

HCV Utilization Webinar: Update on NSPIRE for HCV

September 21, 2023





Welcome!

- **We changed the topic for today.** We are still working on some dashboard updates, which will be presented in a later call. In the meantime, we know there is a lot of questions around NSPIRE for HCV.
- **Today's webinar is being recorded.** The recording and PowerPoint will be posted to the "Webinars and Trainings" section of www.hud.gov/hcv. In about a week.
- **We are always interested in your feedback.** Please enter any suggestions you have for how we can make these webinars or the program resources more useful to you in the chat.
- **Stay connected** by visiting www.hud.gov/hcv and subscribing to the HCV Connect Newsletter.



Quick Updates

- **New 2024 FMRs are posted**
at: <https://www.huduser.gov/portal/datasets/fmr.html>
 - Most PHAs will need to update their Payment Standards by January 2024.
 - PHAs can request a re-evaluation.
 - We covered FMRs in the HCV Utilization Webinar last year (9/22/22). You can find it under [Past Trainings and Webinars](#).
 - There is also an [HCV Overview Video](#) on FMRs.



Quick Updates

The HCV Utilization Webinar from last month is available.

- The HCV Utilization Webinar regarding Small Area Fair Market Rents (SAFMRs) from last month is recorded and available in the [Past Trainings and Webinars](#) section of www.hud.gov/hcv.
- There is still time to apply for up to \$15,000 for reimbursement for costs associated with establishment of SAFMR-based Payment Standards. Please review [Notice PIH 2023-07](#) for more information. The application **deadline is October 31, 2023.**



Quick Updates

Prohibition on Emergency Housing Voucher (EHV) voucher reissuance starts October 1.

- This will impact every PHA that administers EHV's.
- To see how this will impact your PHA, check out [the EHV Data Dashboard](#) (tab 5) at www.hud.gov/ehv.
- For more details, please review [PIH Notice 2023-14](#), or watch the [EHV Office Hours from July 11th](#).



Quick Updates

Worried about a government shutdown?!?!

- There are resources available to help you make HCV program administration decisions during times of funding uncertainty. Please visit the [HCV Utilization Tools](#) section at www.hud.gov/hcv and/or contact your local PIH Field Office.
- The HCV program benefits from an Advanced Appropriation—meaning program funding is already available (from the 2023 Appropriation Act) for the remainder of calendar year 2023.
- Your program spending today, directly impacts how much you will receive in 2024. Some PHAs will lose-out on valuable resources because the stop issuing vouchers during this time.



Agenda

- NSPIRE Presentation by Dana Kitchen, REAC



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

Real Estate Assessment Center (REAC) for
HCV Utilization Webinar

Presented by Dana Kitchen

September 21, 2023



NSPIRE

Policy



Introduction

- HUD's National Standards for the Physical Inspection of Real Estate (**NSPIRE**) **replaces** the Uniform Physical Condition standards (UPCS) and Housing Quality Standards (HQS) in HUD regulations
- The NSPIRE final rule:
 - Revised 24 CFR Part 5 Subpart G - Physical Condition Standards and Inspection Requirements
 - Replaced the term "UPCS" in the regulations and associated guidance
 - Re-defined the term "HQS" to be synonymous with HUD's Part 5 Subpart G regulations

Note: HUD's section of the Code of Federal Regulations (CFR) is Title 24 and is often referenced as 24 CFR





What is NSPIRE?

HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) strengthens HUD's physical condition standards, known as the Uniform Physical Condition Standard (UPCS) by:

- Prioritizing health, safety, and functional defects over appearance
- Updating HUD's physical inspection model, which is now 20+ years old
- Focusing on the areas that impact residents – their units
- Providing a more accurate score for property conditions
- Aligning inspection standards across all HUD-assisted properties, as directed by Congress
- Incorporating resident feedback regarding the condition of units



NSPIRE Upcoming Milestones

FY2023

Spring

Publish Final NSPIRE Rule, with effective date of July 1, 2023

Completed May 11, 2023 ✓

Ongoing training ✓

Summer

Publish final Standards, Administrative procedures & Scoring notices

Completed June 22, June 30 & July 7 ✓

Implement resident feedback from Pilot – June 30, 2023 ✓

Public Housing inspections commence – Began Aug. 10, 2023 ✓

Ongoing training ✓

Fall

Multifamily Housing, Vouchers, CPD effective & compliance date – October 1, 2023 –

