
**Report on Landlord Focus Groups
Conducted for Maine State Housing Authority
October 22 (Augusta), 23 (Bangor), and 24 (Auburn)**

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Introduction

In the past year, the Maine State Housing Authority has assumed responsibility for administering the Section 8 voucher program in every county of the state. The decision was made in the aftermath of audits finding inadequate quality inspections in parts of the old program. The initiation of the new state program was accompanied by stricter inspections on the part of the Authority, as well as follow-up audits performed by federal agencies. The result was that many landlords experienced multiple inspections in a short period of months.

In the fall of 2013, Maine State Housing Authority administrators of the Section 8 voucher program arranged for a series of focus groups with area landlords to discuss how the transition to state administration was going, and to get suggestions for ways the program could be improved. Three such sessions were arranged. Nearly 50 landlords and their representatives showed up in Augusta and Auburn, but only 2 showed up in Bangor (in fairness, it was the night of a World Series baseball game!).

The sessions were facilitated by an outside consultant, Frank O'Hara. The following is thematically organized summary of comments and ideas that came up in all of the sessions.

1. Maine State Housing Authority staff are listening

While the majority of each session was a discussion of complaints and problems, several landlords at several sessions pointed out that they found MSHA staff to be cooperative and helpful in addressing problems. Staff showed flexibility in arranging appointments, in accepting email photos as evidence of compliance with minor (non-safety) issues, and in helping landlords to deal with special issues, like tenants with mentally illness. Landlords also credited staff for arranging the focus groups, saying that it showed an attitude of listening.

2. Landlords like the online portal

Payments are going smoothly. It is more convenient than past letters back and forth. Landlords would like to see its use expanded to address other issues related to inspections and compliance (see below).

3. **"We're getting inspected to death"**

This was the primary complaint at both large focus group meetings. One landlord reported 10 inspections of one unit in less than 4 months. Others echoed his experience. One said that his tenant said that the repeated inspections of his unit felt like harassment.

The actual sequence of events experienced by the landlord may be a first inspection; a 24-hour reinspection to check if emergency health and safety failures have been corrected (as is required by HUD); a 30-day fail reinspection for the rest of the items; and if things are not fixed, additional notices, extensions, reinspections, and so forth. On top of this, multiple agencies have been inspecting units in the last few years, in the aftermath of the highly-visible problems last year (these should reduce in the years ahead). Finally, MSHA itself is now required to repeat 5% of its inspections to confirm that their inspectors are doing a good job.

But the landlords' complaints went beyond quantity. They included:

- ***"If we miss a few items at the first inspection, and the inspector comes back, he then goes over the place again from scratch – and cites violations for items that passed inspection the first time."*** It's like double jeopardy – and triple jeopardy – and quadruple jeopardy – as the inspector returns again and again and again.
- ***"The failure rates are much higher than before."*** One inspector was quoted as bragging to a landlord that he had a "100% fail rate" (a totally inappropriate remark and attitude, according to MSHA officials). Clearly, the past experience of problems, and the current regime of multiple quality inspections, seemed to landlords to create pressure on inspectors to find violations. This creates problems for landlords, and a major disruption of the schedules of maintenance staff.
- ***"There's no distinction between a paint chip and a hole in the roof. The landlord fails either way."*** Any violation is cause for a failure of the unit in the inspection. Because the standards require the unit to have all light bulbs working, no peeling paint or holes in screens, etc., this means that often apartments are threatened with loss of eligibility for the program because of relatively minor issues. One landlord asked half-jokingly why his tenants had to live in a better unit than he lives in.
- ***"The standards are unclear."*** The standards that inspectors use come from a variety of sources, the primary ones being HUD regulations and state laws and codes. Some landlords questioned where particular inspection items come from.
- ***"Inspectors are inconsistent."*** Where standards are unclear, inspectors may apply them in different ways. Landlords complained that one item might pass mustard for the first inspector, then get cited for a violation by the second inspector. Which one is right?

- *“Some inspectors allow you to correct problems on the spot, others do not.”* This is a particular instance of different standards by different inspectors. However, landlords acknowledge that inspectors now carry light bulbs and other small items to address minor issues that would otherwise cause an inspection failure.
- *“The MSHA inspection letter doesn’t identify who the inspector will be.”* This information would make it easier for landlords to contact inspectors to arrange visiting times, for example.
- *“The 8am – 4 pm window for landlords to be available for inspections means that one inspection can use up an entire work day.”* Because inspectors don’t know how long each inspection will take, they inform landlords that they will come by sometime in an 8-hour window on a specific day. If a landlord wishes to be present at the inspection, he or she must be on site for the entire day (however, some inspectors will call and give more specific times when it is possible). If the landlord isn’t there, there is a danger that the tenant won’t be there either, and the inspection won’t take place; or that the tenant may say something to the inspector that the landlord disagrees with.
- *Specific problems with the code were mentioned.* These included: maintenance standards for gas heaters, heat vent distances from joists, infestation treatment, the definition of a community kitchen, and the application of new sprinkler standards.
- *Specific solutions also came up.* These included: lengthening leases to 1 ½ years to reduce paperwork; “batching” inspections so that a building could be done as a whole once a year, rather than each unit requiring a separate appointment and schedule.
- *“Why are problems caused by the tenant listed by the inspector as the landlord’s responsibility to fix?”* Tenants often are the reason the batteries in the smoke detector are missing; or the screen is punctured on the screen door; or the light bulb is missing; or the carpet is dirty; or there is pet damage; or there are “dirty pie plates on the stove;” or there is garbage blocking a stairway. But these are always listed on the inspection sheet as health and safety violations that are the landlord’s responsibility to correct. This complaint leads to the second major issue that landlords wanted to discuss – the lack of accountability standards for tenants in the voucher program, which is presented in detail below.

