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**INDEPENDENT STATE AUDITOR'S REPORT
ON THE PHYSICAL CONDITION
OF STATE-AIDED PUBLIC HOUSING UNITS
AND RESOURCES ALLOCATED FOR THE
OPERATION AND UPKEEP OF THE
WESTPORT HOUSING AUTHORITY
JULY 1, 2003 TO JUNE 30, 2005**

**OFFICIAL AUDIT
REPORT
NOVEMBER 6, 2007**

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In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted a statewide comprehensive audit of the physical conditions and the resources available to provide for the operation and upkeep of the state-aided public housing authorities of the Commonwealth. To accomplish our audit, we performed work at the Department of Housing and Community Development (DHCD) and obtained data from surveys and site visits to a selected, representative cross-section of 66 Local Housing Authorities (LHAs) throughout the state. The Westport Housing Authority was one of the LHAs selected to be reviewed for the period July 1, 2003 to June 30, 2005. A complete list of the LHAs visited and surveyed is provided in our statewide report No. 2005-5119-3A. Our on-site visits were conducted to follow up on survey data we obtained in order to: observe and evaluate the physical condition of the state-regulated LHAs, review policies and procedures over unit site inspections, determine whether LHA-managed properties were maintained in accordance with public health and safety standards, and review the state modernization funds awarded to determine whether such funds have been received and expended for their intended purpose. In addition, we reviewed the adequacy of the level of funding provided to each LHA for annual operating costs to maintain the exterior and interior of the buildings and housing units, as well as capital renovation infrastructure costs to maximize the public housing stock across the state, and determined whether land already owned by the LHAs could be utilized to build additional affordable housing units. We also determined the number of vacant units, vacancy turnaround time, and whether any units have been taken off line and are no longer available for occupancy by qualifying families or individuals in need of housing.

AUDIT RESULTS

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1. RESULTS OF INSPECTIONS – NONCOMPLIANCE WITH STATE SANITARY CODE

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DHCD's Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. On November 10, 2005, we inspected five of the 48 state-aided housing units managed by the Authority and noted 14 instances of noncompliance with Chapter II of the State Sanitary Code, including chipped and flaking paint on ceilings, crumbling walkways and curbs, and warped shingles. In its response, the Authority concurred that these issues are serious health and safety code violations that have been brought to the attention of DHCD on numerous occasions.

2. OFFICIAL WRITTEN PROPERTY MAINTENANCE PLAN NOT ESTABLISHED

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Our audit disclosed that the Authority did not incorporate DHCD's Property Maintenance Guide into its policies and procedures. Specifically, we noted that the Authority did not have an official written preventive maintenance plan to inspect, maintain, repair, and upgrade its existing housing units. Such a plan would establish procedures to ensure that all Authority-managed properties are in safe, decent, and

sanitary condition, as defined by Chapter II of the State Sanitary Code. In its response, the Authority indicated that it is a non-subsidized housing authority which relies solely on the payment of rent to survive, and that pro-active maintenance, if done at all, is relatively non-existent.

3. AVAILABILITY OF LAND TO BUILD AFFORDABLE HOUSING UNITS **7**

During our audit, we found that the Authority owns approximately 3.5 acres of land located behind the existing housing stock at 666 State Road. The Authority has filed a request with DHCD for development funds to construct additional elderly housing units at this location. The need for additional housing at the Authority is justified, considering that there are over 30 applicants on the Authority's waiting list for affordable housing. The Authority chose not to respond to this issue in writing.

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INTRODUCTION

Background

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted a statewide comprehensive audit of the physical conditions and the resources available to provide for the operation and upkeep of the state-aided public housing authorities of the Commonwealth. To accomplish our audit, we performed work at the Department of Housing and Community Development (DHCD) and obtained data from surveys and site visits to a selected, representative cross-section of 66 Local Housing Authorities (LHAs) throughout the state. The Westport Housing Authority was one of the LHAs selected to be reviewed for the period July 1, 2003 to June 30, 2005. A complete list of the LHAs visited and surveyed is provided in our statewide report No. 2005-5119-3A.

