

Application of the NSPIRE Protocol in Housing Credit Inspections

The logo for Housing Credit Connect features a stylized orange arrow pointing to the right, composed of three segments. To the right of the arrow, the words "HOUSING", "CREDIT", and "CONNECT" are stacked vertically in a bold, dark blue, sans-serif font.

**HOUSING
CREDIT
CONNECT**

The logo for NCSHA 50 Years features a stylized American flag icon above the text "NCSHA" and "50 YEARS" stacked vertically.

**NCSHA
50 YEARS**

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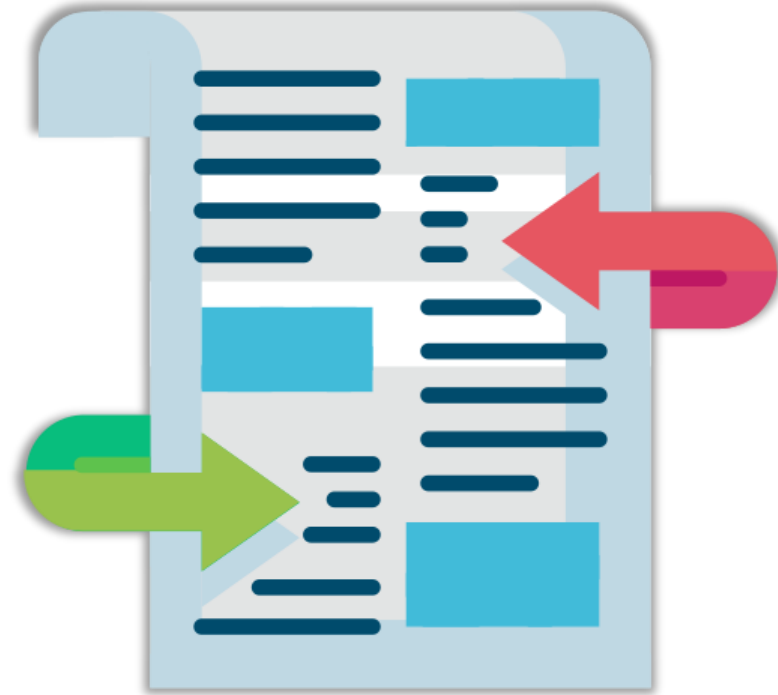
DISCUSSION LEADER

TODD FOLSE

Compliance Director | Louisiana Housing Corporation

NSPIRE Final Rule

- Established NSPIRE as the unified inspection protocol for HUD Housing
- 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 NSPIRE standards with HOTMA's Life-Threatening List
- Other specifics for Public Housing and Multifamily Housing





HCV Administrative Notice



- HUD gave PHAs the option to extend NSPIRE compliance for Voucher programs until October 1, 2024, through a Federal Register Notice (88 FR 66882) on September 28, 2023
- HUD implemented NSPIRE for Housing Choice Voucher (HCV) programs, including the Project-Based Voucher (PBV) program (and Section 8 Moderate Rehabilitation (Mod Rehab) program by reference), through Administrative Notice (Notice PIH 2023-28) on September 29, 2023
 - Details about the extended compliance date and option for PHAs to retain HQS as previously defined as their inspection standard until October 1, 2024
 - Additional administrative procedures for NSPIRE implementation in the Voucher programs

Core Health & Safety Focus

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





Affirmative Requirements – Kitchen and Bathroom



The table below contains affirmative habitability requirements (new standards/defects) 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	➡	<ul style="list-style-type: none">• Cannot activate or deactivate hot and cold water• Sink is missing or not installed within the primary kitchen



Affirmative Requirements (Cont.)

