



Jefferson Metropolitan Housing Authority, Steubenville, OH

Housing Choice Voucher Program Housing Quality Standards



To: Kevin J. Laviano, Director of Public and Indian Housing Hub, 5DPH

From: //signed//
Kelly Anderson, Regional Inspector General for Audit, Chicago Region, 5AGA

Subject: The Jefferson Metropolitan Housing Authority, Steubenville, OH, Did Not Adequately Enforce HUD's Housing Quality Standards and Its Own Requirements

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of the Jefferson Metropolitan Housing Authority's Section 8 Housing Choice Voucher program housing quality standards.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at (312) 353-7832.



Audit Report Number: 2015-CH-1007

Date: September 24, 2015

The Jefferson Metropolitan Housing Authority, Steubenville, OH, Did Not Adequately Enforce HUD's Housing Quality Standards and Its Own Requirements

Highlights

What We Audited and Why

We audited the Jefferson Metropolitan Housing Authority's Section 8 Housing Choice Voucher program housing quality standards based on a request from the U.S. Department of Housing and Urban Development (HUD) and the activities included in our 2015 annual audit plan. Our audit objective was to determine whether the Authority conducted thorough housing quality standards inspections of its program units in accordance with HUD's and its own requirements. This is the second of two audits on the Authority's program.

What We Found

The Authority did not adequately enforce HUD's housing quality standards and its own requirements. Specifically, it failed to ensure that 44 program units, including 38 that materially failed, complied with HUD's housing quality standards and its program administrative plan. As a result, the Authority's households were subjected to health- and safety-related violations, and the Authority did not properly use its program funds.

What We Recommend

We recommend that the Director of HUD's Cleveland Office of Public and Indian Housing require the Authority to (1) certify that the applicable housing quality standards violations have been corrected for the 44 units cited, (2) reimburse its program more than \$38,000 from non-Federal funds for the 38 units that materially failed to meet HUD's and its own requirements, and (3) implement adequate procedures and controls to ensure that all units meet HUD's housing quality standards and its own requirements to prevent more than \$1.9 million in program funds from being spent on units that do not comply with HUD's requirements over the next year.

Table of Contents

Background and Objective.....	3
Results of Audit	4
Finding: The Authority Did Not Always Ensure That Program Units Complied With HUD’s Housing Quality Standards and Its Own Requirements	4
Scope and Methodology	14
Internal Controls.....	16
Appendixes.....	17
A. Schedule of Questioned Costs and Funds To Be Put to Better Use.....	17
B. OIG Housing Quality Standards Inspection Results	18
C. Auditee Comments and OIG’s Evaluation	20
D. Federal and Authority Requirements	24

Background and Objective

The Jefferson Metropolitan Housing Authority is a public housing agency created in 1958 by the State of Ohio to provide decent, safe, and sanitary housing for low-income households. The Authority is governed by a five-member board of commissioners appointed by elected officials. The board's responsibilities include performing duties and functions as required by the Authority's bylaws or its rules and regulations. The executive director has supervision over the administration of the Authority and management over the housing projects of the Authority.

The Authority administers the Section 8 Housing Choice Voucher program funded by the U.S. Department of Housing and Urban Development (HUD). The program provides assistance to low- and moderate-income individuals seeking decent, safe, and sanitary housing by subsidizing rents with owners of existing private housing. As of August 15, 2015, the Authority had 818 units under contract and was authorized to receive more than \$2.2 million in program funds for the fiscal year.

The goal of the Housing Choice Voucher program is to provide decent, safe, and sanitary housing at an affordable cost to low-income families. To accomplish this goal, program regulations set forth basic housing quality standards, which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. Housing quality standards define "standard housing" and establish the minimum criteria necessary for the health and safety of program participants.

HUD's regulations at 24 CFR (Code of Federal Regulations) 982.401 require that all program housing meet housing quality standards performance requirements, both at commencement of the assisted occupancy and throughout the assisted tenancy.