On Track



Final Rule & Standards

On May 11, 2023, HUD published the final NSPIRE rule and the final NSPIRE standards were posted on June 22, 2023. The rule and standards seek to:

- Require the same health and safety standards for all HUD housing portfolios, including privately owned properties where HUD-assisted residents reside (e.g., vouchers)
- 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
- Revise the approach to scoring of REAC-performed inspections

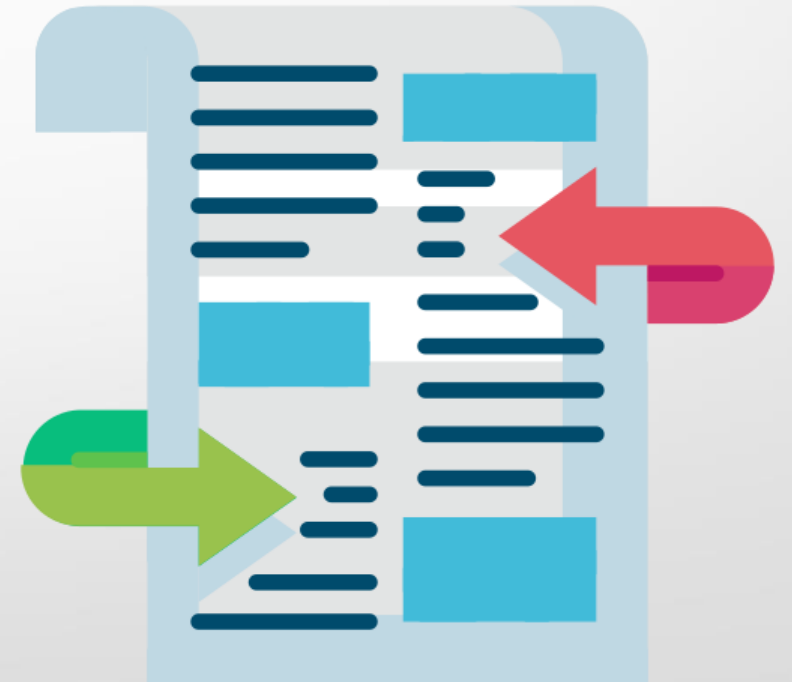
Redefine 982 HQS regulations

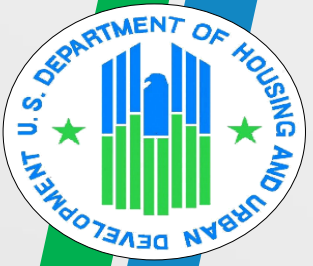


New Items in the Final Rule

The final rule establishes a new approach to defining and assessing housing quality: The National Standards for the Physical Inspection of Real Estate (NSPIRE). This rule is part of a broad revision of the way HUD-assisted housing is inspected and evaluated. Some new items to take note of include the following:

- Standards review process at least every 3 years
- “Affirmatives” in regulation (e.g., GFCI outlets, lighting, HVAC, water safety)
- Removed site and neighborhood requirements for HCV
- New nomenclature for health and safety deficiencies: Life-threatening, Severe, Moderate and Low
- Life-threatening deficiencies 24-hour correction requirements for HCV
- Self-inspections for Public and Multifamily Housing programs only
- Administrative referrals to the DEC for Public Housing and Multifamily (certain low scores)





Changes to NSPIRE

Mastering the NSPIRE standards will require learning a new framework

More Emphasis on:

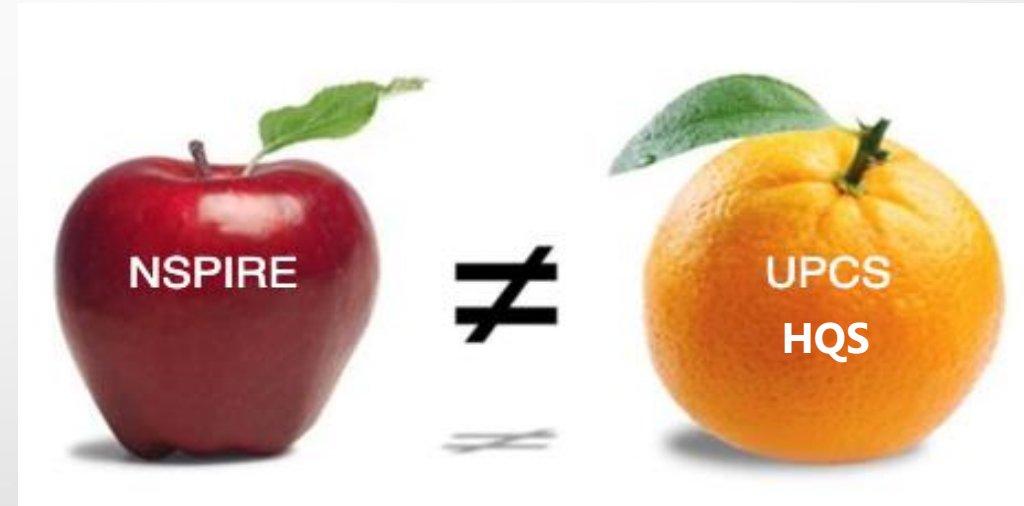
- Health, safety, and functional defects
- Areas that impact residents – their units

Less Emphasis on:

- Condition and appearance defects
- Inspectable areas outside units

Objective Deficiency Criteria

- Criticality levels do not exist within NSPIRE
- Removed subjective deficiency criteria based on feedback



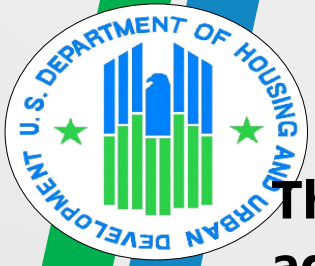


Standards Notice



The Standards Notice details inspectable items at HUD-assisted and Multifamily-insured properties. This includes a classification of which conditions are considered life-threatening, severe, moderate, or low-risk by item and inspectable area. HUD will subsequently 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 [Federal Register](#)



Changes in Final Standards Notice

The final standards were published with changes considering feedback HUD received and additional testing in the field during the NSPIRE Demonstration. Major changes include:

- Public Housing and Multifamily: Addressing life-threatening and severe deficiencies within 24 hours, moderate deficiencies within 30 days, and low deficiencies within 60 days.
- Voucher Programs: Life-threatening deficiencies within 24 hours, severe and moderate deficiencies within 30 days, and any other deficiencies (Low) result in a Pass and require no correction.
- Making the Smoke Alarm Standard consistent with the National Fire Protection Association (NFPA) Standard 72
- Creating a Fire Door Standard detailing the specific function, operability and structural integrity requirements for fire doors
- Requiring carbon monoxide alarms to be installed in compliance with the 2018 International Fire Code
- Setting minimum temperature requirements during the colder months and requiring a permanent heating source
- Including criteria for when guardrails and handrails are required
- Establishing infestation deficiencies based on discrete levels of observations with clarification on citable pests
- Developing deficiencies based on observed mold conditions or elevated moisture levels measured using a moisture meter
- Including a deficiency for an enhanced visual assessment for deteriorated paint in units where children under 6 years of age reside to document potential lead-based paint hazards
- Specifying Ground-Fault Circuit Interrupter (GFCI) protection as a requirement.
- Including affirmative habitability requirements for bathrooms, kitchens, and other rooms utilized by residents



Administrative Notice-PH/MF ONLY

HUD published the NSPIRE Administrative notice on June 30, 2023, which covers the process and operational requirements for Public housing and Multifamily Housing assisted properties covered by the final rule. The Administrative notice includes:



- What to expect before, during, and after an inspection
- Policies and procedures for properties participating in inspections
- Submitting evidence of deficiency correction, submitting technical reviews, administrative review, and other administrative requirements associated with the final NSPIRE rule
- Outlines roles and responsibilities for HUD's REAC, HUD field office staff, and property representatives from PHAs and Property Owners and/or Agents (POAs)
- Requirements for inspectors performing inspections for REAC under contract
- **DOES NOT APPLY TO VOUCHER PROGRAMS**



Scoring Notice-PH/MF ONLY

The NSPIRE Scoring Notice outlines how HUD will sample and score Public and Multifamily housing properties for an inspection. The Scoring Notice is a critical step in HUD's mission to improve conditions in HUD assisted housing by aligning and consolidating inspection regulations used to evaluate HUD housing across multiple programs.