Standard		New Affirmative Requirement (Deficiency)
Carbon Monoxide Alarm	➔	Carbon monoxide alarm is missing, not installed, or not installed in a proper location
Heating, Ventilation, and Air Conditioning	➔	<ul style="list-style-type: none"> • 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

Non-scored Deficiencies





Items that will not be scored until at least October 1, 2024 include:

-  **Fire Labeled Doors:** All Defects (*All locations*)
-  **Electrical – GFCI:** An unprotected outlet is present within six feet of a water source (*All locations*)
-  **Guardrail:** All Defects (*All locations*)
-  **HVAC:**
 - A. The inspection date is on or between October 1 and March 31 and:
 - a) The permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit. (*All locations*) or;
 - b) 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. (*All locations*)
 - B. 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. (*All locations*)

-  **Interior Lighting:**
 - a. At least one (1) permanently installed light fixture is not present in the kitchen and bathroom. (*All locations*)
-  **Minimum Electrical and Lighting:**
 - a. 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.

Non-scored Deficiencies

Items that will not be scored indefinitely include:

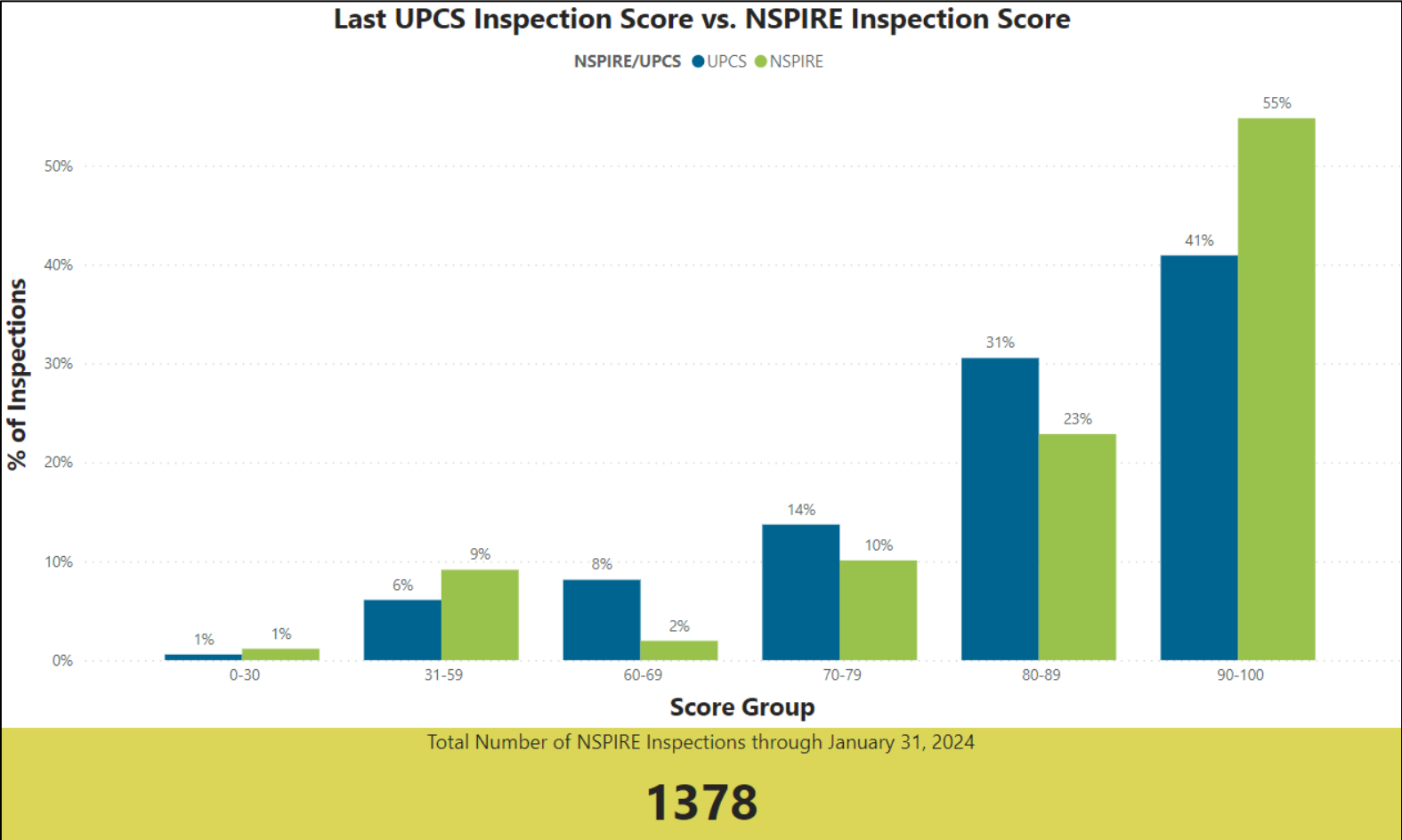
-  **Carbon Monoxide Device:** All Defects
-  **Smoke Alarm:** All Defects (including the new "Smoke Alarm is Obstructed" defect)
-  **Call-for-Aid:** System is blocked, or pull cord is higher than 6 inches off the floor. *All locations*
-  **Handrail**
 - A. Handrail is missing. *All locations*
 - B. Handrail is not installed where required. *All locations*