Our audit objective was to determine whether the Authority conducted thorough housing quality standards inspections of its program units in accordance with HUD's and its own requirements.

Results of Audit

Finding: The Authority Did Not Always Ensure That Program Units Complied With HUD's Housing Quality Standards and Its Own Requirements

The Authority did not always ensure that program units complied with HUD's housing quality standards and its own requirements. Of the 55 program units statistically selected for inspection, 44 did not meet minimum housing quality standards, and 38 had 1 or more exigent health and safety violations that predated the Authority's previous inspections, 5 or more health and safety violations that predated the Authority's previous inspections, or a combination of both. The violations occurred because the Authority lacked adequate procedures and controls to ensure that its program units complied with HUD's housing quality standards and its own requirements. It also failed to exercise proper supervision and oversight of its program inspections. As a result, nearly \$35,000 in program funds was spent on units that were not decent, safe, and sanitary. Based on our statistical sample, we estimate that over the next year, the Authority will pay more than \$1.9 million in housing assistance for units with material housing quality standards violations.

The Authority Passed Housing Units That Did Not Comply With HUD's Housing Quality Standards or Its Own Requirements

From the 150 program units that passed the Authority's inspections from February 1 through April 30, 2015, we statistically selected¹ 55 units for inspection. The 55 units were inspected to determine whether the Authority ensured that its program units complied with HUD's housing quality standards and the requirements in its program administrative plan. We inspected the 55 units from June 15 through June 26, 2015.

Of the 55 units inspected, 44 (80 percent) had 573 housing quality standards violations, of which 561 violations predated the Authority's previous inspections. Of these, 38 units containing 559 violations were considered to be in material noncompliance since they had 1 or more exigent health and safety violations that predated the Authority's previous inspections, 5 or more health and safety violations that predated the Authority's previous inspections, or a combination of both. The Authority disbursed \$34,948 in program housing assistance payments for the 38 units that materially failed to meet HUD's housing quality standards and received \$3,574 in program administration fees. The following table categorizes the 573 violations in the 44 units.

¹ Our methodology for the statistical sample is explained in the Scope and Methodology section of this audit report.

Category of violations	Number of violations	Number of units
Electrical	173	39
Window	64	24
Other interior	42	21
Smoke detector	35	25
Floor	34	21
Interior stair or railing	27	18
Stair, rail, or porch	21	21
Wall	19	12
Security	19	16
Foundation	18	18
Exterior surface	14	12
Ceiling	11	9
Toilet	11	10
Sink	10	9
Heating equipment	10	10
Ventilation	9	8
Range or refrigerator	8	8
Lead-based paint	7	3
Interior air quality	7	7
Tub or shower	6	6
Roof or gutter	6	6
Fire exits	6	6
Site or neighborhood	5	5
Water heater	4	4
Plumbing, sewer, or water supply	3	3
Evidence of infestation	3	3
Lead paint: exterior	1	1
Total	573	

We provided our inspection results² to the Director of HUD's Cleveland Office of Public and Indian Housing and the Authority's acting executive director on August 24, 2015.

² See appendix B for a detailed list of our housing quality standards inspection results.

The Inspected Units Had 173 Electrical Violations

One hundred and seventy-three electrical violations were found in 39 of the 55 units inspected. The following items are examples of electrical violations listed in the table: open ground outlets; unsecured power disconnect box, exposing electrical contacts; live wires with exposed contacts protruding through a hole in the wall; broken outlet and missing cover plate; ceiling lamp with exposed contacts; outlets with reversed poles; outlet missing an outlet box and protruding from the wall; nonworking ground-fault circuit interrupter outlets; terminated wiring outside of junction box; and wire entering electrical panel without the use of a wire connector.

