#### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



WASHINGTON, DC 20410-5000

# **Special Attention of:**

OFFICE OF HOUSING

Regional Administrators; Directors of HUD; Regional, Hub, and Field Offices of Public Housing; Multifamily Regional Center/Satellite Office Directors; Public Housing Agencies; Housing Choice Voucher, Project-based Voucher, Project-Based Rental Assistance, Section 202, and Section 811 Property Owners; Multifamily Regional Directors; Multifamily Satellite Office Directors; Multifamily Asset Management Division Directors; Multifamily Account Executives; Multifamily Owners and Agents; and Resident Management Corporations Notice: PIH 2023-24/

H-2023-10

Issued: August 31, 2023

**Expires:** This notice remains in effect until amended, superseded, or rescinded.

Cross References: 24 CFR Parts 5, 200, 882, 884, 886, and 902

# Subject: Implementation of a Voluntary and Anonymous HUD Inspection Feedback Survey for Incorporation into the National Standards for the Physical Inspection of Real Estate Program

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## 1. Purpose

This notice serves as a complementary document to the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the National Standards for the Physical Inspection of Real Estate (NSPIRE) rule published May 11, 2023. The NSPIRE final rule establishes a new approach to defining and assessing housing quality, and the purpose of NSPIRE is to strengthen HUD's physical condition standards and improve HUD oversight through the alignment and consolidation of the inspection regulations used to evaluate HUD-assisted housing across multiple programs. The NSPIRE program ensures that residents of HUD housing live in safe, habitable dwellings, and the items and components located inside and outside areas and within the units of HUD-assisted housing are functionally adequate, operable, and free of health and safety hazards.

HUD is mindful of the priorities outlined in the President's Management Agenda Vision of delivering excellent, equitable, and secure federal services and customer experience. As stated in that document, "every interaction between the government and the public is an opportunity to deliver the value and competency Americans expect and deserve." To incorporate resident feedback in the NSPIRE inspection program, HUD will gather insights on customer experience through a HUD Inspection Feedback Survey ("Survey"), a mechanism to quickly identify and address residents' pain points about the inspection process and to guide HUD's efforts to improve residents' general satisfaction with their housing conditions.

This notice is applicable for Public Housing ("PH") programs (programs for housing assisted under the U.S. Housing Act of 1937 other than section 8 of the Act), Multifamily Housing ("MFH") assistance programs covered by the NSPIRE Final rule, including Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, Section 202 direct loan program, and housing with mortgages insured or held by HUD as listed in 24 CFR 5.701 that are subject to Real Estate Assessment Center ("REAC") physical inspections as referenced in the applicability sections of the NSPIRE final rule and NSPIRE Administrative Notice.<sup>3</sup>

# 2. Background

Pursuant to Executive Order 14058 ("Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government of December 13, 2021") and the 21st Century Integrated Digital Experience Act (P.L. 115-336), all executive agencies, including HUD, have a responsibility to manage customer experience and improve service delivery using leading practices and a human-centered approach. As outlined in the Fiscal Years 2022-2026 HUD Strategic Plan under Strategic Objective 2B: Improve Rental Assistance, HUD indicated a commitment to those it serves by gathering resident feedback to help inform physical inspections

<sup>&</sup>lt;sup>1</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the National Standards for the Physical Inspection of Real Estate (NSPIRE), 88 FR 30442 (May 11, 2023)

<sup>&</sup>lt;sup>2</sup> See https://assets.performance.gov/PMA/Biden-Harris\_Management\_Agenda\_Vision\_11-18.pdf.

<sup>&</sup>lt;sup>3</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the National Standards for the Physical Inspection of Real Estate (NSPIRE), 88 FR 40832 (July 1, 2023).

