



National Standards for the Physical Inspection of Real Estate (NSPIRE) for Voucher Programs

Get Ready Session

HUD's
Real Estate Assessment Center (REAC)
October 30, 2024



Agenda



- Welcome with Emcee Brian FitzPatrick
- NSPIRE V Policy with Dana Kitchen (30) minutes
 - Questions for the Policy Team (5) minutes
- NSPIRE V Standards with Richard Scalzo (30) minutes
 - Questions for the Standards Team (5) minutes
- Closeout and Questions approximately (30) minutes

NSPIRE for Vouchers: Policy







Introduction to NSPIRE



- National Standards for the Physical Inspection of Real Estate (NSPIRE)
 - Final Rule May 11, 2023
 - Final (current) Standards June 22, 2023
- Replaces Uniform Physical Conditions Standards (UPCS) for Public Housing
- Redefines Housing Quality Standards (HQS) for Housing Choice Voucher (HCV) programs
- Updates HUD's 20+ year old physical inspection models
- Prioritizes health, safety, and functional and structural defects
- Puts the focus on the areas that impact residents the most
- Better aligns inspection standards across HUD Housing



Administrative Notices for Voucher Programs



- On July 5, 2024, HUD gave PHAs the option to extend compliance for Voucher programs for another year until October 1, 2025, through Federal Register Notice (89 FR 55645).
 - HUD first gave PHAs the option to extend NSPIRE compliance for Voucher programs until October 1, 2024, on September 28, 2023 (88 FR 66882).
- Notice PIH 2024-26 (REVISION to Notice 2023-28) posted August 9, 2024, and included:
 - Details about the new extension of compliance date to October 1, 2025.
 - Updates to the requirements to notify HUD.
 - Reminders to PHAs that certain standards must still be met due to statutes/congressional mandates.
- Notice PIH 2023-28 was issued on September 29, 2023, which implemented NSPIRE for HCV programs, including the Project-Based Voucher (PBV) program, and the Section 8 Moderate Rehabilitation (Mod Rehab) program, included details about the initial extension, and additional administrative procedures for NPSIRE implementation.



Notification of Implementation of NSPIRE for Vouchers



- With the new extension, PHAs are now only required to notify HUD if they will implement NSPIRE for Voucher programs before October 1, 2025, or if their original plans change(d).
- If a PHA has already implemented NSPIRE for Voucher programs and informed HUD and received confirmation, they do not need to inform us again.
- If a PHA plans to implement NSPIRE any date prior to October 1, 2025, or if their original planned date changed, they must notify HUD by emailing <u>NSPIREV_AlternateInspection@hud.gov</u> (cc to their Field Office) with the following:
 - PHA Name
 - PHA Code
 - The date they plan to implement NSPIRE (and keep us posted if it changes).
- The full list of instructions can be found in Notice PIH 2024-26.



Compliance Date



- Previous Compliance Date: October 1, 2024
- New Compliance Date: October 1, 2025
- If you have already implemented NSPIRE into your HQS inspections and notified HUD, there is nothing further you need to do at this time
- If you were delaying until October 1, 2024 and will now delay until October 1, 2025, there is nothing further you need to do at this time.
- If you were planning to implement earlier than October 1, 2024, but did not, you need to inform HUD of your changes.
- If you plan to implement NSPIRE anytime before the new compliance date, you will need to notify HUD (instructions included in 2024-26).





NSPIRE Final Rule



- Established NSPIRE as the unified inspection protocol for HUD Housing
 - HUD Housing = All Public Housing Programs, Multi-Family and Mortgage Programs, CPD Programs, and Voucher Programs
 - Final Rule covers all these programs
- HUD will update NSPIRE Standards every three years through Federal Register notice allowing opportunity for public comment
- "Affirmatives" now in regulation for all HUD Housing (previously "acceptability criteria" for HCV)
- New nomenclature for health and safety deficiencies:
 - Life-threatening, Severe, Moderate, Low
- Aligns all HUD Housing with HOTMA's Life-Threatening List





Standards Notice



- Published on June 22, 2023 (<u>Federal</u> <u>Register</u>)
- Included new H&S classifications:
 - Life-threatening
 - Severe
 - Moderate
 - Low
- Designated three inspectable areas:
 - Unit
 - Inside
 - Outside

