

**Housing Quality Standards (HQS) Inspection Process Review**  
**Section 8 Housing Choice Voucher Program**  
**January 2012**

**Introduction**

An article written in the Norway, Maine based *Advertiser Democrat* titled “Slumlords, shoddy oversight, tax dollars ... living on Section 8” on October 27, 2011 highlighted substandard living conditions experienced by recipients of the Section 8 Housing Choice Voucher Program administered by MaineHousing and Avesta in the Norway area. The pictures that accompanied the article were shocking, and MaineHousing and Avesta immediately launched an investigation and together re-inspected all of the apartment units owned and operated by the three landlords exposed in the article. Unfortunately, the pictures and the article proved to be accurate. Over the course of the next two weeks, MaineHousing and Avesta Inspectors found that all of the units failed to meet minimum Housing Quality Standards (HQS) as set forth by the Department of Housing and Urban Development (HUD) in its oversight of the Section 8 Housing Choice Voucher Program.

**Audit Scope and Objectives**

In addition to responding with a plan to assist tenants in need, MaineHousing management requested that the Internal Auditor investigate the facts and circumstances outlined in the article. Specifically, MaineHousing management and the Board of Commissioners want to know:

- What breakdown in controls – both at MaineHousing and at Avesta – allowed the situation in Norway to occur? and
- Why was MaineHousing or Avesta not aware of the situation sooner?

The focus of this review was to understand existing weaknesses with regard to the HQS Inspection Process and to determine recommendations for improvement so that a similar situation can never transpire again. Although the scope of the review focused on the Section 8 Housing Choice Voucher Program managed by Avesta from their Norway office, recommendations regarding HQS procedures and controls are applicable to the administration of the program state-wide.

**Summary Findings**

This review is based on numerous interviews with Avesta management and staff, MaineHousing management and staff, as well as local officials. Without exception, everyone involved stated that they were “shocked” by the living conditions of the Section 8 tenants depicted by the *Advertiser Democrat* article. It appears that the root cause of the situation in Norway – landlords who did not maintain their properties up to HQS standards – was ignored by a trusted Section 8 Housing Inspector employed by Avesta, and a breakdown in controls enabled the problem to exist over time without exposure. In hindsight, indicators along the way were overlooked. Due to a number of factors, no-one was connecting the dots... at Avesta or at MaineHousing.

## WHAT BREAKDOWN IN CONTROLS ALLOWED THE SITUATION IN NORWAY TO OCCUR?

### 1) **After years of working alone in the field, the Section 8 Housing Inspector became weary and apathetic.**

The Section 8 Housing Inspector reports that seeing the same conditions year after year left her feeling “jaded.” She also stated that since HQS standards are sometimes ambiguous and require some subjectivity on the part of the inspector, a condition that may appear “moderate” to one person may appear “severe” to another. After seeing the same issues year after year, her sense of “moderate” and “severe” became blurred.

The Section 8 Housing Inspector has been inspecting units for the Housing Choice Voucher program for nearly a dozen years, and admits to feeling tired and that “sometimes, I feel like it doesn’t matter anymore.” As a result, she confessed that she missed things over time. For example, when a couch or other items were up against a wall, she didn’t feel physically able to move them to check the electric outlets. She stated that instead of reporting this fact, she felt that she would be able to catch it “next year.”

### 2) **The Section 8 Housing Inspector reports that in some cases she felt that she was “helping” tenants and landlords by overlooking items that should have failed.**

The Section 8 Housing Inspector believed that some tenants did not have any other options with regard to housing, and as a result the tenants did not want the unit to fail inspection. She stated that if failed items required the landlord to fix, then ultimately the landlord would go back to the tenant to cover the cost. She also expressed empathy for the landlords, believing that it was difficult for them to make any money on the program. As a result, she admitted overlooking some items that should have failed.