<sup>&</sup>lt;sup>4</sup> Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government, 88 FR 71366, December 13, 2021, *See* https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/13/executive-order-on-transforming-federal-customer-experience-and-service-delivery-to-rebuild-trust-in-government/.

of PH and MFH properties, which is a customer experience focused strategy.<sup>5</sup> The term "Customer Experience" ("CX") means the public's perceptions of, and overall satisfaction with, interactions with an agency, product, or service. CX is a combination of factors that result from touchpoints between an individual, business, or organization and the Federal Government over the duration of an interaction and relationship. As referenced in the Office of Management and Budget (OMB) Circular No. A-11 Section 280 (2022), "a customer's experience interacting with the Federal government directly contributes to their trust in government itself."

Currently, residents of HUD-assisted housing do not have a streamlined, dedicated mechanism to communicate their experiences with HUD's inspection process to the government. HUD's goal in implementing the policy outlined in this notice is to ensure the voices of residents in HUD-assisted housing are represented on equal footing with that of other stakeholders, which is critical as residents in HUD-assisted housing include some of the most vulnerable populations in the country. HUD recognizes the importance of direct resident involvement in creating a positive living environment and in actively participating in the overall mission of affordable housing. HUD therefore will implement this mechanism to advance engagement with residents living in PH and MFH.

#### 3. Effective Date

This Survey is intended to gain resident perspectives on their experiences with physical inspections conducted by HUD/REAC Federal Inspectors ("Federal Inspectors") or by inspectors contracted directly by HUD ("Contract Inspectors") on properties subject to a REAC physical inspection. As such, the Survey will be distributed to residents whose units are subject to REAC NSPIRE Inspections consistent with the following effective dates noted within the NSPIRE final rule and NSPIRE Administrative Notice:<sup>7</sup>

Notably, HUD will commence REAC NSPIRE inspections on PH properties beginning July 1, 2023. HUD will also commence inspections on MFH properties that participated in the NSPIRE Demonstration on July 1, 2023. Inspections on the Office of Community Planning and Development (CPD) properties, all other MFH properties that did not participate in the NSPIRE Demonstration, and housing with mortgages insured or held by HUD as listed in 24 CFR 5.701 which are subject to REAC physical inspections, will commence starting October 1, 2023. Since the Survey is related to resident experiences with the HUD inspection process, residents living in units not subject to REAC inspections, such as those in the Housing Choice Voucher ("HCV") or Project Based Voucher ("PBV") programs, will not receive a Survey. HCV and PBV programs are unique because inspections are done by the PHA and not by HUD.

## 4. HUD Inspection Feedback Survey

The Survey will allow HUD to capture residents' inputs based on their experiences at various touchpoints with REAC inspections. The Survey questions will cover the OMB Circular No. A-11 Section 280 (2022) CX Drivers, which include trust, satisfaction, service

<sup>&</sup>lt;sup>5</sup> See https://www.hud.gov/sites/dfiles/CFO/documents/FY2022-2026HUDStrategicPlan.pdf.

<sup>&</sup>lt;sup>6</sup> OMB Circular No. A-11, Section 280: Managing Customer Experience and Improving Service Delivery (2022), *See* https://www.performance.gov/cx/assets/files/2022-OMB-Circular-A11-Section-280.pdf.

<sup>&</sup>lt;sup>7</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the National Standards for the Physical Inspection of Real Estate (NSPIRE), 88 FR 40832 (July 1, 2023).

effectiveness/perception of value, ease/simplicity, efficiency/speed, equity/transparency, and employee interaction/warmth/helpfulness/competence. These factors can drive the overall satisfaction, confidence, and trust with the NSPIRE program and HUD generally.

In developing the Survey questions, HUD considered the best practice of adjusting the baseline wording for each driver as necessary for mission and circumstance-specific customization based on the type of service (i.e., REAC NSPIRE inspections). Pretesting was performed with HUD internal staff who are familiar with HUD's physical inspection program. HUD staff also hosted resident engagement workshops with resident council members to receive their input on the Survey questions, questionnaire format, and the Survey instrument. In consideration of the resident council members' input, HUD has asked the fewest number of questions and mapped each question to one of the CX drivers to focus on elements that are most impactful on satisfaction with housing conditions and trust with the inspection service.