- The standards are the SAME FOR ALL HUD HOUSING!
- Named eight critical focus areas:
 - Fire Safety
 - Water Safety
 - Mold & Moisture
 - Carbon Monoxide
 - Infestation
 - Lead-Based Paint
 - Structural
 - Habitability



Unchanged by NSPIRE



- Types of inspections (initial, periodic, interim, PBV turnover, etc.)
- Timing of inspections (biennial, triennial)
- Who conducts inspections (PHAs, Contractors, Independent Entity)
- Allowance for HUD-approved Variations (for local codes/conditions)
- Alternative Inspection Methods (inspections done for other types of housing assistance)
- Special Housing Types (24 CFR Part 982 Subpart M)
 - Special requirements still exist
- Enforcement of Housing Assistance Payments (HAP) Contract
- Enforcement of Family Obligations



Changes for Voucher Programs No



- NSPIRE changes the standards, not policy or procedures
- Standards are different, although NSPIRE-d by HQS ©
 - Removed Site and Neighborhood requirements for inspections
 - Things like excessive noise, air pollution, traffic, etc.
 - Life-Threatening List is now mandatory for all HUD Housing (established HOTMA).
 - Enhanced some of the critical health standards
 - Implemented congressional changes (e.g. smoke alarms, carbon monoxide).
 - Provides a much more detailed process for inspectors for how to conduct an inspection and observe each standard and deficiency.
- Establishes standardized "Inspectable Areas"
 - Unit, Inside, Outside
- New categories for health and safety (H&S) deficiencies
 - Life-threatening, Severe, Moderate, Low



Voucher Correction Timeframes





Life-Threatening Deficiencies require correction within 24 hours of notification.



Severe and Moderate
Deficiencies require correction
within 30 days (or PHA
approved extension).



Low Deficiencies do not require correction in Voucher programs. For information purposes only (similar to previous "Pass with Comment").



Debunking Myths of NSPIRE for Vouchers



- **PHAs can begin anytime:** The Standards have been available since their release and NSPIRE HQS inspections could have started as soon as inspectors became familiar with these Standards and all administrative work was completed. There is no special technology needed and PHAs can proceed as they did with previously defined HQS.
- **HQS Terminology:** The HQS terminology isn't going anywhere. It remains in regulatory and statutory language and voucher inspections will still be HQS inspections. The Housing Quality Standards themselves are being replaced with NSPIRE standards.
- No Scoring: HQS inspections remain Pass/Fail under NSPIRE.
- **H&S Determinations and Correction Timeframes**: Only Life-Threatening conditions require 24-hour correction. Non-life-threatening, or Severe and Moderate, deficiencies require a 30-day correction (or a PHA reasonable extension). Low deficiencies do not require a correction and do not result in a Fail (for information purposes only).
- **Self-Inspections**: *No such requirement* for HCV, PBV, or Mod Rehab programs.



Debunking Myths of NSPIRE for Vouchers (continued)



- **Reporting**: Voucher program inspection results are not reported to HUD (except to the extent required by 50058 data or SEMAP data, and if requested by HUD). Nothing has changed here.
- **Scope of Inspections**: Only the assisted unit, or unit to be assisted, and the inside common areas and outside/exterior areas servicing the unit should be inspected. This would include the paths of travel for the tenant, the utility rooms servicing the unit or providing any communicating openings, any common areas they would or could access, etc.
- **State and Local Codes**: State and local codes are not part of the inspection for Voucher programs (unless approved as Variations by HUD). This is not a "whichever is stricter" situation. Inspectors are only to inspect for NSPIRE standards in the voucher programs, not also any local requirements in addition.
- **App for NSPIRE**: HUD's app for Voucher programs is not planned to be a centralized program and will not collect and store data.



What's Next for Vouchers?