### 3) **The Section 8 Housing Inspector opposed recent management changes at Avesta and resented the new rules put in place by her current supervisor.**

In August of 2010, a new Director of Programs was assigned at Avesta, who subsequently made several positive organizational changes to the Section 8 program administration structure. The Program Manager position split into two positions, with the existing Program Manager assigned to Avesta’s Saco office. A new Program Manager was brought in to manage the Norway office. Prior to this change taking place, Avesta staff had suggested to MaineHousing that since they relied so heavily on MaineHousing staff for direction, they didn’t need an office manager. As a result, the new Section 8 Program Manager entered a challenging office environment.

The Section 8 Housing Inspector did not feel valued by the new Program Manager, and in turn did not respect the Program Manager or the new rules that she implemented. At the beginning of 2011, the Section 8 Housing Inspector voiced her concerns in an email sent to Avesta’s human resources department, but did not subsequently pursue Avesta’s conflict resolution policy process.

**4) The Section 8 Housing Inspector passed previously failed items without going back to re-inspect the unit.**

HUD's Housing Choice Voucher Program Handbook states, "Fail or inconclusive inspections require follow-up re-inspections **or PHA verification** to confirm the correction of the HQS infractions." (emphasis added)

MaineHousing's Housing Choice Voucher Procedural Guide also states: "For 24-hour failures or life-threatening violations and 48-hour emergency violations, the Agent will follow-up with the owner or owner's representative that the repairs were made (e.g., within 24 hours), and perform a follow-up inspection as soon as possible. For 30-day failures, repairs must be completed and the unit re-inspected within 30 days, unless an extension has been granted by the Inspector who then notifies the appropriate Agent caseworker."

The Section 8 Housing Inspector stated that she was told by her Avesta supervisor that in order to save mileage time and money, it was ok to pass a previously failed unit based on verbal confirmation, as long as she went back "at some point." MaineHousing confirmed that in some circumstances, initial verification is allowed without re-inspection, as long as the inspector confirms with the landlord that the failed item had been fixed **and** the inspector re-inspects the unit as soon as possible.

The Section 8 Housing Inspector admitted that based on her trust of people, she had passed previously failed units based on landlord confirmation without permission from Avesta or MaineHousing. Some tenants confirmed on the newly established Tenant Questionnaire that the Section 8 Housing Inspector never returned to re-inspect the unit.

**5) Avesta relied almost exclusively on MaineHousing to provide direction and oversight of Avesta staff, particularly with regards to the Section 8 Housing Inspector.**

MaineHousing sub-contracts the administration of the Housing Choice Voucher program to agents throughout the State with the expectation that the agents take care of all program details, including staff supervision. However, MaineHousing Program Officers provide guidance and technical assistance to agent employees as needed. Over time, it appears that the line became blurred and that employees at Avesta depended on MaineHousing staff to provide direction and staff oversight.

➤ ***MaineHousing Response***

MaineHousing agrees that Avesta Section 8 staff were relying on direction and oversight from MaineHousing rather than having a management structure in place. In March 2011, MaineHousing and Avesta Section 8 staff participated in a training to clarify the roles and responsibilities of Avesta as an agent.

**6) Performance of the Section 8 Housing Inspector was not adequately monitored.**

The Inspector's direct supervisor (prior to the re-organization of the Norway office) relied exclusively on MaineHousing's quality control inspection process to monitor the Section 8 Housing Inspector's work performance.

MaineHousing re-inspects the work of the Section 8 housing inspectors throughout Maine once per year as required by HUD. During July 2010, MaineHousing's Quality Control Inspector failed 11 of the 25 (44 percent) randomly selected Section 8 Housing Choice Voucher units passed by the Avesta Section 8 Housing Inspector within the previous three months. On average, over a four-year period from 2008 - 2011, nearly 40 percent of units passed by the Section 8 Housing Inspector failed re-inspection by MaineHousing. (Note: a majority of items that failed on re-inspection were not immediate health and safety issues, but included failure to check for GFI outlets in kitchens and bathrooms, missing outlet covers, etc.)