Overall NSPIRE Score Distribution

Key Takeaways:

- NSPIRE score **distribution hasn't diverged drastically** from UPCS
- **Properties that had performed well** under UPCS are generally **maintaining their good standing** under NSPIRE
- **NSPIRE Inspection process working as designed:** properties mired in the middle range of UPCS scores tend to get pushed to a high (90+) or low (<59) NSPIRE score depending on the number of critical health and safety conditions

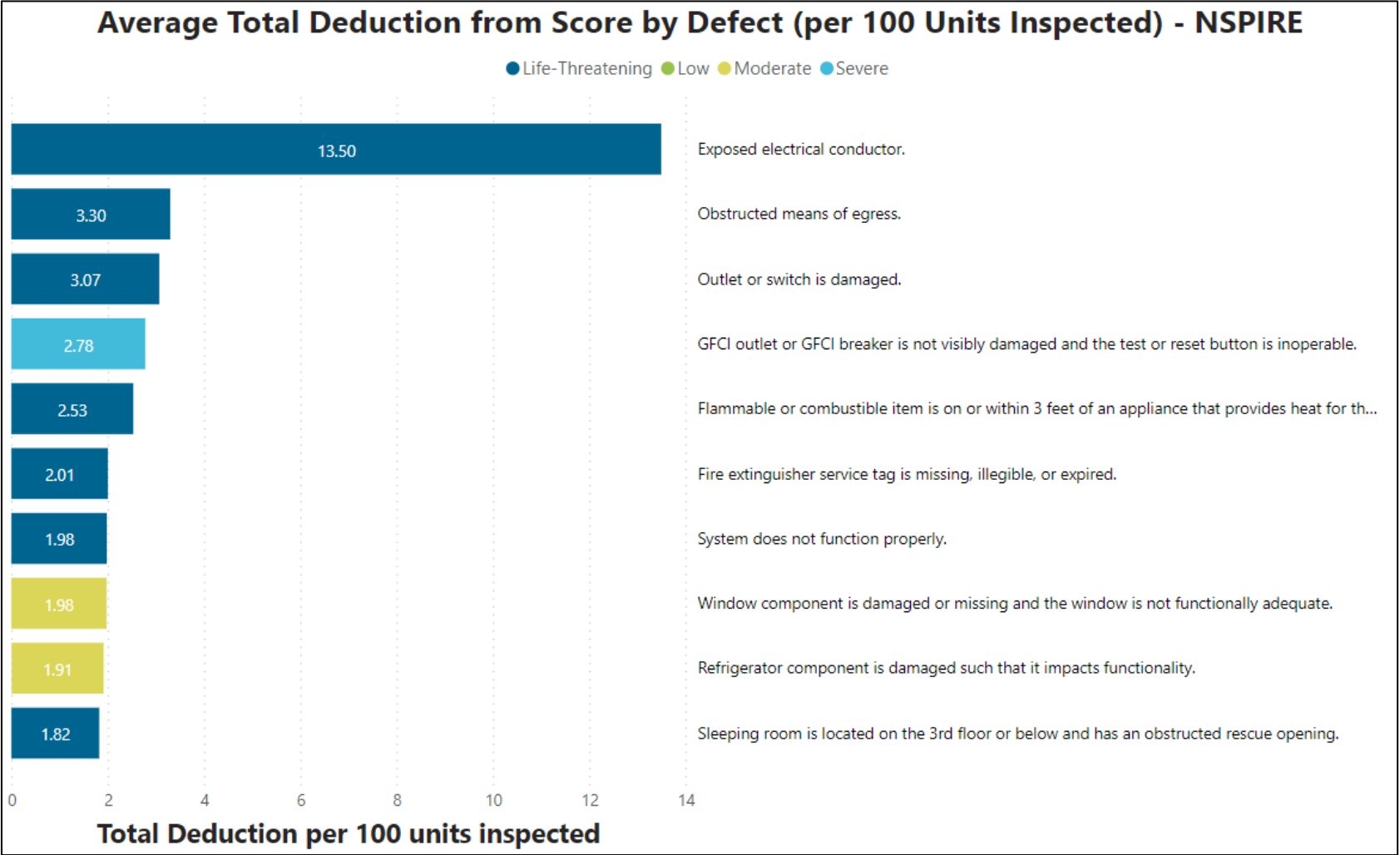


*Chart shows MFH NSPIRE Scores compared to the previous UPCS scores *at that subset of properties* (1,378 properties)

Overall – Top 10 – Score Deduction

Key Takeaways:

- The largest overall score deduction under NSPIRE is attributable to the ***Exposed electrical conductor*** defect, with a total deduction **more than four times greater** than the next highest defect
- In total, **Electrical, Egress, and Fire Safety** defects impacted NSPIRE scores **more than other types of defects**





NSPIRE

Questions & Answers

NSPIRE@hud.gov



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The Happy Accidents of NSPIRE for LIHTC, HOME, and Voucher Programs www.us-hc.com

— “Happy Accidents” – Transactional Deficiencies

- NSPIRE Uses “transactional” deficiencies – single, point in time issues that are isolated to a single location. This allows for appropriate tracking of non-compliance issues by date of inspection and resolution. Whereas UPCS often employed “survey” style language that grouped issues into a single finding
- Reporting by BIN – as all issues are “transactional” they are all identified in a single location, which can be easily associated with a BIN



The Happy Accidents of NSPIRE for LIHTC, HOME, and Voucher Programs www.us-hc.com

“Happy Accidents” – Defined Repair Timelines