The Inspected Units Had 64 Window Violations

Sixty-four window violations were found in 24 of the 55 units inspected. The following items are examples of window violations listed in the table: broken glass pane and glass shard on window sill; window painted shut; window with mold growing on it and large gap between the window and the wall; window not staying up when opened; deteriorated window sill and sash, causing gaps and allowing air infiltration; window with nonworking locks; and window missing glass panes and covered with plywood.

The Inspected Units Had 42 Other Interior Violations

Forty-two other interior violations were found in 21 of the 55 units inspected. The following items are examples of other interior violations listed in the table: missing bedroom doorknob and latch; hole in the front exterior door; gaps around exterior door, allowing air infiltration; bedroom door with loose hinges and a hole on the surface; bedroom door damaged near the doorknob, posing a splinter hazard; no walls or other enclosure surrounding the bathroom in the basement; screws protruding from the doorknob; two screws sticking out of the doorframe, acting as a strike plate; and sliding exterior door falling off its tracks.

The following photographs illustrate examples of the violations noted during housing quality standards inspections of the 38 units that materially failed to meet HUD's housing quality standards and the requirements in the Authority's administrative plan.

Unit #32: Deteriorated front entrance stoop



Unit #32: Clogged lavatory drain in only bathroom in house; had not been used since February 2015



Unit #10: Exposed live wires protruding through a wall



Unit #30: Sliding window with a gap when closed



Unit #6: Deteriorated retaining wall



Unit #12: Bedroom
window with cracks and
holes filled with foam



Unit #23: Sewage
around floor drain



Unit #22: Basement
steps with no handrail



Unit #21: Unsecured
power disconnect
boxes, exposing
electrical contacts



Unit #4: Blisters, cracks, and mold on entry hallway wall



Unit #17: Leaking basement window with the glass pane held in place by duct tape



The Authority Lacked Adequate Procedures and Controls

The Authority did not adequately enforce HUD's housing quality standards and the requirements in its program administrative plan. The weaknesses described above occurred because the Authority lacked adequate procedures and controls to ensure that its program units met HUD's and its own requirements. It also failed to exercise proper supervision and oversight of its program and inspections. Twenty-four of the inspections selected for review were reinspections of previously failed units inspected by the Authority. Of the 24 reinspections, 12 units (50

percent) had the same deficiencies as in the Authority's initial inspection. According to the Authority's inspector, he physically reinspected the failed items to ensure that the deficiencies had been corrected and passed the 12 units. However, the deficiencies had not been corrected.

The former acting executive director said that the errors occurred because the inspector had not received housing quality standards training. This fact was confirmed by the inspector, who said that although he requested training, he had received no training before performing housing quality standards inspections for the Authority. The inspector said that he received 1 week of on-the-job training, which included observing the Authority's contracted inspectors. However, this training occurred approximately 6 months after the Authority's inspector had begun performing housing quality standards inspections. The current acting executive director said that he was developing a training plan for the Authority's inspector. As of July 2015, the Authority had hired a contractor to conduct its program housing quality standards unit inspections.

Conclusion

The weaknesses described above occurred because the Authority lacked adequate procedures and controls to ensure that its program units complied with HUD's and its own requirements. As a result, the Authority's households were subjected to health- and safety-related violations, and the Authority did not properly use its program funds when it failed to ensure that the units complied with HUD's housing quality standards and its own requirements. The Authority disbursed \$34,948 in program housing assistance payments for the 38 units that materially failed to meet HUD's housing quality standards and received \$3,574 in program administration fees.

In accordance with 24 CFR 982.152(d), HUD is permitted to reduce or offset any program administrative fees paid to a public housing agency if it fails to enforce HUD's housing quality standards.

If the Authority implements adequate procedures and controls for its unit inspections to ensure compliance with HUD's housing quality standards and its own requirements, we estimate that HUD will avoid spending more than \$1.9 million in housing assistance payments on units that are not decent, safe, and sanitary over the next year.