MaineHousing worked immediately with the Section 8 Housing Inspector to make sure changes were made to bring the units into HQS compliance, but recurring performance issues were not specifically called out or addressed. In addition, the Avesta Director of Programs changed hands between when MaineHousing shared initial results of the HQS monitoring in July of 2010 and when the final report was issued in April of 2011. As a result, underlying inspector performance issues were not addressed on a timely basis.

➤ ***MaineHousing Response***

As was noted in the response to #5 above, MaineHousing addressed the roles and responsibilities of the Norway Avesta office in early 2011.

MaineHousing is now conducting all Section 8 Housing Choice Voucher inspections in Androscoggin and Oxford counties and will eventually do so statewide. MaineHousing will employ an independent contractor to re-inspect a sampling of its inspections as a further quality control measure.

**7) When performance issues were identified, there was a failure to follow chain-of-command.**

During the past couple of years, performance issues with regard to the Avesta Section 8 Housing Inspector were discovered by MaineHousing. There were questions about backdating of inspections in the computer system, whitening out last year's date on the inspection letter and form to include this year's date, the number of inspections that the Section 8 Housing Inspector was actually doing (productivity), and questions about specific units that should have failed HQS inspection.

Initial e-mail communications with the Section 8 Housing Inspector regarding these performance issues included Avesta's Section 8 Program Manager, but in some cases subsequent emails related specifically to resolving the issue failed to keep the Program Manager in the loop. Furthermore, the Avesta Section 8 Program Manager did not elevate the issues or inform the Avesta Director of Programs as concerns arose. As a result, no pattern of employee issues was being monitored or tracked.

➤ ***MaineHousing Response***

The questions raised in the first paragraph highlight the performance issues that MaineHousing did not address head-on. These serious issues should have been immediately remedied. MaineHousing is now copying the managers of all Section 8 agents on all HQS deficiencies and performance issues.

**8) HQS refresher training or re-certification is not required by HUD.**

Many of HUD's Housing Quality Standards are not black and white, and require some degree of subjectivity on the part of the inspector. In addition HQS rules and regulations do change over time. The Section 8 Housing Inspector in Norway obtained certification in the year 2000, nearly 12 years ago. MaineHousing does bring agents together periodically throughout the year to go over changes in Section 8 administration requirements, and expects that the agent managers communicate HQS changes to the inspectors in their area. There is no similar type of agent meeting specifically for housing inspectors through the State.

➤ ***MaineHousing Response***

While housing inspectors are currently notified directly by email whenever there is a change in HQS rules and regulations, beginning January 10, 2012 MaineHousing will require housing inspector attendance at the quarterly agent meetings. There will be specific agenda items addressing inspections. MaineHousing is also organizing continuing education for HQS inspectors.

## WHY WAS MAINEHOUSING OR AVESTA NOT AWARE OF THE SITUATION SOONER?

### 9) There was no formal method of tracking tenant or landlord complaints.

The Section 8 Housing Inspector was the one person who landlords and tenants knew personally, so to many, she became the “face” of the Section 8 program. As a result, tenants or landlords would complain directly to the Section 8 Housing Inspector, who would take care of the matter without communicating the issue to either Avesta chain of command or to MaineHousing. As a result, there was no way to know if a pattern was developing with regards to a particular landlord.

#### ➤ *MaineHousing Response*

MaineHousing implemented a centralized tracking system on November 10, 2011 for MaineHousing and Avesta to monitor tenant and landlord complaints and to track follow-up actions taken. The tracking log will be reviewed monthly by MaineHousing. This system will be rolled-out statewide on January 10, 2012.

In addition MaineHousing will have more face time with tenants, landlords and local officials.

- MaineHousing is formalizing ongoing education about the Section 8 program for tenants, landlords, and local officials.
- A flyer explaining tenant rights was developed by Avesta on November 4, 2011 and sent to tenants in Norway. The flyer includes clear direction to contact Avesta offices or MaineHousing directly if there are questions or problems.
- MaineHousing organized a Housing Fair in Norway on December 8, 2011 for tenants, landlords and town officials, which was well attended and helped match tenants with landlords. These will be organized statewide.