- NSPIRE defines all issues as either 24-hour, 30 day, or 60-day issues. For LIHTC and other non REAC uses, this ensures that repair standards are objective in nature and the timelines ensure that all repairs are done within 60 days.
- Easier to understand Standards – stakeholders are finding the issues easier to understand and easier to correct proactively



The Happy Accidents of NSPIRE for LIHTC, HOME, and Voucher Programs www.us-hc.com

— “Happy Accidents” – Voucher Programs (HCV, PBV, Etc)

- Landlord Relations and Participation
 - Removal of Normal Wear and Tear Issues
 - Reduction of tenant caused issues
 - Deficiencies “Make Sense” to landlords
 - Minimal training is needed for landlords with right approach
 - PHAs can opt to perform follow-up inspections with documentation (just like REAC) to reduce burdensome appointments and delays in the process



NSPIRE for LIHTC, HOME, and other Programs

Messaging Challenges for NSPIRE for non-REAC (LIHTC, Vouchers, etc)

- Need to dispel rumors about NSPIRE (too hard, too easy, etc)
- Establish a transparent set of standards to keep the inspectors and stakeholders on the same page
- Change “have to find something” inspector culture
- Landlords are hearing new standards are “complicated and expensive”
- Findings on inspections should be limited to exactly what NSPIRE includes and nothing else



US Housing Consultants

Services

- REAC/NSPIRE Inspections and Consulting
- HUD and LIHTC Compliance Monitoring Services
- Capital Needs Assessments
- Asset Management Consulting

Contact Information

www.us-hc.com

(603) 223-0003



NSPIRE INSPECTION IMPLEMENTATION

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Spectrum Compliance
htucker@spectrumlihtc.com



Violations of inspectable areas is cited more on IRS Form 8823 than any other category!