Resident responses to these questions provide a 5-point "Likert Scale" (strongly agree) to (strongly disagree) scoring structure which determine results. The Survey will also give respondents the opportunity to leave an open comment.

HUD has applied best practices for optimizing response rates, for example, presenting only a single-screen (including on a mobile device) version of the Survey. This feedback collection mechanism is brief and will impose minimal burden on residents (i.e., not more than 5 minutes). HUD has further minimized the burden on respondents by asking for readily available information and using short, easy-to-complete information collection instruments.

### 5. Method of Conveyance

Through a series of workshops, HUD gathered resident leader insight to determine which method of conveyance for the Survey was most effective and inclusive for the diverse profile of residents living in PH and MFH. Since the Survey is designed for feedback on HUD's physical inspection process, residents whose units are inspected will have a better perspective than those whose units did not undergo an inspection. Moreover, customer feedback gathered through the Survey will be obtained as close to the time of the inspection as is possible.

### A. Initial implementation

At initial implementation, effective from the date of this notice and through September 30, 2023, only HUD's Federal Inspectors will leave Survey flyers ("Flyers") in units after performing an inspection of areas within the regulatory definitions for covered properties. The Flyers will contain a Survey website link and QR code and will inform residents of the opportunity to participate voluntarily and anonymously. HUD will confirm with PHA management whether individuals with disabilities residing in any inspected units require alternative communication methods to ensure effective notification of and access to the Survey.

Flyers will be provided only in those units that have been inspected by HUD, including randomly selected scored units and additional units recommended by resident organizations. Details about additional unit inspections are described in the NSPIRE final rule and NSPIRE Administrative Notice. Federal Inspectors will leave Flyers on the kitchen counter of units they have inspected or in another noticeable location within the unit if they are unable to leave the Flyers on the kitchen counter. Leaving Flyers on the kitchen counter or another noticeable location within the

unit ensures the Flyers are accessible, within the residents' reach, and would not compromise components or systems that could impact resident safety and health. Federal Inspectors will not leave Flyers outside of the unit or in areas of the property that are not considered housing or part of the housing development. For example, commercial or market-rate space used for non-residential purposes, sidewalks, fencing, roads, and parking lots not owned or maintained by the property would not be appropriate areas for Federal Inspectors to leave Flyers.

Flyers will include common language translations indicating that language access to the Survey is available. HUD will consult with PHA management to determine the presence of any limited English Proficiency (LEP) resident groups that may require materials in additional languages.

To inform HUD-assisted residents, PHAs, property owners/agents ("POAs"), and other stakeholders of what the Survey entails and what residents should expect when they receive the Survey, HUD will post frequently asked questions to the NSPIRE website. If a HUD-assisted resident in PH does not have broadband internet and devices at home, PH funds, such as Operating Funds and Capital Funds, may be used by PHAs to make purchases and provide access to the services and devices to individuals.

## **B.** Increased Capability

After October 1, 2023, HUD anticipates scaling Survey distribution by enabling both Federal Inspectors and non-federal, Contract Inspectors to leave Surveys in units subject to REAC NSPIRE inspections in PH and MFH properties in the manner described in paragraph 5.A above. Moreover, HUD may explore an alternate method for Survey conveyance through the modification of PH and MFH regulations that require POAs or PHAs to provide notice to the resident in advance of an inspection as described in 24 CFR 966.4, 24 CFR 200.857(g), 24 CFR 5.711(h) and the lease. HUD may develop standard language to include in the notification of inspection letter which informs a resident of the opportunity to participate in this voluntary and anonymous Survey.

### 6. Voluntary and Anonymous Surveying

HUD will obtain data on residents' satisfaction with their housing conditions and trust in the inspection service. HUD will not need to know specifically which responses came from which unit/respondent. Participation in the Survey is voluntary, and the anonymity of Survey respondents will ensure residents' privacy.

