



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

NO. 2006-0792-3A

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 SWAMPSCOTT HOUSING AUTHORITY
JULY 1, 2003 TO JUNE 30, 2005

OFFICIAL AUDIT
REPORT
AUGUST 7, 2007

TABLE OF CONTENTS/EXECUTIVE SUMMARY

INTRODUCTION

1

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 Swampscott 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 the 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 offline and are no longer available for occupancy by qualifying families or individuals in need of housing.

AUDIT RESULTS

5

1. RESULTS OF INSPECTIONS – NONCOMPLIANCE WITH STATE SANITARY CODE

5

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 January 9, 2006, we inspected eight of the 120 state-aided housing units managed by the Authority and noted 32 instances of noncompliance with Chapter II of the State Sanitary Code, including water leaks, cracked walls/ceilings, loose tiles, trip hazards, missing smoke detectors, and unsanitary counter tops and cabinets. In its response, the Authority indicated that corrective action has been taken to remedy most of the conditions cited in this audit report.

2. MODERNIZATION INITIATIVES NOT FUNDED

10

In response to our questionnaires, the Authority informed us that there is a need for modernizing its managed properties. Specifically, the Authority submitted requests for funding from DHCD for its capital modernization projects; however, these requests have

not been funded by DHCD. Deferring or denying the Authority's needed modernization funding may result in further deteriorating conditions that could render the units and buildings uninhabitable. Moreover, if the Authority does not receive funding to correct these conditions (which have been reported to DHCD), additional emergency situations may occur, and the Authority's ability to provide safe, decent, and sanitary housing for its elderly and family tenants will be seriously compromised. In its response, the Authority indicated that as of March 19, 2007, DHCD had not provided modernization funding.

3. OFFICIAL WRITTEN PROPERTY MAINTENANCE PLAN NOT ESTABLISHED **13**

During our audit, we found that the Authority did not incorporate DHCD's Property Maintenance Guide into its own 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 the Authority-managed properties are in decent, safe, and sanitary condition as defined by Chapter II of the State Sanitary Code. In its response, the Authority indicated that it conducts a preventive maintenance program without an official written plan.

SUPPLEMENTARY INFORMATION **15**

APPENDIX I **16**

State Sanitary Code Noncompliance Noted

APPENDIX II **18**

Photographs of Conditions Found

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 Swampscott 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 their 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’s 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 cited LHA's plans to address any reported 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 the 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 LHA.

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 LHA had uninhabitable units, the length of time the units were in this state of disrepair, and the actions taken by the Authority 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 fiscal year ended June 30, 2005, we reviewed inspection reports for eight of the 120 state-aided dwelling units managed by the Swampscott Housing Authority. In addition, on January 9, 2006, we conducted inspections of these units located at Doherty Circle and Duncan Terrace (Elderly Housing 667-1 and 667-2) and Cherry Court (Family Housing 200-1). Our inspection noted 32 instances of noncompliance with Chapter II of the State Sanitary Code, including water leaks, cracked walls/ceilings, loose tiles, trip hazards, missing smoke detectors, and unsanitary counter tops and cabinets. (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.

Auditor's Response

In its response, the Authority stated that it disagrees with the conclusion that the Authority was not in compliance with Chapter II of the State Sanitary Code, as follows:

667-1 Duncan Terrace

Building E Audit: Peeling paint on post

Response: On January 9, 2006, the paint was peeling. As soon as the winter weather abated and the temperatures were warm enough to support painting, all trim at Duncan Terrace was painted. Duncan Terrace, as well as all the other Swampscott Housing Authority, is located within one half mile of the ocean and all painting is adversely affected by the salt air. Exterior painting is routinely rotated amongst the three properties as an annual, good weather maintenance project. This was a very minor peeling situation and should not be a finding as a violation of the State Sanitary Code, 105 CMR 410.500.

Unit 37 Audit: Kitchen wall tiles are missing grout; kitchen ceiling light is broken; bathroom baseboard damaged; toilet not seated properly on flange.

Response: All of the above listed draft findings in Unit 37 were minor in nature and developed after the last prior annual inspection. The tenant admitted to the Audit inspector that the tenant himself had been dilatory in not reporting these problems to the Authority office. Corrective action was taken immediately and all work orders were closed out having been completed prior to the completion of the Audit. None of the above items should be considered violations of State Sanitary Code, 105 CMR 410.150, 410.251, 410.500.

Audit: No smoke detector in living room.