11 Check the box(es) that applies:

- a** Household income above income limit upon initial occupancy
- b** Owner failed to correctly complete or document tenant's annual income recertification
- c** Violation(s) of the UPCS or local inspection standards including casualty losses (see instructions) (attach explanation)
- d** Owner failed to provide annual certifications or provided incomplete or inaccurate certifications
- e** Changes in Eligible Basis or the Applicable Percentage (see instructions)
- f** Project failed to meet minimum set-aside requirement (20/50, 40/60, average income test) (see instructions)
- g** Gross rent(s) exceeds limits
- h** Project not available to the general public (see instructions) (attach explanation)
- i** Violation(s) of the Available Unit Rule under section 42(g)(2)(D)(ii)
- j** Violation(s) of the Vacant Unit Rule under Reg. 1.42-5(c)(1)(ix)
- k** Owner failed to execute and record extended-use agreement within time prescribed by section 42(h)(6)(J)
- l** Low-income units occupied by nonqualified full-time students
- m** Owner did not properly calculate utility allowance
- n** Owner has failed to respond to agency requests for monitoring reviews
- o** Low-income units used on a transient basis (attach explanation)
- p** Building is no longer in compliance nor participating in the section 42 program. (Attach explanation.)
- q** Other noncompliance issues (attach explanation)

Lack of understanding by staff (what is NSPIRE?)

Understaffed (little/no maintenance)





Standard	Timeframe
Lighting – Auxiliary Standard	S - Severe – 24 hours
Exit Sign Standard	L/T - Life-Threatening – 24 hours
Electrical GFCI or AFCI – Outlet or Breaker Standard	S - Severe – 24 hours
Call-for-Aid System Standard	L/T - Life-Threatening – 24 hours
Carbon Monoxide Alarm Standard	L/T - Life-Threatening – 24 hours
Smoke Alarm Standard – 23%	L/T- Life-Threatening – 24 hours

Mounted Incorrectly

Missing

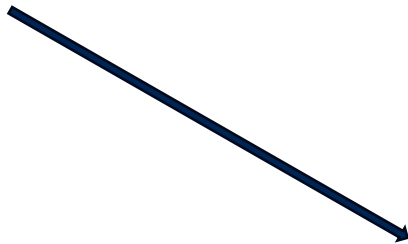
Inoperable

(no sound, batteries missing, disconnected)