- HQS Inspections Guidebook Chapter ---- Coming Soon! ©
- Voucher App for NSPIRE ---- Coming Soon!
- Inspection Criteria Variation Reviews (24 CFR 5.705(a)(3))
 - Any State or local housing codes or conditions based on geographic or climatic locations are Variation requests, whether individual, multiple, or entire codes or variations to NSPIRE/HQS.
 - If still using HQS as previously defined, PHAs can continue to use any HUD-approved variations to HQS (except for unvented, fuel-burning space heaters which are prohibited), but all variations to NSPIRE Standards will need to be approved by REAC prior to implementation.
 - For instructions on how to submit variations, see Notice PIH 2024-26.
- Alternative Inspection Methods Reviews (24 CFR 982.406)
 - These are inspection methods used for other housing assistance types that PHAs want to rely on for voucher programs. PHAs must have any HUD-approved Alternative Inspection Methods re-reviewed by REAC (except those already pre-approved by regulation (HOME and LIHTC)).
 - Note that Alternative Inspection Methods can only be used to authorize occupancy and renewal of contracts, not payments. PHA inspections must still be done in order to make or continue subsidy payments.
 - For instructions on how to submit Alternative Inspection Method requests, see Notice PIH 2024-26.



Resources and Training



HCV Tool/Checklist for NSPIRE

• HUD's NSPIRE checklist is available on HUD's website: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire

Training

- **HCV Inspector training is available on HUD Exchange:** https://www.hudexchange.info/programs/public-housing/nspire-standards-how-to-inspect/ (screen shots on the next slide)
- Additional HCV inspector training can be found here (it is also linked on the site above): https://www.hudexchange.info/trainings/nspire-inspector-training/
- May 28 webinar has been posted: https://youtu.be/rl-Ql3xZ7Q8?si=AGZ5YUYMqQXF 0ti
- Get Ready Session in DC July 16, 2024: https://youtu.be/J4jXSva0ueo?si=yVEVLoPYNOGSW4P6

Other Important NSPIRE Resources

- NSPIRE Notices: https://www.hud.gov/program_offices/public indian housing/reac/nspire/notices
- NSPIRE Main Website: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire
- Email: <u>NSPIRE@hud.gov</u>

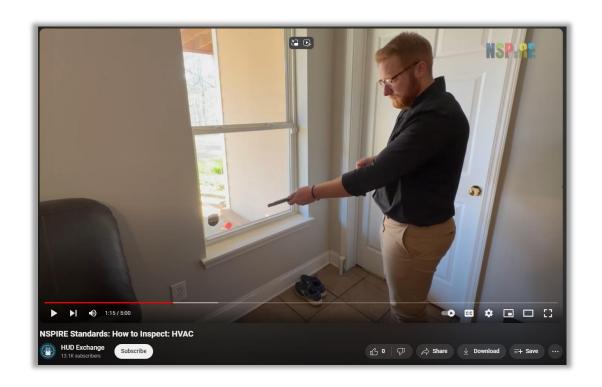


HCV Inspector Training Available!



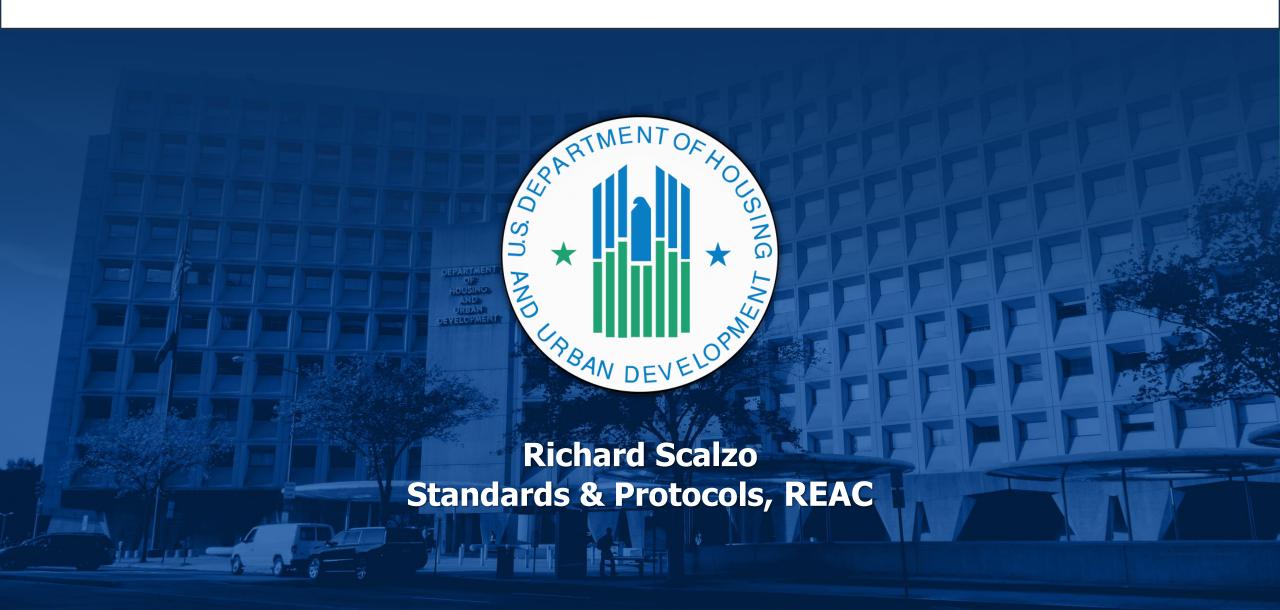
HCV Inspector training is available as text and video format