Recommendations

We recommend that the Director of HUD's Cleveland Office of Public and Indian Housing require the Authority to

- 1A. Certify, along with the owners, that the applicable housing quality standards violations have been corrected for the 44 units cited in this finding.
- 1B. Reimburse its program \$38,522 from non-Federal funds (\$34,948 for program housing assistance + \$3,574 in associated administrative fees) for the 38 units that materially failed to meet HUD's housing quality standards and its own requirements.
- 1C. Implement adequate procedures and controls to ensure that all units meet HUD's housing quality standards and its own requirements to prevent \$1,946,865 in

program funds from being spent on units that do not comply with HUD's requirements over the next year. The procedures should include but not be limited to ensuring that inspectors are properly trained and familiar with HUD's and its own requirements and that they consistently conduct accurate and complete inspections and reinspections.

Scope and Methodology

We performed our onsite audit work between May and July 2015 at the Authority's main office located at 815 North 6th Avenue, Steubenville, OH. The audit covered the period January 1 through April 30, 2015, but was expanded as determined necessary.

To accomplish our audit objective, we interviewed HUD program staff and the Authority's employees. In addition, we obtained and reviewed the following:

- Applicable laws, HUD's regulations at 24 CFR Part 982, Office of Public and Indian Housing notices, HUD's Guidebook 7420.10G, and HUD's Housing Inspection Manual.
- The Authority's program administrative plan, created November 2012; accounting records; policies and procedures; board meeting minutes for February 2015 through April 2015; households' inspection reports; and housing assistance payment register.

We statistically selected a stratified random sample of 55 of the Authority's program units to inspect from the 150 units that passed the Authority's inspections from February 1 through April 30, 2015. The 55 units were inspected to determine whether the Authority ensured that its program units complied with HUD's housing quality standards and the requirements in its program administrative plan. After our inspections, we determined whether each unit passed, failed, or materially failed. Materially failed units were those that had one or more exigent health and safety violations that predated the Authority's previous inspections, five or more health and safety violations that predated the Authority's previous inspections, or a combination of both. Also, for each unit we considered the severity of the violations, and we may have categorized an inspection, which according to the stated standards, would have resulted in the inspection's being categorized as a material failure, as failed. All units were ranked, and we used our materiality standards and auditors' judgement to determine the material cutoff point.

Based on our review of the 55 statistically selected units, we found that 38 of the units had material failures in housing quality standards or the requirements in the Authority's administrative plan, although they had recently passed the Authority's inspection. Using a confidence interval of 95 percent, we projected that at least 59 percent of the 150 units that passed the Authority's inspection during our audit scope had material violations. Extending this rate to the 608 active units on the Authority's program, we can say that at least 358 units would not have complied with housing quality standards or the requirements in the Authority's administrative plan, despite having passed the Authority's inspection.

Based on the average housing assistance paid for the 55 properties, less a deduction to account for a statistical margin of error, we can say with a confidence interval of 95 percent that the

amount of monthly housing assistance spent on inadequate units was \$267³ per unit. Extending this amount to the 608 active units on the Authority's program yields at least \$162,238 in monthly housing assistance payments made for inadequate units. This amounts to more than \$1.9 million in housing assistance paid per year for substandard units.

The calculation of administrative fees was based on HUD's administrative fee per household month for the Authority. The fees were considered inappropriately received for each month in which the housing assistance was incorrectly paid for units that did not meet HUD's minimum housing quality standards and the Authority's own requirements. If the questioned period was less than a full month, we limited the administrative fee to a daily rate, based on the number of days during which the unit did not comply with HUD's requirements.

We relied in part on data maintained by the Authority. Although we did not perform a detailed assessment of the reliability of the data, we performed a minimal level of testing and found the data to be adequately reliable for our purposes. We provided our review results and supporting schedules to the Director of HUD's Cleveland Office of Public and Indian Housing and the Authority's acting executive director during the audit.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

³ This amount was rounded for reporting purposes.