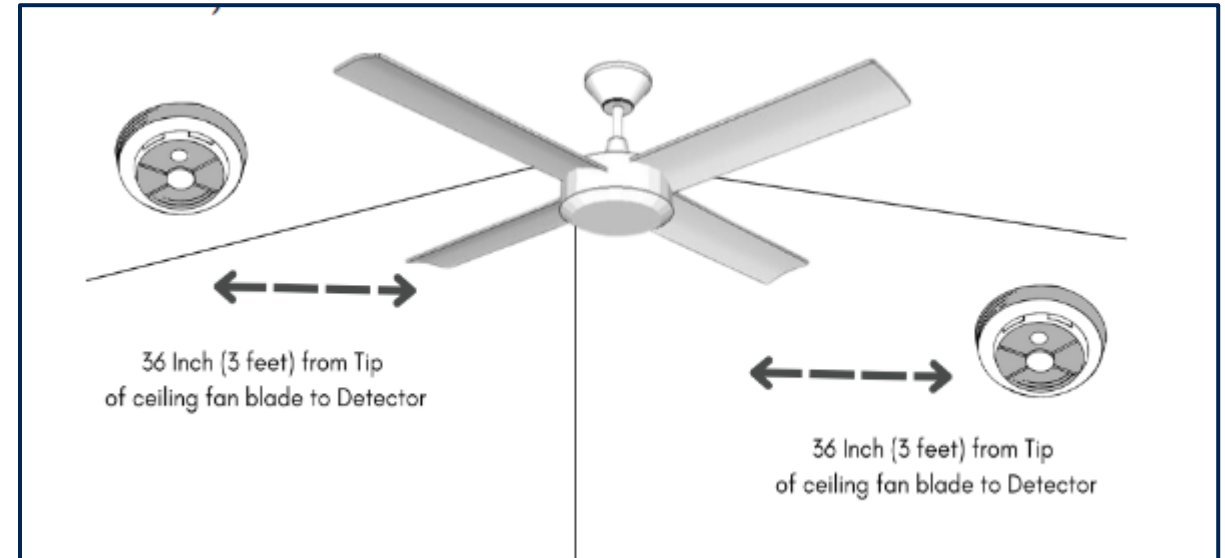


MORE INFORMATION:

- Smoke alarm should be installed high on walls or ceilings.
 - If mounted on the ceiling, then it must be greater than 4 inches from the wall.
 - If mounted on the wall, then the top edge of the smoke alarm cannot be closer than 4 inches or greater than 12 inches from the ceiling.
- Smoke alarm should be installed at least 10 feet from a cooking appliance.
- Smoke alarm should not:
 - Be installed near windows, doors, or ducts where drafts might interfere with their operation.
 - Be painted or have decorative stickers or other decorations present.



Not Within 10 Feet
of a cooking
appliance



MORE INFORMATION:

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 - Be painted or have decorative stickers or other decorations present.

NSPIRE language uses “should” in some instances instead of “shall” or “required”.

It does not necessarily mean that a property **MUST** relocate those detectors that are within 10 feet of cooking appliances.

How will life/safety be corrected in 24-hours?

Professional Assistance

Self Repair/Maintenance

**Ownership/Management should correct or start action within
24 hours for life/safety defects**



Completed Work Order

With Property Name, Unit #, Defect Addressed, and Dates

This will clear the defect and then we move on to the next!

TIMEFRAMES

Life Threatening: 24 Hours

Severe: 24 Hours or 30 Days

Moderate: 30 Days

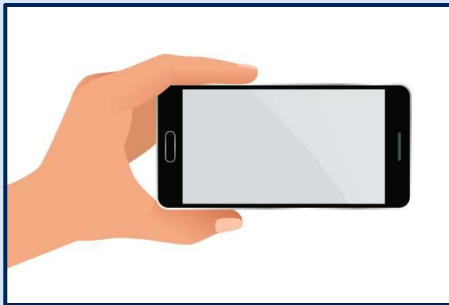
Low: 60 Days



WORK ORDER

Additional documentation to clear a defect

Pictures



Videos



Invoices



Maintenance can follow with supplies

Manager should take notes during the inspection

State Agencies should have strong inspection protocols

Examples:

- **Reminder contact 24 to 48 hours prior to audit**
 - **Provide a 24-hour emergency repair list**
 - **Conduct an exit interview**





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The HUD Exchange website will provide a one-stop shop for resources, updates, and infor... >

hudexchange.info

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 YouTube 3-5 minute videos



You have
learned what
NSpire is....

Now let's
discuss what it
isn't

With a name like
**National Standards for the Physical
Inspection of Real Estate
(NSPIRE)**

**Everyone innocently
assumes it covers ALL Physical Inspection
issues**

**An NSpire inspection
is not an Accessibility
Inspections**

**99% of all our problems in life are just
a mis-communication**

So, the big question is what do

**UPCS Inspections
HQS Inspections
REAC Inspections
NSPIRE Inspections
Have in common?**

They all have **nothing to do
With Accessibility Compliance**

NSPIRE STANDARDS

HUD presents the final NSPIRE standards. Questions can be sent to NSPIRE@HUD.gov.