Response: Tenant admitted to the Director and to the Inspector that he, the tenant, had removed the detector when it malfunctioned, but never notified the Authority office. The smoke detector was replaced by the maintenance department immediately after the Authority was notified of the problem. The tenant was counseled as to the importance of informing the Authorities of problems. In spite of the tenant-disabled smoke detector, the unit still had the protection of a heat detector hard-wired to the Fire Department. The temporary, unreported problem with the smoke detector is not a violation of 105 CMR 410.482.

Unit 40 Audit: Bathroom and living room ceilings have water stains.

Response: Two minor, faint water stains were a result of a roof leak which was repaired in the year prior to the Audit. The ceiling stains were eradicated by the maintenance prior to the departure of the Audit inspector.

Audit: Kitchen wall cracked.

Response: Building C Duncan Terrace, in which 40 Duncan Terrace is located, backs up to the MBTA Commuter Rail Boston to Rockport line. The kitchen is located not more than 30 feet from the rail bed of the line. Each weekday there are more than 30 trains into Boston and 30 trains out of Boston rumbling by 40 Duncan Terrace. From time to time, it is not unusual for the walls of the building to suffer stress cracks from

the constant action of the railroad trains mere feet from the building. The cracks in unit 40 are typical of cracks in walls in buildings close to railroad tracks. These are minor cracks normally repaired by applying simple spackling compound to the crack and painting the wall. There is no violation of 105 CMR 410.500 in Unit 25B.

Unit 15 Audit: Front door is split.

Response: The front door was not split. Due to the tenant's act of nailing a Christmas wreath to the door, the door sustained a minor surface crack. The front door is constructed of solid hard wood which was not compromised by the minor crack on the surface emanating from the small nail used to secure the wreath; the surface crack was not a split from outside to inside; the weather tightness of the door was never compromised. As soon as weather and temperature permitted the door was repaired with wood putty and paint. This minor surface crack is not a violation of the State Sanitary Code 105 CMR 410.501.

667-2 Doherty Circle

Unit 59A Audit: Kitchen floor tiles are broken; kitchen ceiling light is broken; bathroom floor tiles are broken; bathroom sink clogged.

Response: All of the above listed draft findings in Unit 59A were minor [and] developed after the last annual inspection. The tenant did not report these problems to the Authority office. Corrective action was taken immediately and all work orders were closed out as complete prior to the completion of the Audit. Tenant's family contacted relative to tenant's chronic reluctance to report maintenance problems; he seems to be better.

Audit: Foundation wall is broken. Appendix II Photo.

Response: The clunk of concrete out of the corner of the foundation in the building containing Unit 59A is obvious. However, in spite of the apparent condition, there is not violation of 105 CMR 410.500. The missing concrete has not caused any dwelling unit to be exposed to wind, rain, or snow; the building is rodent free, watertight and free from chronic dampness. The foundation is in good repair with no structural weaknesses due to the missing concrete and is in every way fit for the use intended. Moreover, it is not difficult to keep clean, it is not an accident hazard nor does it constitute a harborage for insects or rodents. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

Audit: Sidewalk has trip hazards.

Response: The sole alleged trip hazard is the cast-iron cap for a Town of Swampscott Department of Public Works water shut-off. The walks and roadways at Doherty Circle were reconstructed in a DHCD Modernization project in 1998. This sidewalk was reconstructed at that time and the cap was flush to the asphalt. The Swampscott Housing Authority disagrees with the audit inspector's assessment that the water

valve cap constitutes a trip hazard. This is not a violation of 105 CMR 410.750.

Unit 25B Audit: Kitchen floor tile is loose.

Response: Post audit inspection by the maintenance department and the Executive Director failed to find any loose tiles in the kitchen of 25B Doherty Circle. There is no violation of 150 CMR 410.500 in the kitchen of Unit 25B.

Audit: Kitchen and bathroom walls are cracked.

Response: Building 25 Doherty Circle backs up to the MBTA Commuter Rail Boston to Rockport line. The bedroom is located not more than 30 feet from the rail bed of the line. Each weekday there are more than 30 trains into Boston and 30 trains out of Boston rumbling by 25B Doherty Circle. From time to time, it is not unusual for the walls of the building to suffer stress cracks from the constant action of the railroad trains mere feet from the building. The cracks in 25B are typical of cracks in walls in buildings close to railroad tracks. These are minor crack normally repaired by applying simple spackling compound to the crack and painting the wall. There is no violation of 105 CMR 410.500 in Unit 25B.

Unit 17D Audit: Front door is split.

Response: The inspector's observation was similar to the alleged split door at unit 15 Duncan Terrace. The front door was not split. Due to the seasonal decoration nailed to door, the door sustained a minor surface crack. The front door is constructed of solid hard wood which was not compromised by the minor crack on the surface emanating from the small nail used to secure the decoration; the surface crack was not a split from outside to inside, the weather tightness of the door was never compromised. As soon as weather and temperature permitted the door was repaired with wood putty and paint. This minor surface crack should not be a violation of the State Sanitary Code, 105 CMR 410.501.