Internal Controls

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Effectiveness and efficiency of operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Reliability of financial reporting – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with applicable laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiency

Based on our review, we believe that the following item is a significant deficiency:

- The Authority lacked adequate procedures and controls to ensure that its program units complied with HUD's minimum housing quality standards and its own requirements (see finding).

Appendixes

Appendix A

Schedule of Questioned Costs and Funds To Be Put to Better Use

Recommendation number	Ineligible 1/	Funds to be put to better use 2/
1B	<u>\$38,522</u>	
1C		<u>\$1,946,865</u>
Total	<u>\$38,522</u>	<u>\$1,946,865</u>

- 1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or Federal, State, or local policies or regulations.
- 2/ Recommendations that funds be put to better use are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. These amounts include reductions in outlays, deobligation of funds, withdrawal of interest, costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings that are specifically identified. In this instance, if the Authority implements our recommendations, it will stop incurring program costs for units that are not decent, safe, and sanitary and, instead, will spend those funds in accordance with HUD's requirements and the Authority's program administrative plan. Once the Authority improves its controls, this will be a recurring benefit. Our estimate reflects only the initial year of this benefit.

Appendix B

OIG Housing Quality Standards Inspection Results

Identification number	Total number of units that materially failed	Total number of units that failed	Total number of units that passed	Total violations for materially failed units	Total number of housing quality standards violations	Total number of preexisting violations
1	x			35	35	35
2	x			33	33	33
3	x			26	26	26
4	x			26	26	25
5	x			24	24	24
6	x			23	23	23
7	x			21	21	21
8	x			20	20	19
9	x			18	18	18
10	x			17	17	16
11	x			16	16	13
12	x			16	16	16
13	x			16	16	16
14	x			16	16	16
15	x			16	16	16
16	x			15	15	15
17	x			15	15	14
18	x			15	15	13
19	x			14	14	14
20	x			13	13	13
21	x			13	13	13
22	x			12	12	12
23	x			12	12	12
24	x			12	12	12
25	x			11	11	11
26	x			10	10	10
27	x			10	10	10
28	x			9	9	9
29	x			9	9	9

OIG Housing Quality Standards Inspection Results (concluded)

Identification number	Total number of units that materially failed	Total number of units that failed	Total number of units that passed	Total violations for materially failed units	Total number of housing quality standards violations	Total number of preexisting violations
30	x			9	9	9
31	x			8	8	8
32	x			8	8	8
33	x			8	8	8
34	x			8	8	8
35	x			7	7	7
36	x			7	7	6
37	x			6	6	6
38		x			5	5
39	x			5	5	5
40		x			3	3
41		x			2	1
42		x			2	1
43		x			1	1
44		x			1	1
45			x		0	0
46			x		0	0
47			x		0	0
48			x		0	0
49			x		0	0
50			x		0	0
51			x		0	0
52			x		0	0
53			x		0	0
54			x		0	0
55			x		0	0
Totals	38	6	11	559	573	561