NSPIRE Final Standards Published

June 22, 2023 - National Standards for the Physical Inspection of Real Estate: Inspection Standards. [Learn More »](#)

Final Standards


STANDARDS	Inspectable area(s) standard applies to:		
	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
Clothes Dryer Exhaust Ventilation Standard	Y	Y	Y
Cooking Appliance Standard	Y	Y	
Electrical Standard	Y	Y	
Elevator Standard	Y	Y	
Exterior Maintenance Standard	Y	Y	
Fire Safety Standard	Y	Y	
Flooring Standard	Y	Y	
Foundation Standard	Y	Y	
Gas Standard	Y	Y	
General Maintenance Standard	Y	Y	
Handicap Access Standard	Y	Y	
HVAC Standard	Y	Y	
Interior Maintenance Standard	Y	Y	
Lead-Based Paint Standard	Y	Y	
Mold Standard	Y	Y	
Pest Standard	Y	Y	
Plumbing Standard	Y	Y	
Roof Standard	Y	Y	
Staircase Standard	Y	Y	
Structural Standard	Y	Y	
Tie-Back Standard	Y	Y	
Water Damage Standard	Y	Y	
Window and Door Standard	Y	Y	
Yield Point Standard	Y	Y	




Explore NSPIRE

- [NSPIRE Official Notices](#)
- [NSPIRE Inspectable Areas](#)
- [NSPIRE Terms and Definitions](#)
- [NSPIRE Demonstration Resident Engagement Initiative](#)
- [NSPIRE Toolkit](#)
- [NSPIRE Webinars](#)
- [NSPIRE Resources](#)

Connect with Us

 **Phone the Technical Assistance Center (TAC)**
1-888-245-4860

 **Email the NSPIRE Information Center**
NSPIRE@hud.gov

Parking Lot Standard

Potential Lead-Based Paint Hazard

Private Roads and Driveways Standard

Refrigerator Standard

Retaining Wall Standard

Roof Assembly Standard



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

TITLE: PARKING LOT

VERSION: V3.0

DATE PUBLISHED: 08/11/23

What did they NOT inspect for in the parking lot?

1. Was the Accessible parking space and Access Isle front to back slope 2% or less?
2. Was the Accessible parking and Access Isle space cross slope 2% or less?
3. Did the Accessible parking space connect to an adjacent Access Isle (with the same slope measurements)?
4. Did the Access Isle connect to a curb ramp and did that curb ramp slope exceed 8.33%?

Trip Hazard Standard

LOCATION: Outside

TITLE: GRAB I
VERSION: V3.0
DATE PUBLISHED: 06/20/

DEFINITION: Safety d
PURPOSE: To assist
COMMON COMPONENTS: Handle;
LOCATION:

MORE INFORMATION: For the
be inspected using the Handrail standard.

DEFICIENCY I: Grab bar is not secure.
LOCATION: Unit Inside

What did they NOT inspect for?

1. Length of grab bar (24",36" or 42")?

2. Is it the correct height above the finished floor?

3. Is it the rear wall or side wall grab bar?

Most people think ADA when they think about accessibility.

But this creates risk by not understanding what Laws and Regs actually apply to your property.

Just because you have blue paint and the “little blue wheelchair man” sign on your property does not mean you are in compliance with ADA, Section 504 & Fair Housing.





Handicap Units

ADA Units

Covered Units

Accessible Units

Adaptable Units

Type A Units

Type B Units


Universal Design & Visitability

The industry for the last 30 years has made it so confusing, it's like there is a *Secret Language of Accessibility*

There are two
types of units

Section 504 units

Fair Housing units

A close-up photograph of a hand with fingers slightly curled, resting over a row of white, three-dimensional letter blocks. The blocks are arranged to spell out the word 'PROACTIVE' in a bold, sans-serif font. The background is a soft, out-of-focus green and blue gradient. The entire image is framed by a solid red border.

