

THE HFA INSTITUTE 2024

Transitioning Inspections to the NSPIRE Protocol



National Council of
State Housing Agencies



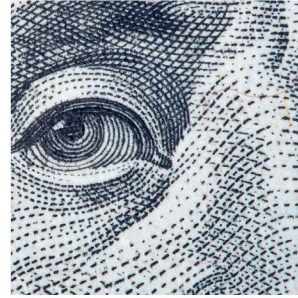
**MRBs and
Other Federal
Homeownership
Programs**
JANUARY 10 – 12



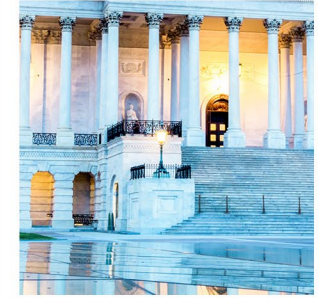
Housing Credit
JANUARY 9 – 11



**Section 8 and
Other Federal
Multifamily
Programs**
JANUARY 10 – 12



**HOME and
Housing Trust
Fund**
JANUARY 7 – 9



DISCUSSION LEADER

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

Real Estate Assessment Center (REAC)
National Council of State Housing Agencies (NCSHA)

January 10, 2024

Sunset of HQS and UPCS

Uniform Physical Condition Standards and Housing Quality Standards have been the standards by which to measure the physical condition of properties for more than 20 years.





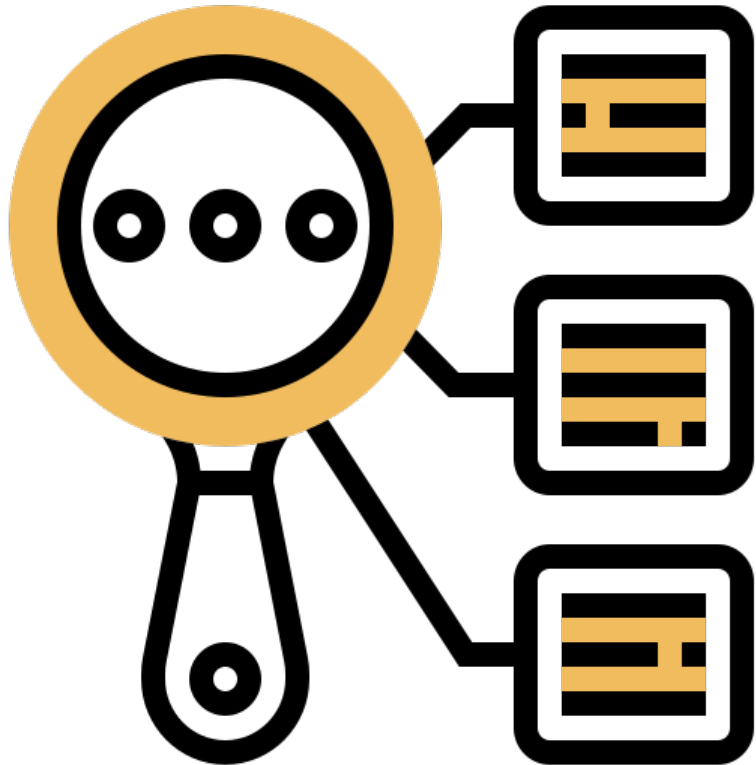
Final Rule & Standards



HUD published a proposed rule in January 2021 and NSPIRE standards for public comment in June 2022 with comments due August 2022. On May 11, 2023, HUD published the final NSPIRE rule that introduced changes to inspections for the Public Housing and Multifamily Housing programs. The rule and standards seek to:

- Require the same health and safety standards for all HUD housing portfolios
- Specify the manner and timeframe for the remediation of health and safety deficiencies for three categories of health and safety defects with specific remediation timelines, and align HOTMA Life-Threatening
- Require an annual self-inspection and reporting requirement for public and Multifamily housing program properties
- Outline the NSPIRE framework including standards and administrative processes such as appeals and enforcement for REAC-performed inspections
- Includes conforming changes in the HOME and HTF regulations
- Effective for projects with new HOME or HTF commitments made on or after October 1, 2023

Standards Notice



- Published on June 22, 2023 ([Federal Register](#))
- Includes the H&S classifications of Life-threatening, Severe, Moderate, and Low
- Designates the three inspectable areas: Unit, Inside, and Outside.
- Eight critical focus areas

Core Health & Safety Focus

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





HOME & HTF



- Compliance date established in Federal Register Notice (88 FR 63971) for CPD programs: October 1, 2024
- NSPIRE doesn't apply to new construction projects
- Parts 92 and 93 apply the affirmative requirements at 24 CFR 5.703, for example:
 - Smoke detectors
 - GCFI outlets
 - Guardrails and interior lighting fixtures
 - A permanent heating source
 - Prohibition on unvented space heaters that burn gas, oil or kerosene
 - Source of safe drinking water
 - Sanitary facility and kitchen area requirements

Exceptions

- Carbon monoxide detectors (as required by 2021 Appropriations Act for applicable programs)
- Sanitary facilities and kitchens in SRO units (exists for other programs too, like public housing)

Implementation

- HUD will publish a Federal Register Notice to:
 - Clarify property standards and inspections requirements
 - Establish lists of specific deficiencies that must be corrected in HOME/HTF housing based on activity undertaken and tenure type.