200-1 Family Development/Cherry Court

Unit 1 Audit: Noted two torn screens 105 CMR 410.551

Response: The audit inspection was conducted in January, 2006. Screens damaged during winter season are routinely repaired in the early spring. The Swampscott Housing Authority ensures compliance with 105 CMR 410.551 by repairing and replacing all window screens no later than April 1st of each year. Two damaged screens in January are not a violation of the State Sanitary code. This finding must be dismissed.

Unit 15 Audit: Smoke detector is broken.

Response: Tenant never called the Authority office to report a beeping smoke detector. Tenant admitted that she took the smoke detector

down and never notified the Authority. Maintenance replaced batteries immediately after the inspector brought the inoperative detector to the attention of the director. The disabled smoke detector should not be a violation of the State Sanitary Code 105 CMR 410.482 attributable to the housing authority.

Audit: Cord on stairs is a trip hazard. 105 CMR 410.451

Response: The "cord" in issue was in actuality, coaxial cable for use by a computer placed on the second floor by the tenant and connected to the wideband cable outlet in the living room. First, this cable was not placed on the stairway by the Authority or with the Authority's consent. The Authority should not be held responsible for the acts of tenants over which it has no control. Second, the Authority contests the assessment that the running a coaxial cable to the second floor is a violation of 105 CMR 410.451. The mere running of a cable up the side of the staircase is not an "Egress Obstruction" prohibited by the State Sanitary Code.

Audit: Sidewalks are in disrepair. 105 CMR 410.750

Response: Sidewalks to unit 15 Cherry Court are both concrete and asphalt. Over time, like most sidewalks in the northeast, the ravages of winter have caused stress cracks from alternately freezing, thawing and refreezing throughout the typical winter. After exhaustive inspection of the sidewalks at Cherry Court by the Executive Director and the Maintenance Supervisor, the Authority concluded the assessment by the audit inspector that the sidewalks were in "disrepair" and therefore a violation of the State Sanitary Code 105 CMR 410.750 is not supported by the condition of the actual condition of the sidewalks. While the sidewalks are not in 100% perfect condition, the minor deviation from the ideal is at worst, an incipient violation which does not rise to the level of a condition "deemed to endanger or impair health or safety" as prohibited by 105 CMR 410.750.

Auditor's Reply

We commend the Authority for the actions it has taken to complete the necessary repairs cited above. However, since these corrective measures were taken after the completion of our audit fieldwork, we cannot comment on their adequacy and will review any and all corrective actions taken during our next scheduled audit.

With respect to 667-2 Doherty Circle, Unit 59A, broken foundation wall and sidewalk trip hazard, and 200-1 Cherry Court, Unit 15, trip hazard on stairs, photographs appearing in Appendix II illustrate that these conditions do exist. The Authority needs to address these issues.

With respect to 667-2 Doherty Circle, Unit 25B, loose kitchen floor tiles, and 200-1 Cherry Court, Unit 15, sidewalks in disrepair, we will evaluate the Authority's claim that these conditions do not constitute noncompliance with the State Sanitary Code during our next scheduled audit.

2. MODERNIZATION INITIATIVES NOT FUNDED

In response to our questionnaires, the Authority informed us that there is a need for modernizing its managed properties. Specifically, the Authority indicated that it had applied for funding from DHCD for the following modernization projects:

<u>Date of Request</u>	<u>Description</u>	<u>Estimated Cost</u>
September 2001	Planning Grant – Kitchen and Baths, 40 units - Elderly Housing Project 667-1	\$ 50,000
September 2001	Heating and Hot Water Boilers, 36 Units - Family Housing Project 200-1	\$200,000

As detailed in Appendix I of the report, many of the Authority's kitchen and baths in their present state of condition pose a safety hazard to tenants. Furthermore, the Authority has indicated that the aging boilers have been subject to frequent failure, resulting in tenants left without heat or hot water.

Deferring or denying the Authority's modernization needs may result in further deteriorating conditions that could render the units and buildings uninhabitable. If the Authority does not receive funding to correct these conditions (which have been reported to DHCD), additional emergency situations may occur, and the Authority's ability to provide safe, decent, and sanitary housing for its elderly and family tenants could be seriously compromised. Lastly, deferring the present modernization needs into future years will only cost the Commonwealth's taxpayers additional money due to inflation, higher wages, and other related costs.