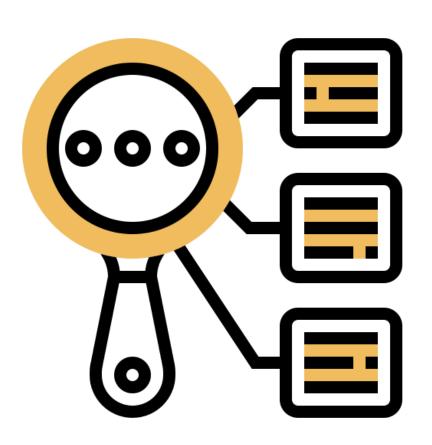
NSPIRE for Vouchers: Standards EALEST CHAPTER STANDARD SEALEST CHAPTER





Standards Notice





The Standards Notice detailed inspectable items at all HUD Housing.

This includes a classification of which conditions are considered life-threatening, severe, moderate, or low-risk by item and inspectable area.

HUD will update these Standards through future Federal Register notices at least once every 3 years with an opportunity for public comment and feedback.

- Published on June 22, 2023
- Full Standards Notice found on the <u>Federal Register</u>
- REAC web/PDF versions should be duplicates of FRN
 Attachment (except these include inspection process and not rationale)



Change to NSPIRE



Mastering the NSPIRE standards will require learning a new framework although NSPIRE-d by HQS.

More Emphasis on:

- Health, safety, and functional defects
- Areas that impact residents their units

Less Emphasis on:

- Condition and appearance defects
- Inspectable areas outside units

Objective Deficiency Criteria

- Removed subjective deficiency criteria
- Less inspector discretion



Health & Safety Determinations



Life Threatening



Deficiencies that, if evident in the home or on the property, present a high risk of death or severe illness or injury to a resident.

Severe



Deficiencies that, if evident in the home or on the property, present a high risk of permanent disability, or serious injury or illness, to a resident; or the physical security or safety of a resident or their property would be seriously compromised.

Moderate



Deficiencies that, if evident in home or on property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.

Low



Deficiencies critical to habitability but not presenting a substantive health or safety risk to residents.



Inspectable Areas

SPIRE

Unit

A "Unit" of housing refers to the interior components of an individual dwelling, where the resident lives.

Unit

Inside

"Inside" refers to the common areas and building systems within the building interior and are not inside a unit. This could include interior laundry facilities, workout rooms, etc.





Outside

"Outside" refers to the building site, building exterior components, and any building systems located outside of the building or unit. This includes things like sidewalks, parking lots, and retaining walls.





Inspectable Areas Cont.



The model illustrates the appropriate inspectable areas, which includes the unit, inside, and outside areas.

UNIT

New Model Where do I record this? **Outside** Grounds Where do I record this? Unit Where Unit do I record this? Inside Entryway and Lobby Unit

In most cases, to determine which area the deficiency exists, ask yourself, where am I when I observe the deficiency?