Appendix C

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation

Auditee Comments

Comment 1

	<p>Jefferson Metropolitan Housing Authority 815 North Sixth Avenue, Steubenville, Ohio 43952 Phone: (740) 282-0994 • Fax: (740) 284-7066</p> 
<p>Kimberly Toler, Assistant Regional Inspector General for Audit U.S. Dept. of HUD Office of Inspector General 200 N. High Street Room 334 Columbus, OH 43215</p> <p>Re: Draft Audit report of the Jefferson Metropolitan Housing Authority Housing Choice Voucher program Housing Quality Standards</p> <p>Dear Ms Toler:</p> <p>Thank you for the opportunity to respond to the Office of Inspector General's draft audit of Jefferson</p> <p>Jefferson Metropolitan Housing Authority (JMHA) has reviewed the findings and recommendations from the Office of Inspector General's recent HQS audit. JMHA is enthusiastic about the opportunity to improve program compliance and efficiency as the result of the HQS review. Below is JMHA's response to the OIG's findings and recommendations as well as a plan for continuous improvement.</p> <p>Jefferson Metropolitan Housing Authority (JMHA) has reviewed the findings and recommendations from the Office of Inspector General's recent HQS audit. JMHA is enthusiastic about the opportunity to improve program compliance and efficiency as the result of the HQS review. Below is JMHA's response to the OIG's findings and recommendations as well as a plan for continuous improvement.</p> <p>JMHA agrees with HQS findings that the agency was not in complete compliance with the federal regulations as well as its locally established policies. JMHA is eager to work with the OIG to create meaningful change and improvement for HQS procedures within the agency.</p> <p>JMHA has already launched into a period of redevelopment and opportunity and is steadfastly committed to improving its stature in the assisted housing community and conducting its housing programs in a way that deserves the public trust afforded to it. Some general steps that JMHA has already taken towards performance improvement include:</p> <ul style="list-style-type: none">• Temporarily contracting with The Inspection Group to conduct inspections• Internal process analysis with a focus on increased efficiency and quality• Appointing Dorian Jenkins from Nan McKay and Associates as interim Executive Director	

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation

Auditee Comments

Comment 2

- Recruiting for two JMHA inspectors and an inspection clerk
- Development of a HQS training plan for new inspectors and HCV staff.

JMHA would like to specifically acknowledge and address the three recommendations that the OIG made in its Draft Audit Report.

Recommendation A:

Certify, along with the owners, that the applicable housing quality standards violations have been corrected for the 44 units cited in this finding.

JMHA Action Taken/Planned:

JMHA has re-inspected 100% of the units identified that had 24 hour emergency health and safety fails and ensured that all deficiencies have been corrected. JMHA is currently in the process of re-inspecting 100% of its 2014 inspection portfolio to ensure that all units meet HQS standards. JMHA has contracted with the Inspection Group to conduct HQS inspections in accordance with HUD regulations and JMHA's administrative plan. JMHA is conducting landlord outreach and education and has updated its briefing materials to include HQS standards and common fails in a proactive approach to reduce HQS deficiencies.

Recommendation B:

Reimburse its program \$38,522 from the non-Federal funds (\$34, 948 for program housing assistance + \$3,574 in associated administrative fees) for the 38 units that materially failed to meet HUD's housing quality standards and its own requirements

JMHA Action Taken/Planned:

JMHA is reviewing the OIG's recommendation and work with HUD on any resulting repayment plan.

Recommendation C:

Implement adequate procedures and controls to ensure that all units meet HUD's housing quality standards and its own requirements to prevent \$1,946,865 in program funds from being spent on units that do not comply with HUD's requirements over the next year. The procedures should include but not be limited to ensuring inspectors are properly trained and familiar with HUD's and its own requirements and that they consistently conduct accurate and complete inspections and reinspections.

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation

Auditee Comments

Comment 3

JMHA Action Taken/Planned:

JMHA has revised its internal policies and procedures to reflect the HUD regulations and standards. JMHA has developed a tracking mechanism for all initial, annual, quality control and special inspections. The tracking mechanism is used to produce aging reports, establish inspection history and ensure follow up is addressed. JMHA has trained its HCV staff on the tracking mechanism and staffs have begun to use it. JMHA is also using the inspections module in PHA web to track inspections passes, fails, upcoming annuals and requests. Staff is scheduled to be trained and certified in HQS regulations and to participate in a 2 day job shadowing exercise so that they are able to contribute to the inspections compliance and completion. In addition to HQS specific process and training improvement measures, communication is being addressed within the organization from the top down including:

- Regular staff meetings
- All staff memos for major process changes
- Transparent performance monitoring across all departments
- Standard operating procedures are being developed, documented and distributed in writing across all staff in all departments

JMHA looks forward to continuing to work with the Office of Inspector General to ensure improvement and performance excellence in not just HQS but in all areas of the HCV program. If you have any questions or need further data or clarification please contact Cathy Moro or Dorian Jenkins.