**10) Town officials did not contact MaineHousing directly.**

The Chief of Police in Norway stated that in the distant past (2 - 5 years ago), when police officers entered an apartment and found deplorable living conditions, they would take photographs and forward them to the Code Enforcement Officer. But, he added that they haven't had had occasion to send photographs to the new Code Enforcement Officer, who started in April of 2011.

Town officials do not know if a tenant is a recipient of Section 8 housing funds, and since this is confidential information, they may not ask. However, the new Code Enforcement Officer in Norway does tell tenants that **if** they are recipients of Section 8 assistance, then they could call Avesta directly with complaints. However, ultimately it is up to the tenant to make that call.

In Paris, the Fire Chief reported that he has twice in the past contacted Avesta regarding two buildings with concerns, once in 2009 and once more recently in February of 2011. In February, he was aware that the tenant was a Section 8 recipient, and contacted Avesta. (Note: he could not recall with whom he had spoken, and Avesta has been unable to find any reference related to a conversation with him in any of their key staff call logs.) The Fire Chief reported that after being dissatisfied with Avesta's response, he called in the State Fire Marshal. He stated that nobody suggested contacting MaineHousing directly, so therefore he did not know that was an option.

➤ ***MaineHousing Response***

It is clear, as noted above, that town officials did not contact MaineHousing with complaints about conditions in Norway. The community education and the tracking system mentioned in # 9 above will help town officials know whom to call.

**11) Tenants did not feel empowered to complain.**

Interviews with some tenants have revealed that they were afraid of complaining for fear of harassment or eviction, and/or they did not realize that they could complain to Avesta management or to MaineHousing directly. The Chief of Police in Norway stated that they had not received any complaints from tenants regarding landlord harassment, and in fact, as of the end of December 2011, the police had still not received any specific tenant complaints, despite encouragement to do so.

➤ ***MaineHousing Response***

The distribution of the tenants' rights flyer mentioned in # 9 above and increased communication with the community will help tenants and town officials know whom to call.

## AUDIT RECOMMENDATIONS

### HQS Quality Control Monitoring

- **Increase the frequency of HQS quality control monitoring to quarterly.**

In the past, MaineHousing's quality control monitoring has been conducted annually during the summer or fall in an effort to efficiently utilize resources (travel time, mileage, etc.) in a state as rural and expansive geographically as Maine. Since HQS monitoring only looks back 3 months per HUD rules, there has been a universe of units that could never be selected for re-inspection by the Quality Control Inspector. MaineHousing already conducts quarterly Section 8 program file reviews, so quarterly HQS monitoring will mirror the file review timing.

➤ ***MaineHousing Response***

MaineHousing concurs with this recommendation and has increased the frequency of inspections to quarterly and doubled the sample size of inspections to at least 5 percent.

- **Increase the number of HQS monitoring inspections performed annually.**

Based on HUD's minimum sample size formula, only 2.7 percent of the Section 8 housing units are required to be re-inspected each year. Based on a total universe of about 600 units served out of the Norway office, the percentage of units re-inspected should be increased to at least 5 percent, or 30 units. Transitioning to a quarterly inspection schedule, MaineHousing should set a goal of inspecting a minimum of 7 to 8 units every three months to meet the 5 percent threshold.

➤ ***MaineHousing Response***

As noted above, MaineHousing concurs and has doubled the sampling size to a minimum of 5 percent.

- **HQS monitoring re-inspections should include units with known landlord issues or a history of tenant complaints.**

Instead of selecting a pure random sample of units within the geographic area served by the Section 8 agent, the sample should be stratified. MaineHousing should be sure that a representative sample of units in "problem" buildings are selected first, then a true random sample can be chosen to fill out the sample size.

➤ ***MaineHousing Response***

MaineHousing agrees and is developing a risk assessment tool whereby landlords with frequent deficiencies and complaints will be tracked and re-inspected on a more frequent basis. This will help target the re-inspections to ensure a landlord does not escape the random sampling as happened in Norway in 2011.