Our on-site visits were conducted to follow up on survey data we obtained in order to: observe and evaluate the physical condition of the state-regulated LHAs, review policies and procedures over unit site inspections, determine whether LHA-managed properties are maintained in accordance with public health and safety standards, and review the state modernization funds awarded to determine whether such funds have been received and expended for the intended purpose. In addition, we reviewed the adequacy of the level of funding provided to LHAs for annual operating costs to maintain the exterior and interior of the buildings and housing units, as well as the capital renovation infrastructure costs to maximize the public housing stock across the state, and determined whether land already owned by the LHAs could be utilized to build additional affordable housing units. We also determined the number of vacant units, vacancy turnaround time, and whether any units have been taken off line and are no longer available for occupancy by qualifying families or individuals in need of housing.

Audit Scope, Objectives, and Methodology

The scope of our audit included an evaluation of management controls over dwelling unit inspections, modernization funds, and maintenance plans. Our review of management controls included those of both the LHAs and DHCD. Our audit scope included an evaluation of the physical condition of the properties managed; the effect, if any, that a lack of reserves, operating and modernization funds, and maintenance and repair plans has on the physical condition of the LHAs'

state-aided housing units/projects; and the resulting effect on the LHAs' waiting lists, operating subsidies, and vacant units.

Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included such audits tests and procedures as we considered necessary.

Our primary objective was to determine whether housing units were maintained in proper condition and in accordance with public health and safety standards (e.g., the State Sanitary Code, state and local building codes, fire codes, Board of Health regulations) and whether adequate controls were in place and in effect over site-inspection procedures and records. Our objective was to determine whether the inspections conducted were complete, accurate, up-to-date, and in compliance with applicable laws, rules, and regulations. Further, we sought to determine whether management and DHCD were conducting follow-up actions based on the results of site inspections.

Second, we sought to determine whether individual LHAs were owed prior-year operating subsidies from DHCD, and whether the untimely receipt of operating subsidies from DHCD may have resulted in housing units not being maintained in proper condition.

Third, in instances where the physical interior/exterior of LHA-managed properties were found to be in a state of disrepair or deteriorating condition, we sought to determine whether an insufficient allocation of operating or modernization funds from DHCD contributed to the present conditions noted and the resulting effect, if any, on the LHAs' waiting lists and vacant unit reoccupancy.

To conduct our audit, we first reviewed DHCD's policies and procedures to modernize state-aided LHAs, DHCD subsidy formulas, DHCD inspection standards and guidelines, and LHA responsibilities regarding vacant units.

Second, we sent questionnaires to each LHA in the Commonwealth requesting information on the:

- *Physical condition of its managed units/projects*
- *State program units in management*
- *Off-line units*
- *Waiting lists of applicants*

- *Listing of modernization projects that have been formally requested from DHCD within the last five years, for which funding was denied*
- *Amount of funds disbursed, if any, to house tenants in hotels/motels*
- *Availability of land to build affordable units*
- *Written plans in place to maintain, repair, and upgrade its existing units*
- *Frequency of conducting inspections of its units/projects*
- *Balances, if any, of subsidies owed to the LHA by DHCD*
- *Condition Assessment Reports (CARS) submitted to DHCD*
- *LHA concerns, if any, pertaining to DHCD's current modernization process*

The information provided by the LHAs was reviewed and evaluated to assist in the selection of housing authorities to be visited as part of our statewide review.

Third, we reviewed the report entitled “Protecting the Commonwealth’s Investment – Securing the Future of State-Aided Public Housing.” The report, funded through the Harvard Housing Innovations Program by the Office of Government, Community and Public Affairs, in partnership with the Citizens Housing and Planning Association, assessed the Commonwealth’s portfolio of public housing, documented the state inventory capital needs, proposed strategies to aid in its preservation, and made recommendations regarding the level of funding and the administrative and statutory changes necessary to preserve state public housing.

Fourth, we attended the Joint Legislative Committee on Housing’s public hearings on March 7, 2005 and February 27, 2006 on the “State of State Public Housing;” interviewed officials from the LHAs, the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials, and DHCD; and reviewed various local media coverage regarding the condition of certain local public housing stock.