In June 2000, Harvard University awarded a grant to a partnership of the Boston and Cambridge Housing Authorities to undertake a study of state-aided family and elderly/disabled housing. The purpose of the study was to document the state's inventory of capital needs and to make recommendations regarding the level of funding and the administrative and statutory changes

necessary to give local Massachusetts housing authorities the tools to preserve and improve this important resource. The report, "Protecting the Commonwealth's Investment - Securing the Future of State-Aided Public Housing," dated April 4, 2001, stated, "Preservation of existing housing is the fiscally prudent course of action at a time when Massachusetts faces an increased demand for affordable housing. While preservation will require additional funding, loss and replacement of the units would be much more expensive in both fiscal and human terms."

Recommendation

The Authority should continue to appeal to DHCD to provide the necessary modernization funds to address these issues in a timely manner.

Auditee's Response

In response to this issue, the Authority stated:

667-1 – Duncan Terrace

Unit 37 Audit: Kitchen cabinets are old and worn, no sealed surface; bathroom sink is chipped.

Response: Duncan Terrace was built in 1961. All kitchens and baths are, for the most part, original equipment. The need to refurbish all kitchens and baths with new plumbing, wiring, and fixtures is a recognized need. Requests to DHCD for funding for these projects have been made whenever DHCD has asked for Authority input as to needed capital improvements. Funds for replacement of facilities have not been forthcoming as of the present. The failure to fund these modernization projects should not be written as a finding against the Swampscott Housing Authority. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

Unit 40 Audit: Kitchen cabinets are old and worn, no sealed surface.

Response: Duncan Terrace was built in 1961. All kitchens and baths are, for the most part, original equipment. The need to refurbish all kitchens and bath with new plumbing, wiring, and fixtures is a recognized need. Requests to DHCD for funding for these projects have been made whenever DHCD has asked for Authority input as to needed capital improvements. Funds for replacement of facilities have not been forthcoming as of the present. The failure to fund these modernization projects should not be written as a finding against the Swampscott Housing Authority. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

Unit 15 Audit: Kitchen cabinets are old and worn, no sealed surface.

Response: Duncan Terrace was built in 1961. All kitchens and baths are, for the most part, original equipment. The need to refurbish all kitchens and bath with new plumbing, wiring, and fixtures is a recognized need. Requests to DHCD for funding for these projects have been made whenever DHCD has asked for Authority input as to needed capital improvements. Funds for replacement of facilities have not been forthcoming as of the present. The failure to fund these modernization projects should not be written as a finding against the Swampscott Housing Authority. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

667-2 Doherty Circle

Unit 59-A Audit: Kitchen cabinets are old and need replacing; windows are old and need replacing.

Response: Doherty Circle was built in 1964. All kitchens and baths are, for the most part, original equipment. The need to refurbish all kitchens and bath with new plumbing, wiring, and fixtures is a recognized need. Requests to DHCD for funding for these projects have been made whenever DHCD has asked for Authority input as to needed capital improvements. Funds for replacement of facilities have not been forthcoming as of the present. The failure to fund these modernization projects should not be written as a finding against the Swampscott Housing Authority. The windows at Doherty Circle are the original windows installed at construction. While it would be nice to replace the old windows, they are currently serviceable and not in need of replacement. The windows in 59A Doherty Circle are not in violation of the State Sanitary Code. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

Unit 17D Audit: Kitchen cabinets are old and need replacing.

Response: Doherty Circle was built in 1964. All kitchens and baths are, for the most part, original equipment. The need to refurbish all kitchens and bath with new plumbing, wiring, and fixtures is a recognized need. Request to DHCD for funding for these projects have been made whenever DHCD has asked for Authority input as to needed capital improvements. Funds for replacement of facilities have not been forthcoming as of the present. The failure to fund these modernization projects should not be written as a finding against the Swampscott Housing Authority. At worse, this is an incipient violation which deserves watchful maintenance attention, not an audit finding.

Audit: Kitchen counter tops are not fit for use.

Response: This finding is simply not true. The tenant is fully utilizing all his counter top space. The counter tops fall squarely in the same category as the kitchens as a whole, outdated and in need of refurbishing. The condition of the counter tops are, at worse, an incipient violation which deserves watchful maintenance attention, not

an audit finding for a violation of the State Sanitary Code, 105 CMR 410.100.

The draft report should be praising the Authority and its limited maintenance staff for its remarkable efforts in providing its tenants with low cost, safe, sanitary housing rather [than] making audit findings against the Swampscott Housing Authority for minor, temporary maintenance issues which are merely normal wear and tear of nearly 50 year old buildings and fixtures and also, for out-dated kitchens and bathrooms in the elderly/handicapped housing.