- **Provide immediate feedback to agents regarding the results of each quarterly inspection and file review.**

MaineHousing already works to immediately resolve HQS deficiencies identified in units during the year. However, agents should be notified of the results as soon as possible as well, so that they too can address any internal concerns or employee performance issues as they are recognized.

➤ ***MaineHousing Response***

MaineHousing agrees and will continue copying the managers of all Section 8 agents on HQS deficiencies identified in units and other performance issues.

- **Add HQS re-inspection of units to the “Agent Quality Control Process” required of agents each month.**

MaineHousing developed an “Agent Quality Control Process” checklist in July of 2010 to help agents maintain quality control throughout the administration of the Section 8 program. Although the checklist requires an internal file review each month, it does not require HQS re-inspection of units.

➤ ***MaineHousing Response***

MaineHousing agrees and is adding HQS re-inspections to the Agent Quality Control Process so that agents perform “spot checks” of their inspectors’ work.

➤ ***Avesta Response: HQS Quality Control Monitoring***

Avesta Housing (Avesta) concurs with the five recommendations related to HQS Quality Control monitoring. It is our opinion that these recommendations will appropriately focus the QC process on a review of quality, provide better real-time data to agents, and positively broaden the sample of units inspected. Avesta additionally suggests that QC feedback should include statistical data on fail rates, including a definition of fail rate, acceptable ranges, and comparisons across all inspectors.

In addition to these recommendations, Avesta will expand its analysis of fail rates internally and is in the process of revising the HQS Inspector job description to include performance standards that must be met.

Finally, Avesta requested that MaineHousing take over all HQS inspection responsibilities for Oxford and Androscoggin Counties effective January 1, 2012.

## HQS Training

- **Require HQS inspector refresher training every 2 -3 years.**

As stated above, many HQS inspectors were originally certified many years ago, and the Section 8 Housing Inspector in the Avesta Norway office was certified more than 11 years ago. Although HUD does not require periodic recertification, refresher training should be required by MaineHousing to bring HQS inspectors up to date on new rules and regulations.

- ***MaineHousing Response***

MaineHousing agrees with this recommendation. In addition to including inspectors in the quarterly agent meetings starting January 10, 2012, MaineHousing will require continuing education for HQS inspectors.

- **Similar to agent meetings conducted by MaineHousing, HQS inspector meetings should be held at least once or twice a year.**

MaineHousing relies on agent managers to communicate information disbursed at the quarterly agent meeting to the HQS inspectors, without really knowing if that truly happens. MaineHousing also distributes the minutes from agent meetings to HQS inspectors, but again, cannot know that they are being read. HQS inspectors would benefit greatly from their own meetings, where MaineHousing can discuss recent changes and hear concerns from the field. Also, meetings dedicated to HQS would allow inspectors to share “war” stories, and bounce situations off their peers to see how others would handle similar circumstances.

- ***MaineHousing Response***

MaineHousing is requiring inspectors to attend agent meetings beginning January 10, 2012.

- ***Avesta Response: HQS Training***

Avesta Housing concurs with the two recommendations related to HQS Training.

It is our opinion that HQS inspectors should attend agent meetings on a regular basis and these meetings should include an opportunity for networking, sharing of best practices, and Q&A with MaineHousing staff. MaineHousing should consider hosting a periodic HQS refresher training for all inspectors statewide on a semi-annual basis

## HQS Inspection/ Re-inspection Process

- **Require the use of photographs in the inspection process.**

The saying goes that “a picture is worth 1000 words” and this was especially true in the photos that accompanied the original *Advertiser Democrat* article. If the Section 8 Housing Inspector in Norway had submitted photographs of the units in question, and they had been reviewed in a timely manner, the situation in Norway may have been identified and addressed long ago before it reached the level it did. Furthermore, requiring before and after photos of failed items when possible would ensure that the unit was indeed re-inspected and that the inspector wasn’t just going on the word of the landlord that the problem had been fixed.

- ***MaineHousing Response***

The HQS Inspection Process has been modified to include photos effective January 10, 2012.