OUTSIDE

INSIDE



Core Health & Safety Focus



The eight focus areas are critical to the habitability and safety of residents





Addressing Fire Safety



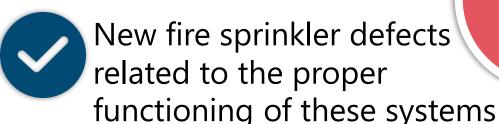
NSPIRE improves fire safety standards in several ways from HQS



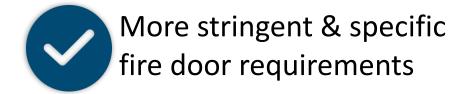


Permanent heating source requirement

Prohibition of unvented space heaters



GFCIs, AFCIs, CO alarms, dryer exhaust, and electrical outlets





Addressing Fire Safety Cont.



NSPIRE conforms with (NFPA 72)

 NFPA 72 is the preeminent national standard for smoke alarms and fire and existing Housing Quality Standards for vouchers align with this standard

NSPIRE Smoke Alarm Standards Conform with 2019 NFPA 72 Requiring:

At least one working smoke alarm installed on every level of property

At least one working smoke alarm installed outside every sleeping area At least one working smoke alarm installed inside each sleeping area

• Lack of conformance with the NSPIRE smoke alarm standard requires mitigation within 24 hours.

Effective December 29, 2024, new requirements for all smoke alarms:

• **MUST** be either hardwired or sealed, 10-yr battery devices.



Addressing Fire Safety Cont.



Properly functioning fire doors are critical to slow the spread of an active fire in buildings

Fire doors have been addressed in NSPIRE with a standard specific to fire doors

Previously, fire doors were inspected and cited with other non-fire doors

The fire door standard details the specific function, operability and structural integrity requirements for fire doors

Defects and deficiency criteria will be based on research and discussions with fire safety professionals



Addressing Fire Safety Cont.



Fire sprinklers are critical for the suppression of fires

NSPIRE has new defects and criteria

- Deficiency criteria is more detailed and objective
- New deficiency for obstruction of the spray area
- Some deficiencies have elevated severity levels



Additional Fire Safety Items



New Electrical Life Safety Deficiencies include:

Ground Fault Circuit Interrupters

Arc Fault Circuit Interrupters

Properly Wired Outlets

Grounded Outlets



Heating & Fire Safety



Properly functioning and safe heating systems are critical to maintain healthy unit temperatures and prevent fires in public housing

Housing Opportunity through Modernization Act directed HUD to set minimum temperature standards

- Notice PIH 2018-19 set a minimum heating temperature standard for HUD Housing.
- The minimum heating temperature was set at 68 degrees and is carried over into NSPIRE Standards.

NSPIRE Standards contain the heating source & space heater requirements



Water Safety



Water Safety in Voucher Programs

- HUD recognizes the EPA is the government agency tasked with testing and measuring water quality
- There is no NSPIRE Standard for Water Safety or Water Testing.
- Water Safety is <u>NOT</u> being addressed in Voucher programs at this time.



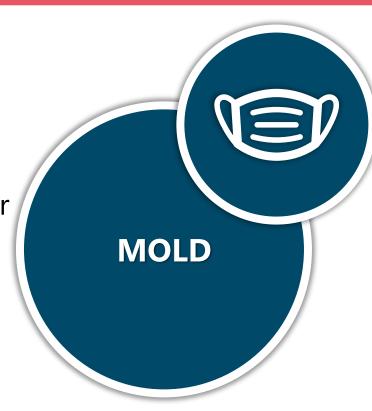


Addressing Mold & Moisture



NSPIRE takes a comprehensive approach to mold and moisture

- Objective and measurable mold deficiency criteria that recognizes different severity levels
- The mold standard also contains a deficiency for ventilation or dehumidification of bathrooms
- The leak standard contains multiple deficiencies with specific criteria to capture a broad range of plumbing and environmental leaks
- NSPIRE requires the use of moisture meters and recommends the use of infrared cameras during inspections
 - PHAs must ensure their inspectors are equipped with a moisture meter for inspections of all voucher units.





Carbon Monoxide Alarms



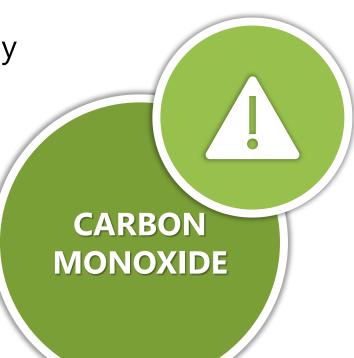
 2021 Consolidated Appropriations Act included a statutory requirement for CO alarms to be installed with the requirements of the 2018 International Fire Code

 Notice PIH 2022-01 published January 31, 2022, for the implementation of the CO requirements into UPCS and HQS.