To determine whether state-aided programs were maintained in proper condition and safety standards, we (a) observed the physical condition of housing units/projects by conducting inspections of selected units/projects to ensure that the units and buildings met the necessary minimum standards set forth in the State Sanitary Code, (b) obtained and reviewed the LHAs’ policies and procedures relative to unit site inspections, and (c) made inquiries with the local boards

of health to determine whether any citations had been issued, and if so, the LHA's plans to address the cited deficiencies.

To determine whether the modernization funds received by the LHAs were being expended for the intended purposes and in compliance with laws, rules, and regulations, we obtained and reviewed the Quarterly Consolidated Capital Improvement Cost Reports, Contracts for Financial Assistance, and budget and construction contracts. In addition, we conducted inspections of the modernization work performed at each LHA to determine compliance with its work plan.

To determine whether LHAs were receiving operating subsidies in a timely manner, we analyzed each LHA subsidy account for operating subsidies earned and received and the period of time that the payments covered. In addition, we made inquiries with the LHA's Executive Director/fee accountant, as necessary. We compared the subsidy balance due the LHA per DHCD records to the subsidy data recorded by the LHAs.

To assess controls over waiting lists, we determined the number of applicants on the waiting list for each state program and reviewed the waiting list for compliance with DHCD regulations.

To assess whether each LHA was adhering to DHCD procedures for preparing and filling vacant units in a timely manner, we performed selected tests to determine whether the LHAs had uninhabitable units, the length of time the units were in this state of disrepair, and the actions taken by the LHAs to renovate the units.

AUDIT RESULTS

1. RESULTS OF INSPECTIONS – NONCOMPLIANCE WITH STATE SANITARY CODE

The Department of Housing and Community Development's (DHCD) Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. For the period July 1, 2003 to June 30, 2005, we reviewed inspection reports for five of the 48 state-aided dwelling units managed by the Westport Housing Authority. In addition, on November 10, 2005, we conducted inspections of these units, located at the Authority's Greenwood Terrace Development (Elderly Housing 667-1). Our inspection noted 14 instances of noncompliance with Chapter II of the State Sanitary Code, including chipped and flaking paint on ceilings, crumbling walkways and curbs, and warped shingles. (Appendix I of our report summarizes the specific State Sanitary Code violations noted, and Appendix II includes photographs documenting the conditions found.)

The photographs presented in Appendix II illustrate the pressing need to address the conditions noted, since postponing the necessary improvements would require greater costs at a future date, and may result in the properties not conforming to minimum standards for safe, decent, and sanitary housing.

Recommendation

The Authority should apply for funding from DHCD to address the issues noted during our inspections of the interior (dwelling units) and exterior (buildings) of the Authority, as well as other issues that need to be addressed. Moreover, DHCD should obtain and provide sufficient funds to the Authority in a timely manner so that it may provide safe, decent, and sanitary housing for its tenants.

Auditee's Response

It was duly noted in the report that our property has a serious deficiency in regards to its siding and walkways. These are serious health and safety code violations that have been brought to the attention of the Department of Housing and Community Development on numerous occasions. At the time of the audit, little to no money was being spent on major capital improvements to state property and therefore our requests were never granted.

The Authority further indicated that funding to repair the siding and walkways has been granted, and that the cited conditions should be addressed and corrected during the spring of 2008.

2. OFFICIAL WRITTEN PROPERTY MAINTENANCE PLAN NOT ESTABLISHED

During our audit, we found that the Authority did not incorporate DHCD's Property Maintenance Guide into its policies and procedures. Specifically, we noted that the Authority did not have an official written preventive maintenance plan to inspect, maintain, repair, and upgrade its existing housing units.

DHCD's Property Maintenance Guide states, in part:

The goal of good property maintenance at a public housing authority is to serve the residents by assuring that the homes in which they live are decent, safe and sanitary . . . every housing authority must have a preventive plan which deals with all the elements of its physical property and is strictly followed. . . .The basic foundation for your (LHA) maintenance program is your inspection effort . . . the basic goals of an inspection program are to improve the effectiveness and efficiency of your maintenance effort. This will be achieved when you (LHA) have a thorough program of inspections when you observe all parts of the (LHA's) physical property, document the results of the inspections thoroughly, and convert the findings into work orders so that the work effort can be scheduled and organized. Inspections are the systematic observation of conditions and provide the foundation for capital improvements and long range planning, as well as a record of present maintenance needs.