Auditor's Reply

Our audit is intended to illustrate the pressing need for DHCD to provide the necessary modernization funding to the Authority in a timely manner. It is not meant to be an “audit finding against the Swampscott Housing Authority.”

3. 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 own 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 preventive 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 the DHCD's Property Maintenance Guide by establishing an official written maintenance preventive maintenance plan, and DHCD should respectively obtain and provide the necessary funds and resources to ensure that the plan is enacted.

Auditee's Response

In response to this issue, the Authority stated:

With regard to the observation that an "official written property maintenance plan not established," the Swampscott Housing Authority conducts a preventative maintenance program in accordance with DHCD guidelines. The Executive Director conducts annual inspections of all units and inspection of all vacant units prior to re-renting. The Swampscott Housing Authority manages its maintenance program with one full-time and one part-time maintenance person. The Swampscott Housing Authority does not maintain any sub-standard housing. The local Board of Health has never cited the Authority for any violation of the State Sanitary Code.

Auditor's Reply

In item (G) of the June 27, 2005 questionnaire, the Authority stated that "no written plan" and "preventive maintenance [are] applied." While the Authority may be applying effective preventive maintenance, an official written preventive maintenance plan is necessary to ensure compliance with DHCD's Property Maintenance Guide.

SUPPLEMENTARY INFORMATION***Swampscott Housing Authority - Managed State Properties***

The Authority's state-aided developments, the number of units, and the year each development was built is as follows:

<u>Development</u>	<u>Number of Units</u>	<u>Year Built</u>
200-1	36	1949
667-1	44	1961
667-2	<u>40</u>	1969
Total	<u>120</u>	

APPENDIX I

State Sanitary Code Noncompliance Noted

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
<u>667-1 Development</u>		
Building E, Duncan Terrace	Building Exterior – Peeling paint on post	105 CMR 410.500
37 Duncan Terrace	Kitchen – Wall tiles are missing grout	105 CMR 410.500
	Kitchen – Ceiling light is broken	105 CMR 410.251
	Kitchen – Cabinets are old and worn, no sealed surface	105 CMR 410.100
	Bathroom – Baseboard is damaged	105 CMR 410.500
	Bathroom – Sink is chipped	105 CMR 410.500
	Bathroom – Toilet not seated properly on flange	105 CMR 410.150
	Living room – No smoke detector	105 CMR 410.482
40 Duncan Terrace	Kitchen – Wall is cracked	105 CMR 410.500
	Kitchen – Cabinets are old and worn, no sealed surface	105 CMR 410.100
	Bathroom – Ceiling has water stains	105 CMR 410.500
	Living room – Ceiling has water stains	105 CMR 410.500
15 Duncan Terrace	Building Exterior – Front door is split	105 CMR 410.501
	Kitchen – Cabinets are old and need replacing	105 CMR 410.100
<u>667-2 Elderly Development</u>		
59A Doherty Cr.	Bathroom – Floor has broken tiles	105 CMR 410.504
	Kitchen – Floor has broken tiles	105 CMR 410.504
	Kitchen – Ceiling light is broken	105 CMR 410.251
	Kitchen – Cabinets are old and need replacing	105 CMR 410.100
	Dwelling Unit – Windows are old and need replacing	105 CMR 410.501
	Bathroom – Sink is clogged	105 CMR 410.351

	Building Exterior – Foundation wall is broken	105 CMR 410.500
	Building Exterior – Sidewalk has trip hazards	105 CMR 410.750
25B Doherty Cr.	Kitchen – Floor tile is loose	105 CMR 410.504
	Kitchen – Walls are cracked	105 CMR 410.500
	Bedroom – Walls are cracked	105 CMR 410.500
17D Doherty Cr.	Building Exterior – Front door is split	105 CMR 410.501
	Kitchen – Cabinets are old and need replacing	105 CMR 410.100
	Kitchen – Counter tops are not fit for use	105 CMR 410.100
<u>200-1 Family Development</u>		
1 Cherry Court	Building Exterior –Two torn window screens	105 CMR 410.551
15 Cherry Court	Dwelling Unit – Smoke detector is broken	105 CMR 410.482
	Dwelling Unit – Cord on the stairs is a trip hazard	105 CMR 410.451
	Dwelling Unit – Sidewalks are in disrepair	105 CMR 410.750

APPENDIX II

Photographs of Conditions Found

667-2 Development, 59A Doherty Circle
Building Exterior – Foundation Wall is Broken



667-1 Development, 37 Duncan Terrace
No Smoke Detector in the Living Room



667-1 Development, Duncan Terrace, Building E
Peeling Paint on Post