4. **There is no accountability in the program for bad tenants**

There are thousands of Mainers on the waiting list for Section 8 vouchers. They have to wait a long time, because the program is not increasing the number of vouchers available. In this situation, it is a particular irritant to landlords that some tenants remain in the program who are

irresponsible, who trash apartments, who fail to make payments and who simply move on to the next landlord.

How many tenants create such problems? One landlord said only 5-10% were a problem. Another said that drugs are rampant. Another said that a high percentage were “not clean,” and caused thousands of dollars in damages. By any accounting, the number was higher than an insignificant few.

Specific issues that were raised included:

- *“Why aren’t tenants who are evicted eliminated from the voucher program.”* This turns out to be a more complicated question than it appears. Landlords rarely go through a complete legal eviction; it takes too long, the chances of the apartment getting trashed are high, the legal fees are high, the chances of winning are uncertain. Instead there is often some mutual communication, the tenant moves on before there is a legal action. Further, the landlord may not communicate to the Housing Authority that a tenant is falling behind on rents, or is damaging an apartment, etc. So MSHA may not have an official record of the tenant’s performance. MSHA does have the power to terminate a tenant from the program, but the process involves a hearing and requires documentation, and in practice is a rare occurrence.
- *“Why doesn’t MSHA force deadbeat tenants to pay past bills?”* The Waterville Housing Authority was cited in one meeting for its proactive role in chasing tenants in their program who owe damages to previous landlords. Consistent with HUD requirements, MSHA has seen the collection of the landlord portion of rents to be the landlords’ responsibility, and one in which they have the same legal avenues to pursue that they have for any privately-paying tenant. Landlords say that, as a practical matter, the legal route usually doesn’t pay for itself, as tenants have little money, and landlords have little leverage. They believe that the voucher administrator, in this case MSHA, is the party with the strongest leverage with tenants.
- *“Why are tenants allowed to refuse entry to MSHA housing inspectors?”* This is a relatively minor quibble. MSHA has no legal right, as voucher administrator, to enter people’s homes without their permission. If a landlord is present, the landlord may provide access to MSHA under the terms of normal leases.

5. Energy costs

Much of Maine’s rental housing is old and leaky. Costs for fuel are high. They are particularly high for elderly tenants, who need more heat than others (one landlord reported that he had an elderly tenant who called every fall to tell him to come raise the thermostat level). MSHA has a lot of experience and expertise with rehabilitation and energy conservation. These facts raised the question:

- *“Why doesn’t MSHA provide technical assistance and low-cost financing to landlords participating in the voucher program to fix their units?”*

6. General communications

- *“Why can’t we find out the tenant’s portion of rent before we lease the units?”* This turns out to be a question of coordinating timing: when the landlord draws up the lease, when the person moves into the unit, when MSHA does a preliminary calculation (“40% worksheet”), and when the income verification is complete.
- *“Why don’t people return my phone calls and emails?”* This is a complaint familiar to many government organizations.
- *“Why aren’t all landlords notified when HUD fair market rents are raised?”* These are available now on MSHA’s website.
- *“Why can’t we get current inspection information from the payment portal website, and submit evidence of code compliance through submitting photos and documents at the same site?”* This is a direction that MSHA is already moving in.

7. Promising approaches for better service

The landlord sessions also involved MSHA officials responding to complaints with ideas for how they might be resolved. The following were among the ideas that were discussed by MSHA officials, and that landlords were most supportive of:

- *A new clearer MSHA code standard is coming next spring.* Maine State Housing is working to create a new standard that consolidates requirements from state and federal sources, and explains them more clearly. There is already a move-in inspection checklist that can be adapted to the new code in the spring.
- *HUD is working on a new inspection regime that distinguishes between minor items and major life and safety issues.* Ultimately, rationalization of codes to distinguish between trivial and essential issues must start with HUD, as that is the agency that provides the money and sets the standards. New code approaches are being tested by HUD in other parts of the country, and at some point they will be integrated into a new standard that will apply in Maine.
- *MSHA is looking to “batch” multiple inspections in one building in order to reduce the number of days of inspector visits to individual landlords.* There are limits to how much of this can be done, as all voucher leases have different time frames, but MSHA is looking into the possibilities.

- ***MSHA is looking to shorten the window for inspection availability from 8 hours to 4 hours.*** This will shorten the time landlords lose to waiting around buildings waiting for inspectors to show up.
- ***MSHA is looking at ways to improve communication to landlords through use of the portal.*** Inspectors will post their inspection results within 24 hours on the portal, and landlords will be able to see the detailed information. For smaller code corrections, MSHA may be able to use the portal to accept photographs and other evidence of corrective action and compliance. News items, such as changes in fair market rents, can also be communicated through the portal.
- ***MSHA will consider ways to create more “tenant accountability” in the program.*** At a minimum, this will involve encouraging landlords to provide documentation of tenant problems to MSHA program officers. It might also include providing some information to landlords in the program about the past rental experience of tenants in the program who are applying to move to the landlord’s units. Another idea would be to revise the inspection sheet to add a third category of violation to the existing two of “landlord’s responsibility” or “tenant’s responsibility” – the third category being “problem caused by tenant, landlord’s responsibility to fix.” Any of these changes would involve sensitive issues, and will require consultations with additional parties.