JMHA will submit the results of its in depth analysis of the files and HAP calculations reviewed by the OIG under separate cover.

Please feel free to contact Cathy Moro, HCV Director at Cmoro@jeffersonMHA.org; or me at Djenkins@jeffersonMHA.org.

Sincerely,



Dorian Jenkins
Acting Executive Director

C: Board of Commissioners
Cathy Moro
Siri Ott, PHRS
Kevin Laviano, Division Director

OIG Evaluation of Auditee Comments

- Comment 1 We commend the Authority for taking steps such as hiring a contractor to conduct inspections, creating internal processes to increase efficiency and quality of its inspections, employing an interim executive director, recruiting inspection staff, and developing a training plan for the new inspectors and its program staff to improve its to improve its performance. These actions, if fully implemented, should strengthen its housing quality standards inspection policies and procedures.
- Comment 2 We commend the Authority for correcting 100 percent of the 24 hour exigent health and safety violations and have received the Authority's documentation during the audit. The Authority stated that it is in process of reinspecting its entire portfolio and is conducting landlord outreach and educations, and has updated its briefing materials to include HUD's housing quality standards and a listing of common items that do not meet HUD's standards. The Authority should continue to work with HUD to ensure these measures are sufficient and appropriately implemented.
- Comment 3 We commend the Authority for (1) revising its internal policies and procedures, (2) developing a tracking system for its inspections, (3) scheduling its staff for training and certification in HUD's housing quality standards, and (4) keeping its staff updated through meetings, memos, and by creating standard operating procedures. The Authority should continue to work with HUD to ensure these measures are sufficient and appropriately implemented.

Appendix D

Federal and Authority Requirements

Regulations at 24 CFR 982.401 require that all Section 8 program housing meet the housing quality standards performance requirements both at commencement of assisted occupancy and throughout the tenancy.

Regulations at 24 CFR 982.404(a)(1) state that the owner must maintain the unit in accordance with housing quality standards. (2) If the owner fails to maintain the dwelling unit in accordance with housing quality standards, the public housing authority must take prompt and vigorous action to enforce the owner's obligations. Public housing authority remedies for such a breach of the housing quality standards include termination, suspension or reduction of housing assistance payments, and termination of the housing assistance payments contract. (3) The public housing authority must not make housing assistance payments for a dwelling unit that fails to meet the housing quality standards, unless the owner corrects the defect within the period specified by the public housing authority and the public housing authority verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any public housing authority-approved extension). (4) The owner is not responsible for a breach of the housing quality standards that is not caused by the owner and for which the family is responsible. (However, the public housing authority may terminate assistance to a family because of a housing quality standards breach caused by the family.)

Regulations at 24 CFR 982.404(b)(1) state that the family is responsible for a breach of the housing quality standards that is caused by any of the following: (ii) the family fails to provide and maintain any appliances that the owner is not required to provide but which are to be provided by the tenant, or (iii) any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear). (2) If a housing quality standards breach caused by the family is life threatening, the family must correct the defect within no more than 30 calendar days (or any public housing authority-approved extension). (3) If the family has caused a breach of the housing quality standards, the public housing authority must take prompt and vigorous action to enforce the family obligations. The public housing authority may terminate assistance for the family in accordance with section 982.552.

The Authority's administrative plan, chapter VII, section J, states that the following are considered to be life-threatening violations:

- (1) Exposed electrical wiring,
- (2) Gas leak,
- (3) Carbon monoxide,
- (4) Inoperable or missing smoke detectors,
- (5) Inoperable or missing locks on exterior doors,
- (6) Inoperable or missing locks on windows reachable from the ground, and
- (7) Any facilities not being maintained (electric, water, etc.).