### 7. Results will not be Scored

Historically, since July 1, 1999, various forms of resident surveys have been utilized by HUD at different frequencies and used as diagnostic tools to assess residents' satisfaction with their living conditions. Until 2011, HUD used the Resident Assessment Subsystem (RASS), which was the fourth indicator in HUD's Public Housing Assessment System (PHAS) rule. Under PHAS, PHAs were evaluated on four indicators: a physical inspection, a financial evaluation, a management evaluation, and a resident satisfaction survey. Resident satisfaction was objectively measured and counted in HUD's evaluation of PHAs. RASS was worth a total of 10 points out of

<sup>&</sup>lt;sup>8</sup> See HUD's NSPIRE website at: https://www.hud.gov/program\_offices/public\_indian\_housing/reac/nspire.

<sup>9</sup> See

 $<sup>\</sup>underline{https://www.hud.gov/sites/dfiles/PIH/documents/PublicHousingFundingSupportInternetConnectivityResidents.pdf}.$ 

100 points available in PHAS.

In contrast, this Survey is distinct from prior resident surveys utilized by HUD in that the results will not be scored or counted in HUD's evaluation of PHAs or MFH properties. As indicated in the 2008 PHAS rule, HUD found that even some of the more troubled PH properties had received high resident satisfaction scores. Given the actual condition of some of the properties surveyed, it was highly unlikely that these results accurately reflected resident satisfaction. Thus, data obtained through the Survey will not be factored into the NSPIRE scoring methodology to assess the overall condition, health, and safety of properties and units.

#### 8. Use of Data

The Survey will provide meaningful and relevant data to HUD about the CX drivers described in OMB Circular No. A-11 Section 280. The Survey results will provide HUD with indicators demonstrating the best areas to dedicate resources to improve customer service and the NSPIRE program effectiveness. The results of the Survey will also be used to establish baseline standards and for measuring the Agency's progress towards defined goals. As part of HUD's efforts to increase transparency and drive accountability, the data collected, including customer feedback on satisfaction, trust, drivers of experience and service level metrics, will be published on an annual basis in HUD's Annual Performance Plans and reports.

Where there are concerns provided in open comment on the Survey about persistent conditions that impact the health and safety of residents, especially concerns that may be related to compliance with the affirmative requirements, the NSPIRE Standards, or health and safety concerns described in 24 CFR 5.703(e), HUD reserves the right to inspect properties outside of the established inspection frequency. If residents encounter health and safety violations for which follow-up action may be necessary, they have the option to contact the REAC Technical Assistance Center (TAC) (1-888-245-4860 or REACTAC@hud.gov) to request HUD's intervention. Per the NSPIRE Administrative Notice, in between REAC NSPIRE inspections, HUD encourages residents to quickly report hazards or defects in building systems, fixtures, appliances, or other parts of the unit, the grounds, or related facilities to their landlord, property owner, manager, PHA contact, or PHA Board of Commissioners (as applicable).

# 9. Paperwork Reduction Act

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The information collection contained in this notice has been approved under OMB Control Number 2511-0001.<sup>10</sup>

### 10. Point of Contact

Tiese Williams, Real Estate Assessment Center, Office of Public and Indian Housing, U.S. Department of Housing and Urban Development, 550 12th Street SW, Suite 100, Washington, DC 20410-4000, telephone number 202-708-1112 (this is not a toll-free number), HUDInspectionFeedbackSurvey@hud.gov.

<sup>&</sup>lt;sup>10</sup> See https://www.govinfo.gov/content/pkg/FR-2021-07-14/pdf/2021-14397.pdf#page=1.

HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit:

https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.

Richard J. Monocchio

Principal Deputy Assistant Secretary Office of Public and Indian Housing Julia R. Gordon

**Assistant Secretary for Housing** 

**FHA Commissioner**