- Like the final Standards Notice, the scoring methodology will also be updated once every 3 years with an opportunity for public comment
- Published on July 7, 2023
- Full Scoring Notice found on the [Federal Register](#)
- **DOES NOT APPLY TO VOUCHER PROGRAMS**
 - WILL RETAIN PASS/FAIL METHODOLOGY





HCV Administrative Notice

- HUD will publish an Administrative Notice to implement NSPIRE for HCV and PBV (and by reference, Section 8 Moderate Rehabilitation) programs before the effective date of October 1, 2023.
- This notice will announce additional time for PHAs to retain the Housing Quality Standards (HQS) as their inspection standard until October 1, 2024.
 - PHAs will need to notify HUD of their retention of HQS and when they will implement NSPIRE. Information on how and when to do this will also be included in the notice.
- Guidance on how to request approvals for alternative inspection methods or criteria variations will be in the upcoming notice.



Provisions Unchanged for the Voucher Programs

- Types of inspections
- Timing of inspections
- Who conducts inspections
- Allowance for "inspection criteria variations", e.g.
 - Local housing codes;
 - Local climatic or geographic conditions
- HUD-approved Alternative Inspection Methods
- Special Housing Types (24 CFR Part 982 Subpart M)
- Enforcement of HAP and Family Obligations



Major Differences PH vs. HCV

- **Scoring:** Public housing (PH) is scored on a numeric scale, but Voucher programs remain pass/fail.
- **H&S Determinations:** Life-Threatening and Severe require 24-hour corrections in PH, but only Life-Threatening require 24-hour correction in Voucher programs. Also, Low requires 60-day correction in PH, but no correction requirement in Voucher programs.
- **Self-Inspections:** Required for PH but no such requirement for HCV, PBV, or Mod Rehab programs (24 CFR 5.707).
- **Reporting:** PH results are reported to HUD, but Voucher program results are not (except to the extent required by 50058 data).
- **Scope of Inspections:** Every unit, full inside, and the entire outside/exterior of development/property is subject to inspection in PH. Only the units occupied/assisted, or those to be occupied/assisted, and the inside common areas and outside/exterior areas servicing those units are inspected in the Voucher programs.
- **State and Local Codes:** PH must comply with state and local codes, but state and local codes are generally not part of the inspection for Voucher programs (unless approved as variations for the PHA).
- **App and Tool for NSPIRE:** HUD's app for Voucher programs will not be a centralized program. An Excel tool is being created and will soon be available on HUD's website for PHAs to use.



NSPIRE

Standards



New for NSPIRE-Voucher Programs

What is the Same?

- Majority of inspectable items remain mostly unchanged
- Life threatening H&S deficiencies require 24-hour repair timeframe
- Continued assessment on deficiencies in H&S and function and operability

What is Changing?

- 3 distinct inspectable areas: unit, inside, and outside
- Removed non-H&S items such as overgrown vegetation, non-security/safety fence damage, damaged trim, common area paint deterioration (post-1978 properties), exterior caulking damage, scratched countertops (not all new for Voucher programs)
- Prioritizes resident health and safety and physical assets over cosmetic deficiencies
Compilation Bulletin and Non-Industry Standards (NIS) does not apply to the NSPIRE standards (not all new for Voucher programs)
- The final NSPIRE Standards Notice was published on 6/22/23 and outlines all changes from the proposed rule in summary

What is New?

- More stringent standards for heating, GFCI/AFCI, electrical outlets, mold, infestation, and structural systems
- Enhanced standards for smoke alarms, CO alarms, fire doors, dryer exhaust, guardrails and handrails
- Revised H&S classifications and timeframes: 24-hour repair for life-threatening and 30-day repair for severe and moderate deficiencies
- Affirmative habitability requirements to include requiring food storage area, permanently installed light fixtures, hot and cold water, cooking appliance, and others (not all new for Voucher programs)



H&S 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

Unit

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

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.