- **Include the new Tenant Questionnaire as a standard part of both the annual inspection process and the HQS monitoring process.**

MaineHousing developed a Tenant Questionnaire to administer while re-inspecting the units of three specific landlords in the Norway area. The Tenant Questionnaire provides the tenant the opportunity to confirm when the unit had last been inspected or re-inspected, and to share any concerns directly with the inspector. Several tenants reported that they did not know whether the unit passed or failed and that the Section 8 Housing Inspector never returned to conduct a follow-up inspection. The HQS inspector should discuss with the tenant the list of the items that failed (if any) and explain the process and timing going forward.

However, for the Tenant Questionnaire to be of value, concerns raised by tenants need to be centrally documented and reviewed on a timely basis.

- ***MaineHousing Response***

MaineHousing agrees and will roll-out the following procedural changes for inspections on January 10, 2012:

- Inspectors will review the results of the inspection with each tenant and provide them with an opportunity to disclose any additional concerns regarding the condition of the unit not found during inspection.
- At each inspection (including annual, special, quality control, and re-inspections) tenants will be asked to sign and date the inspection form after results are reviewed.
- Inspectors will consistently complete the Tenant Survey (included on the HQS inspection form), which asks about number of household members, whether

or not landlord makes repairs when asked, what the tenant's portion of rent is, and which utilities they are responsible for.

- Inspectors will return Tenant Survey results to caseworkers for review. Any discrepancies or concerns identified will require immediate follow-up, including clear documentation of results.

- **A second inspector should conduct re-inspections of previously failed units.**

In the Avesta Saco office, the HQS inspector does not do his own re-inspections of failed units. The Saco Program Manager is also HQS certified, and conducts the follow-up inspections of previously failed units. This process should be considered “best practice,” ensuring a second set of eyes in units with problems.

- ***MaineHousing Response***

MaineHousing agrees with this recommendation, and for re-inspection of failed units, an inspector other than the person who originally inspected unit will perform re-inspection. MaineHousing will implement this in Androscoggin and Oxford counties immediately and will implement it statewide over the next few months.

- **Re-inspections of previously failed units should follow the same documentation as original inspections.**

Although documentation in tenant files for initial inspections is detailed, there is little documentation regarding the re-inspection. Often the word “Passed” with a date is simply hand-written on the original inspection report, and it is impossible to tell who conducted the re-inspection. The inspector conducting the re-inspection should not only focus on those items that failed, but should take a more comprehensive look at the unit to see if anything was missed by the first inspector. Ultimately, the employee conducting the re-inspection is passing the entire unit, not just those items that previously failed.

- ***MaineHousing Response***

MaineHousing agrees and will implement this recommendation.

- ***Avesta Response: HQS Inspection / Re-Inspection Process***

Avesta Housing concurs with the four recommendations related to the inspection/re-inspection process. Avesta began implementing the use of the new Tenant Questionnaire on a pilot basis for annual inspections beginning January 1, 2012 in the Saco office. We will make recommendations to MaineHousing for changes as we review the value of this questionnaire. In addition, the Saco office

initiated a process by which the back-up inspector conducts re-inspection work for the HQS inspector as a way to provide a second set of eyes on failed units.

In addition to the stated recommendations, Avesta offers some additional suggestions. MaineHousing's Administrative Plan is the guiding procedural document for the administration of the Housing Choice Voucher Program. It describes policies for which MaineHousing has discretion in the operating of the voucher program. Avesta Housing recommends that MaineHousing implement a landlord education process in order to communicate its requirements, as outlined in the Administrative Plan, that are above and beyond HQS standards to landlords. Avesta recommends an addendum to the HUD HQS form with these additional requirements be clearly laid out. Avesta recommends that all fails on HQS inspection forms are noted in writing whether they are life safety fails (24-hour window to fix) or non-life-safety fails (30-day window to fix). Avesta recommends that MaineHousing clarify its expectations and HUD requirements related to local and state codes to all agents. Finally, Avesta Housing recommends that MaineHousing improve consistency in inspection expectations among its staff.

