

April 24, 2025

Ben Hobbs, Principal Deputy Assistant Secretary
Public and Indian Housing (PIH)
The Department of Housing and Urban Development (HUD)

Shylon Ferry, Deputy Assistant Secretary
The Real Estate Assessment Center (REAC)
The Department of Housing and Urban Development (HUD)

CC: Lamar Seats, Deputy Assistant Secretary, Office of Multifamily Housing Programs, HUD

Dear Principal Deputy Assistant Secretary Hobbs and Deputy Assistant Secretary Ferry,

On behalf of LeadingAge, we would like to congratulate you both on your new roles with the Department of Housing and Urban Development (HUD). We look forward to working with you both on overlapping priorities that will streamline and improve HUD-assisted housing for older adults with low incomes.

About LeadingAge

We represent more than 5,400 nonprofit aging services providers and other mission-driven organizations serving older adults that touch millions of lives every day. Alongside our members and 36 partners in 41 states, we use advocacy, education, applied research, and community-building to make America a better place to grow old. Our membership encompasses the entire continuum of aging services, including skilled nursing, assisted living, memory care, affordable housing, retirement communities, adult day programs, community-based services, hospice, and home-based care. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home. For more information visit <u>leadingage.org</u>.

While LeadingAge's nationwide membership of mission-driven affordable senior housing providers operates primarily Multifamily Housing, our members also utilize Housing Choice Vouchers and Project-Based Vouchers to meet the housing needs of older adults; they are also heavily engaged in HUD's NSPIRE inspection protocol at their housing communities.

Our recommendations below center on HUD's housing safety protocol through the Real Estate Assessment Center (REAC), and a broader letter on regulatory reform at HUD is forthcoming from LeadingAge. We would also like to alert you to an issue related to Personally-Identifiable Information during inspections, and look forward to resolving the PII issue in a way that reduces burden for HUD, housing providers, and residents.

Robust and Consistent Oversight

While we support adjustments and changes to improve NSPIRE and reduce burden, we urge HUD to fully commit to robust oversight of the physical portfolio, including to:

- Ensure adequate HUD staff and contractor capacity to meet HUD's current inspection targets for 2025 and 2026.
- Conduct inspections at regular, risk-informed intervals that are no more than three years apart, or no more than five years apart only if a property has been inspected via another approved entity utilizing a comparable safety protocol in the meantime.

Efficiency and Streamlining

We are eager to work together to streamline REAC's safety protocol. We have identified several areas for improvement:

- Realign REAC with Multifamily Housing and other Housing Programs— Currently, REAC is located
 within the Office of Public and Indian Housing (PIH), despite conducting oversight of other parts of
 the HUD-assisted portfolio. We recommend that HUD reorganize the agency to create a REAC
 "umbrella" structure that aligns effectively with impacted offices within HUD.
- Reduce Inspection Redundancies While LeadingAge supports a robust inspection protocol at regular intervals for federally-assisted housing communities, affordable housing properties especially those with layered housing subsidies are subject to very similar physical inspections by various entities, often within overlapping timeframes. We recommend that HUD identify streamlining opportunities by eliminating inspection repetition and redundancies. This could mean better coordination between HUD and other agencies, or creating a subordination protocol where inspections by certain entities are recognized instead of requiring a repeated inspection. Fewer redundant inspections will free up HUD inspection resources for properties that warrant extra attention. More targeted inspections will also reduce burden on housing providers and residents.
- Improve Software System LeadingAge members report heavy burden and inefficiencies resulting
 from the use of REAC's current NSPIRE software system. We urge HUD to adjust the software to
 improve user functionality, including streamlining user access and password resetting functions,
 allowing bulk actions for submitting mitigating photos and viewing deficiencies, providing automatic
 dashboard updates on inspection and result status, and more.
- Clarify Standards and Lower the Risk Profile to Reduce Burden and Appeals We applaud HUD and
 the REAC team for launching NSPIRE and updating many standards and approaches in recent years.
 We ask that HUD further clarify certain standards based on the insight gathered over the first year of
 NSPIRE to avoid burdensome appeals. In addition, HUD should lower the risk rating for certain key
 standards, like the presence of fire extinguishers in the unit and the pull cord component of call for
 aid systems, which are largely out of the control of the housing provider. Clarifying and adjusting
 standards and risk ratings will make the inspection and enforcement process more streamlined.
- Conditional Waiver for the Call for Aid System: Our affordable senior housing provider members are subject to a call for aid system requirement that creates a heavy burden for the housing providers but is limited in its benefit for residents. Many of our members have switched to a resident-worn pendant system instead of the static pull cords that were initially required by HUD. However, the existing MF guidance and MSPIRE standard for the call for aid systems continues to create confusion and cost barriers for housing communities (including the current non-scored NSPIRE policy that only applies to certain elements of the call for aid standard). In addition, even pull cord systems that are

monitored by third parties contribute to higher liability insurance premiums for HUD-assisted communities. We urge REAC to collaborate with the Office of Multifamily Housing programs to adjust or remove the call for aid requirement; in the meantime, REAC should designate all call for aid standard components as non-scored or implement a conditional waiver if it has been inspected by another entity or otherwise is not in need of HUD oversight.

- **Pilot Video Remote Inspections** We ask HUD to leverage technology to make inspections more efficient and less burdensome for residents. For example, HUD could pilot Video Remote Inspections for low-risk properties at certain intervals, while continuing to require in-person inspections by HUD or another entity at least every three to five years.
- **Improve Inspector Consistency** Lastly, we recommend that HUD implement an inspector certification program or requirement to increase consistency throughout inspections.

Personally Identifiable Information

In addition to our recommended efficiency measures and our request that HUD commit to robust portfolio oversight, we want to call your attention to an issue related to Personally Identifiable Information (PII) during inspections. Recently, LeadingAge members have reported that their entire inspection results were "thrown out" due to PII in inspector photos that were associated with the inspection results.

Given the lower contract inspector capacity resulting from the termination of the PSI contract, as well as any staffing disruptions resulting from recent staff changes at the federal level, it is inefficient for HUD to redo inspections that were already completed. In addition, inspections are burdensome for housing staff and especially for residents, and we urge HUD to adjust its PII policy for inspection results to avoid the need for repetitive inspections of the same property.

Here are several options to adjust HUD's current PII policy rather than nullifying the entire inspection:

- HUD could allow certain photos to be removed or redacted from the inspection results.
- HUD could adjust the sample size for a unit to be removed from the inspection rather than throwing out the entire result.
- HUD could limit staff access to view the PII-implicated photos or secure a release from residents.
- HUD could train inspectors to exclude or limit PII-implicated items from photos they take during the inspections.

While we defer to HUD on finding a PII solution for inspections, we request that HUD commit to reversing their current policy of nullifying entire inspections, especially during this time of limited inspector capacity and heaving resident and provider stress and burden.

We look forward to discussing this letter with you further. Please reach out to Juliana Bilowich, LeadingAge's Senior Director of Housing Operations and Policy, at jbilowich@leadingage.org to coordinate a time to discuss our requests and recommendations.

Sincerely,

Juliana Bilowich LeadingAge