**The Department of Justice
"Accessibility Initiative"
& NCSHA
Best Practices
(Processes and Protocols)**

**P R O
R E A C T I V E**

Best Practices: Processes and Protocols/Guardrails	Dept of Justice Accessibility Initiative	NCSHA Best Practices
1. Having your complete set of plans & specs reviewed by an Accessibility specialist (other than your architect)	✓	✓
2. Having your Team go through an Accessibility training for Architect, Contractor, Job superintendent, and representative from all trades (except painter and roofer)	✓	✓
3. Engage an Accessibility Specialist for Accessibility construction inspections	✓	✓
<ul style="list-style-type: none"> • (1st Inspection -rough in framing complete, electrical & plumbing complete • (2nd Inspection -Insulation/drywall compete, cabinets, counters, fixtures & appliances installed) • (3rd Inspection –Project substantially completed; exterior flatwork (sidewalks, parking) complete • (Final Inspection – Final physical clearance inspection 	✓	✓
4. At this point your Accessibility provider can write a Certification and Clearance letter	✓	✓

“I was relying on my architect to design it correctly”

“I was relying on my contractor to build it correctly”

So, I think it begs the question, what Guardrails have you installed?

If you do have an action brought against you alleging noncompliance with accessibility,

what is your defense going to be?

“I was relying on the local building inspector, who issued the Certificate of Occupancy for every building, **so I assumed...**”

“I was relying on the HFA that asked for a copy of my plans and specs, and they sent them back with no comments about accessibility, **so I assumed...**”

Are **YOUR Current** Guardrails strong enough to do what you thought they would do?

1. Will your guardrails reflect how Pro-active or Re-active you really have been?

2. Will your guardrails demonstrate how you tried to accomplish what the purest intent of the letter of the law is asking for?

They could be, if you implement the recommended Best Practices as your guardrails

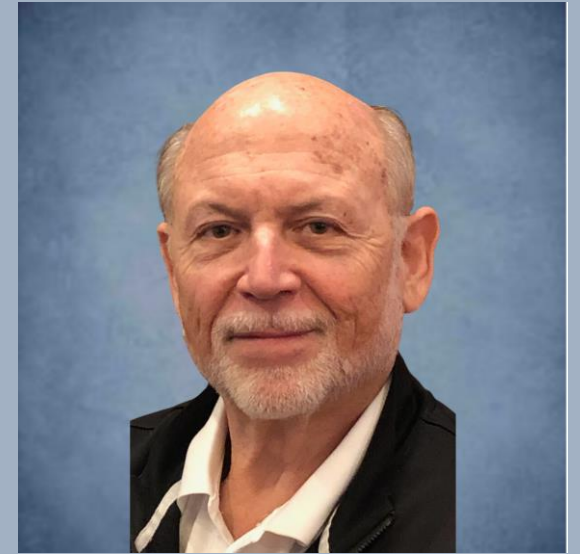
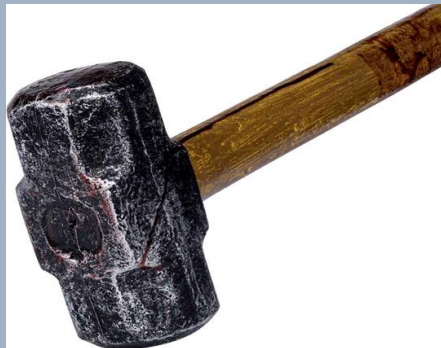
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4. At this point your Accessibility provider can write a Certification and Clearance letter	✓	✓

Remember what the famous architect
Frank Lloyd Wright once said...

“You can use an eraser on the drafting
table



or a sledgehammer on
the construction site.”



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E&A TEAM INC.

“Providing Solutions in Affordable Housing”