### **Communication**

- **Be sure to follow chain of command when agent employee issues are identified.**

*MaineHousing:* While MaineHousing appropriately provides technical support and guidance to agent employees in an effort to maintain program consistency, Section 8 staff need to be sure to include the employees' direct supervisor in all initial and subsequent communications regarding Avesta employee performance.

*Agents:* It is equally important for agent supervisory staff to elevate issues to their management on a regular basis. By maintaining a constant flow of communication, employee issues can be addressed as they are identified, and patterns of behavior can be discovered sooner.

- ***MaineHousing Response***

MaineHousing agrees and is now copying the managers of all Section 8 agents on HQS deficiencies and performance issues.

- ***Avesta Response: Communication***

Avesta Housing concurs with the recommendation related to communication.

## Outreach to Tenants / Landlords / Town Officials

- **Increase efforts to educate Section 8 recipients regarding their tenant rights and what to do if their landlord has been non-responsive.**

The use of the Tenant Questionnaire during annual inspections is a good time to educate tenants of their rights and who to call if they have any concerns. Agents and MaineHousing should also seek other ways to make sure tenants are aware of actions to take if they feel that landlords are not taking health and safety issues seriously.

- **Increase efforts to educate Section 8 landlords regarding their responsibilities with regard to maintaining minimum housing quality standards and what to do if they believe that tenants are causing damage that will result in failed HQS inspections.**

Some failed HQS items are tenant-caused and beyond the control of the landlord. Just as it is important for tenants to know their rights and responsibilities under the Housing Choice Voucher program, the landlords also need to know who to call if they have physical issues with a particular unit that could cause an HQS failure. Documentation of program changes and regular communication with landlords is also needed to make sure they know about any changes in the program in a timely manner.

- **Partner with local fire, police, and code enforcement officials to ensure the health and safety of tenants.**

Local officials may become aware of sub-standard living conditions in buildings during the course of their work, but don't always think (or know) to call MaineHousing in case there may be tenants residing there who receive Section 8 rental assistance and they are not satisfied with response of the local agent. Town officials should also be made aware of the extent (and limitations) of the HQS inspection process. This sharing of information needs to be repeated periodically since town positions tend to experience staff turnover.

- ***MaineHousing Response***

As already noted, MaineHousing plans to reach out and educate tenants, landlords, and town officials (through the Housing Fairs, for example), to ensure people understand the program and know to call their agent or MaineHousing at any time.

- **Create a system to track and review complaints from tenants, landlords, and town officials.**

As complaints are received and issues identified, there needs to be a way to document these matters over time in one place. These complaints then need to be reviewed by Avesta and MaineHousing on a regular basis to determine if any pattern appears that requires deeper scrutiny.

➤ ***MaineHousing Response***

As noted earlier, MaineHousing is implementing a tracking system statewide.

➤ ***Avesta Response: Outreach to Tenants / Landlords / Town Officials***

Avesta Housing concurs with the four recommendations related to outreach.

Within 8 days of the *Advertiser Democrat* article about housing conditions, Avesta Housing mailed a notice to all tenants in York, Cumberland, Oxford and Androscoggin Counties outlining their rights as a participant in the Housing Choice Voucher Program.

Avesta also co-sponsored a Housing Fair in Norway on December 8 as a way of reaching out to existing and potential landlords to answer any questions they have about participation in the Housing Choice Voucher Program.

As MaineHousing’s agent, Avesta Housing believes it is the agent’s responsibility to conduct outreach to local fire, police and code enforcement officials to ensure the health and safety of tenants. This outreach will be an on-going priority for Program Managers beginning immediately.

Avesta Housing is piloting a new, formalized and centralized complaint log process. This is being paired with the implementation of a new Special Inspection Request form and the prioritization of Special Inspection requests. This log will be reviewed regularly by the Director of Programs and shared with MaineHousing by request.

In addition, Avesta Housing recommends that MaineHousing clarify the process by which it would consider “disallowing” landlords from the program.