Administrative Notice

- Published on June 30, 2023
- Covers the process and operational requirements for Public housing and Multifamily Housing assisted properties covered by the final rule.

Scoring Notice

- Published on July 7, 2023
- Outlines how HUD will sample and score Public and Multifamily housing properties for an inspection.



HCV Administrative Notice



- HUD posted a Federal Register Notice (88 FR 66882) on September 28, 2023, extending the NSPIRE compliance date for Voucher programs to October 1, 2024.
- HUD published the Administrative Notice (Notice PIH 2023-28) to implement NSPIRE for HCV and PBV (and by reference, Section 8 Moderate Rehabilitation) programs on September 29, 2023.
 - Details about the extended compliance date and time for PHAs to retain the HQS as their inspection standard until October 1, 2024.
 - Additional administrative procedures for implementing NSPIRE for the Voucher Programs.

Defect Examples



	Outside	Inside	Unit
Life-Threatening	Gas dryer exhaust ventilation system has restricted airflow.	Structural system exhibits signs of serious failure.	Flammable or combustible material is on or near an ignition source.
Severe	A sharp edge that can result in a cut or puncture hazard is present.	Fire labeled door does not close and latch or self-close and latch.	Call-for-aid system is blocked.
Moderate	Trip hazard on walking surface.	Plumbing leak that allows for water intrusion in unintended areas.	Refrigerator component is damaged such that it impacts functionality.
Low	Water runoff is unable to flow through the site drainage system.	Auxiliary lighting component is damaged or missing.	Presence of mold-like substance at very low levels is observed visually.



NSPIRE IT Solution



- Built on cloud-based platform solution
- Benefits
 - Unified: Aligned with the NSPIRE standards – mobile application, community portal, and backend applications
 - UI/UX: Standardized design across all backend applications
 - Ease of use: consistency from inspection to inspection and from inspector to inspector

NSPIRE: What's Next?

Although HUD has published the Rule and regulations necessary to conduct NSPIRE inspections, there is still more to come:

- **REAC inspections officially began for the Public Housing portfolio on August 10, 2023, and for Multifamily Housing programs on October 1, 2023. These inspections include:**
 - 28-day notice of inspection;
 - Pre-inspection collection of safety certificates and lead-based paint evaluations; and
 - NSPIRE system onboarding of HUD field staff and property contacts to see inspection results and upload evidence of correction of Life-threatening and Severe hazards
- Notice on NSPIRE administrative enforcement process
- Notice and rulemaking on HUD inspector administration
 - Inspector training, experience and certification requirements
- Enhanced follow-up assessment program and standards for pests, mold and moisture, life safety systems



NSPIRE

Questions and Feedback

NSPIRE@hud.gov or search for "HUD NSPIRE" found on HUD.gov

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NSPIRE for Non-REAC Uses (LIHTC, HOME, Vouchers)

NSPIRE was largely designed around the concepts of Multifamily and Public Housing. Adapting NSPIRE to other programs has been straightforward but not easy.

Challenges:

1. Training for Stakeholders and Inspectors
2. Implementation Procedures
3. Messaging Challenges for NSPIRE



NSPIRE for LIHTC, HOME, and Voucher Programs

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Training needs to include the overriding philosophy of NSPIRE - focusing on safety and avoiding normal wear and tear issues.

- Provide staff with uniform training on NSPIRE standards
- Avoid “Crosswalk” discussions and just focus on new standards
- Integrate NSPIRE standards with Standard Operating Procedures
- Create reporting methodologies to ensure immediate report delivery



NSPIRE for LIHTC, HOME, and Voucher Programs

Implementation Procedure for NSPIRE for LITHC/HOME

- Training for HFA staff who are conducting NSPIRE inspections
- Create Standard for Procedures for non-REAC based inspectors
- Create Code of Conduct for Inspectors
- Collateral to inform all stakeholders of the NSPIRE changes
 - Explainer Videos with “What is NSPIRE” and “How it Works”
 - Print collateral FAQs



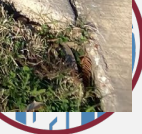
NSPIRE for LIHTC, HOME, and other Programs

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



NSPIRE for LIHTC, HOME, and other Programs



US Housing Consultants

Services

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

Contact Information

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