A preventive maintenance program would also:

- Assist in capital improvement planning by assessing the current and future modernization needs of the Authority,
- Enable the Authority to establish procedures to assist its day-to-day operating activities to correct minor maintenance problems, and
- Schedule major repairs with the assistance of DHCD.

We recognize that a plan without adequate funds and resources is difficult, if not impossible, to implement. Nevertheless, without an official written property maintenance program in place, the Authority cannot ensure that its managed properties are in safe, decent, and sanitary condition, in accordance with the State Sanitary Code.

Recommendation

The Authority should comply with DHCD's Property Maintenance Guide by establishing an official written preventive maintenance plan, and DHCD in turn should obtain and provide the necessary funds and resources to ensure that this plan is enacted.

Auditee's Response

[Westport Housing Authority] is a non-subsidized housing authority and relies solely on the payment of rent to survive. Pro-active maintenance, if done at all, is relatively non-existent. We do address all resident concerns as they arise and paint and prepare all units at time of occupancy.

Auditor's Reply

The Authority should enact a written property maintenance plan as part of its existing policies and procedures to conform with DHCD's Property Maintenance Guide.

3. AVAILABILITY OF LAND TO BUILD AFFORDABLE HOUSING UNITS

During our audit, we found that the Authority owns approximately 3.5 acres of land on which it could build additional affordable housing units, located behind the existing housing stock at 666 State Road. The Authority has filed a request with DHCD for development funds to construct additional elderly housing units at this location. The need for additional housing at the Authority is justified, considering that there are over 30 applicants on the Authority's waiting list for affordable housing. Without affordable housing, substantial costs may be incurred by the Commonwealth's social service programs and assistance organizations where displaced individuals turn for help. A lack of decent, affordable housing may result in families living in substandard housing, living in temporary shelters or motels, or becoming homeless. The need for affordable housing is especially critical for the elderly, whose fixed incomes and special needs limit their housing options.

Recommendation

The Authority should continue to communicate with DHCD to obtain the development funds needed to construct sufficient additional housing units to meet the current demand.

Auditee's Response

The Authority chose not to respond to this issue in writing.

SUPPLEMENTARY INFORMATION***Westport Housing Authority–Managed State Properties***

The Authority's state-aided housing development is 667-1 Elderly Housing, composed of 48 units that were built in 1974.

APPENDIX I

State Sanitary Code Noncompliance Noted

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
667-1 Development		
1B Greenwood Terrace (Handicapped Unit)	No inclined ramp to assist handicapped tenants with egress to/from unit*	105 CMR 410.450
	Warped shingles need replacing	105 CMR 410.500
	Crumbling sidewalks and curbs	105 CMR 410.750
2B Greenwood Terrace	Warped shingles need replacing	105 CMR 410.500
	Crumbling sidewalks and curbs	105 CMR 410.750
3E Greenwood Terrace	Rust in tub and toilet, clogged drain traps	105 CMR 410.150
	Warped shingles need replacing	105 CMR 410.500
	Crumbling sidewalks and curbs	105 CMR 410.750
4F Greenwood Terrace	Rusting tub	105 CMR 410.150
	Chipped and flaking ceiling paint	105 CMR 410.500
	Warped shingles need replacing	105 CMR 410.500
	Crumbling sidewalks and curbs	105 CMR 410.750
6A Greenwood Terrace	Warped shingles need replacing	105 CMR 410.500
	Crumbling sidewalks and curbs	105 CMR 410.750

* This is also a violation of accessibility standards established by the Americans with Disabilities Act (28 CFR Part 36).

APPENDIX II

Photographs of Conditions Found

667-1 Development, 1B Greenwood Terrace

Crumbling Sidewalk and Curb



667-1 Development, 2B Greenwood Terrace

Warped Shingles Need Replacing



667-1 Development, 3E Greenwood Terrace
Warped Shingles Need Replacing



667-1 Development, 4F Greenwood Terrace
Warped Shingles Need Replacing



667-1 Development, 6A Greenwood Terrace
Warped Shingles Need Replacing

