection begins to inform NSPIRE inspectors of physical condition problems that might not emerge due to the limitations of the (maximum) 32-unit inspection sample size. A resident representative should be allowed to accompany an inspector, in a unit if the occupant agrees, and at least at common areas.

NLIHC urges HUD to implement the provisions we have endorsed in this letter – especially the removal of the point loss cap. We also urge HUD to accept our recommendations and in particular those calling for residents and resident organizations to receive draft and final inspection reports and any list of health and safety items that must be corrected within 24 hours of inspection. Furthermore, NLIHC urges HUD to add the opportunities we suggest for greater resident and resident organization involvement in the inspection process of their homes and community.

If there are any questions about these comments, please contact Ed Gramlich at ed@nlihc.org or 202.662.1530 x 314.

Sincerely,

Ed Gramlich
Senior Advisor