## Organizational Structure

- **Revisit the use of agents to administer the Section 8 Housing Choice Voucher Program.**

MaineHousing is planning to re-issue an RFP in 2012 for administration of the Housing Choice Voucher Program. This RFP process will provide a good opportunity for MaineHousing to re-think the organizational structure used in Maine to administer vouchers to Section 8 recipients. Although changes to organizational structure have been considered in the past, now is a particularly good time to re-consider.

MaineHousing has directly administered the program in 5 counties for the past several years, and now has the experience to know what works and doesn't work centrally. Also, technological advances in communications with cell phones, the internet, etc. have reduced the need for more frequent face-to-face communications. MaineHousing is one of few states who sub-contract program administration, and a review of how other rural states structure their programs might also provide some good ideas for how to restructure the program without sacrificing customer service.

➤ ***MaineHousing Response***

The sub-standard housing in Oxford County is unacceptable, and the ultimate responsibility for not catching it and improving the tenants' living conditions lies with MaineHousing. Our primary concern is for the tenants who were poorly served by this series of events. MaineHousing's staff is dedicated to providing decent, safe, affordable, and energy efficient housing, and we will redouble our efforts to fulfill our mission.

MaineHousing has worked diligently over the last two months to identify how this situation could have occurred and to create system changes to prevent it from happening again. As a result, MaineHousing has decided to change the way the Section 8 Housing Choice Voucher Program is delivered to ensure that voucher holders are not living in sub-standard housing and that MaineHousing has control over program duties to ensure that we fulfill our commitment to HUD.

Maine Housing will:

- Phase out contracts with outside agents, starting with Avesta
- Assume the statewide contract administrator duties consistent with the current 'MaineHousing Direct' model currently in use. Functions will include:
  - ✓ Application Intake and Processing
  - ✓ Voucher Move In and Move Out Activity
  - ✓ Rental Subsidy Processing
  - ✓ Issuance of Rental Payments to Landlords
  - ✓ Apartment Inspections
  - ✓ HUD Reporting
  - ✓ Program Outreach and Marketing



- Expand the function of the Family Self Sufficiency Coordinator role or similar role to include a “Community Outreach” function that works with municipalities, landlord groups, tenant associations, and other interested parties to further educate, inform, and support the understanding and access to the Housing Choice Voucher program. Outreach activities will include Community Housing Fairs, and contact with municipal leaders and real estate trade groups to develop partnerships and improve communication about the program.

➤ ***Avesta Response: Final Summary***

The mission of Avesta Housing is to promote and provide housing opportunities for people in need. It is our top priority to ensure that families are living in safe conditions. The living conditions outlined in the October 27, 2011 *Advertiser Democrat* article are unacceptable and do not represent the quality, safe, and decent housing that Avesta Housing stands for. Because we had no record that any tenant, town official, police, fire official, or social service agency had ever complained about these poor living conditions in Norway, Avesta Housing was completely blind-sided by this article.

Working closely with MaineHousing, Avesta took swift and immediate action which included suspension and subsequent termination of the inspector, immediate inspection of all units owned by the landlords in question, relocation of tenants in apartments that were not immediately brought up to code, a reminder notice to tenant about their rights, and a thorough internal review of procedures in order to fully understand how this incident occurred and to ensure that it does not happen again. Avesta requested that MaineHousing take over all HQS inspection responsibilities for Oxford and Androscoggin Counties effective January 1, 2012.

Avesta deeply regrets this incident and feels it does not in any way reflect our commitment and achievements in providing quality, affordable housing in Maine. However, the situation in Norway has highlighted gaps in the system. We believe the audit recommendations outlined here will help MaineHousing and its agents make significant program improvements that will ultimately benefit participating families.

Finally, Avesta understands and supports MaineHousing’s decision to take over administration of the Housing Choice Voucher Program statewide. We agree this will increase efficiency in this time of HUD administrative fee reductions. Avesta will cooperate in every manner to ensure a seamless transition for tenants and landlords participating in the program.