• Effective date of requirement was December 27, 2022

 Chapters 9 & 11 of the 2018 IFC contain the specific installation requirements & are available free online (link in resources slide)

• <u>Decision tree for CO installation guidance</u> published to HUD's website December 2022.





Addressing Infestation



NSPIRE infestation standards include:

- Objective deficiency criteria
 - Specific observed numbers of pests result in different severity levels
- NSPIRE allows alternative correction options and longer time frames for properties using industry best practices
 - An example of best practices would be integrated pest management





Vouchers Lead-Based Paint



- NSPIRE makes no changes to the Potential Lead-Based Paint Hazards Standard for the Voucher Programs
 - The Standard incorporates the requirements from HUD's Lead Safe Housing Rule.
 - In housing constructed prior to 1978, the PHA inspector must perform a visual assessment for deteriorated paint in units where a child under the age of 6 resides or is expected to reside.





Affirmative Requirements: Kitchen & Bathroom



The table below contains affirmative habitability requirements for the kitchen and bathroom:

Standard	New Affirmative Requirement (Deficiency)		
Bathtub and Shower 🗪	Bathtub or shower cannot be used in private		
Cabinet and Storage 👄	Food storage space is not present		
Cooking Appliance	Primary cooking appliance is missing		
Food Preparation Area	Food preparation area is not present		
Lighting – Interior	At least one permanently installed light fixture is not present in the kitchen and bathroom		
Refrigerator	Refrigerator is missing		
Sink	 Cannot activate or deactivate hot and cold water Sink is missing or not installed within the primary kitchen 		



Other Affirmative Requirements



Standard		New Affirmative Requirement (Deficiency)		
Carbon Monoxide Alarm	7	Carbon monoxide alarm is missing, not installed, or not installed in a proper location		
Heating, Ventilation, and Air Conditioning	→	 The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit. The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit. Unvented space heater that burns gas, oil, or kerosene is present. The inspection date is on or between April 1 and September 30 and a permanently installed heating source is damaged, inoperable, missing, or not installed. 		
Guardrail		Guardrail is missing or not installed		
GFCI/AFCI – Outlet or Breaker		An unprotected outlet is within six feet of a water source		
Handrail	_	Handrail is missing (evidence of prior installation)		
Minimum Electrical and Lighting		At least two (2) working outlets are not present within each habitable room OR At least one (1) working outlet and one (1) permanently installed light fixture is not present within each habitable room.		
Smoke Alarm		Smoke alarm is not installed where required		



NSPIRE Standards Webpage



You can find the full standards on the NSPIRE Standards web page:

This web page provides:

- Ability to view the standards and download:
 - Single standards
 - All standards in a zip file
- Guidance for navigating the standards

Final Standards

CTANDADDC	Inspectable area(s) standard applies to:			
STANDARDS	Unit	Inside	Outside	
Address and Signage Standard			Y	
Bathtub and Shower Standard	Y	Y		
Cabinet and Storage Standard	Y	Y		
Call-for-Aid System Standard	Y	Y		
Carbon Monoxide Alarm Standard	Y	Y		
Ceiling Standard	Y	Y		
Chimney Standard	Y	Y	Y	

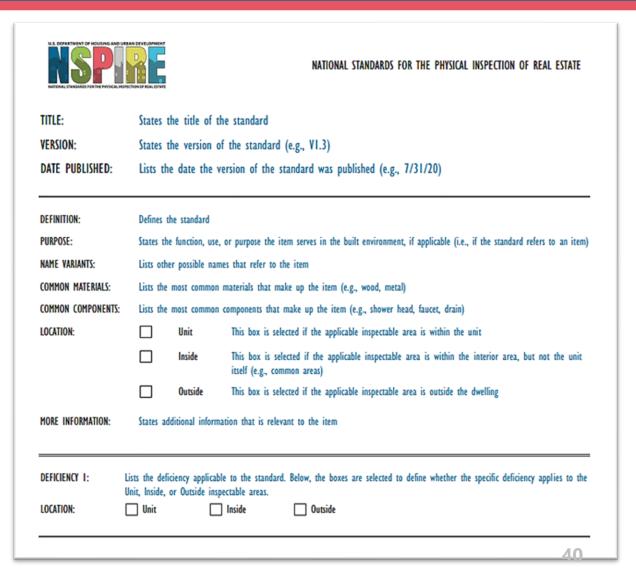


NSPIRE Standards Template Guide



To help inspectors understand the terminology and layout of the NSPIRE standards, HUD developed a standards template guide to provide:

- Terminology
- Layout of the standards
- An overview of each component section of a standard, from front to back





Deficiencies: Inspection Process



Example Standard: Address, Signage



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

DEFICIENCY I — OUTSIDE: ADDRESS, SIGNAGE, OR BUILDING IDENTIFICATION CODES ARE BROKEN, ILLEGIBLE, OR NOT VISIBLE.

DEFICIENCY CRITERIA: Address or building identification codes are broken, illegible, or not visible.

HEALTH AND SAFETY DETERMINATION:

The Moderate Health and Safety category includes deficiencies that, if evident in the home or on the property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.

CORRECTION TIMEFRAME-

30 days

HCV Pass / Fail:

HCV CORRECTION TIMEFRAME:

30 days

INSPECTION PROCESS:

OBSERVATION:

- Look at the property and locate any signage or address.

- Look at individual buildings on the property and locate any signage or building identification codes identifying the

REQUEST FOR HELP:

- Approach the entrance to the building from the main street, road, or parking area.

MORE INFORMATION:

Each deficiency includes an Inspection Process section:

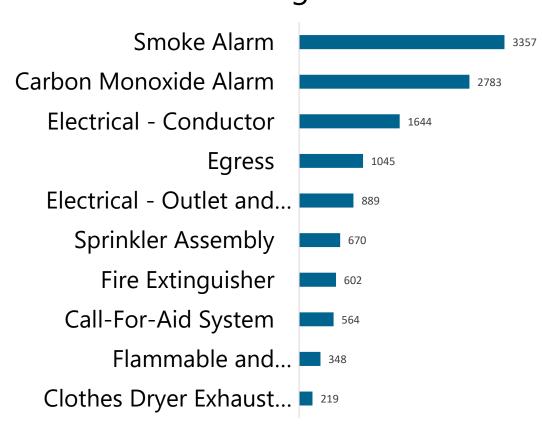
- Observation
- Request for Help (e.g., from owner or resident)
- Action
- More Information



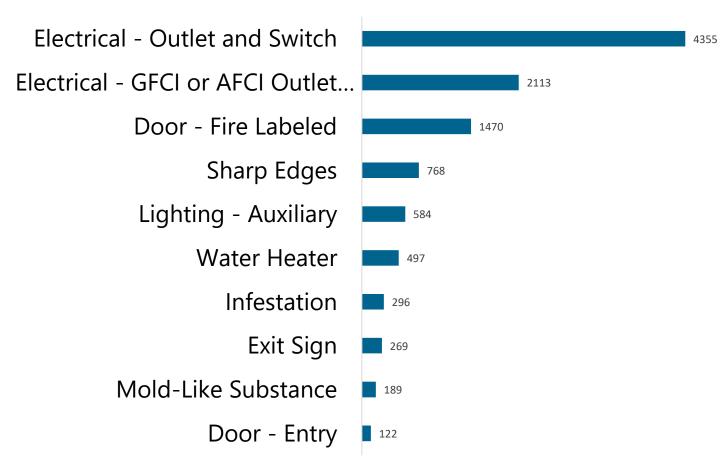
Top Defects Based on Demonstration



Top 10 Most Occurring Life Threatening Defects



Top 10 Most Occurring Severe Defects





Resources



- NSPIRE/Federal Register Notice
 - https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards
- 2018 International Fire Code (IFC) Chapters 9 & 11 For CO Alarms
 - https://codes.iccsafe.org/content/IFC2018
- U.S. Department of Housing and Urban Development (HUD)-Carbon Monoxide Alarms or Detectors in HUD assisted housing properties
 - https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-01.pdf