Unit



Inside



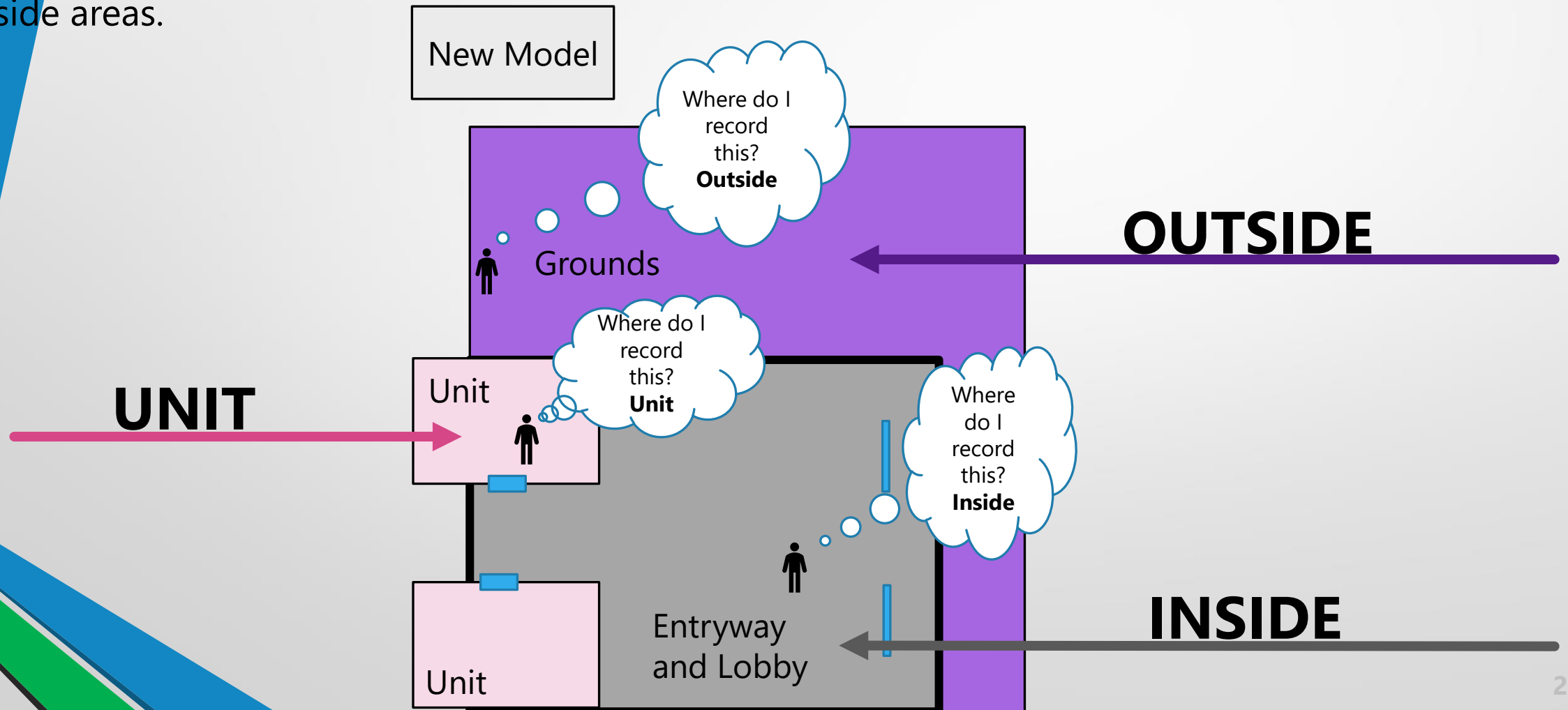
Outside





Inspectable Areas Cont.

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





Core Health & Safety Focus

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





Core Health & Safety Overview

*******Could be discussed in more detail in a future session*******

NSPIRE has specific standards for HVAC systems and minimum temperature requirements

NSPIRE has specific standards for fire safety including conformity with NFPA 72 smoke alarm requirements and properly functioning sprinklers

- NSPIRE incorporates new electrical life safety deficiencies
- NSPIRE water safety standard requires PHAs to be aware of local drinking water alerts.
- NSPIRE takes a new, comprehensive approach to mold & moisture
- Carbon monoxide alarms required by Congress since 12/2022 and NSPIRE continues the requirement
- Integrated Pest Management (IPM) is strongly encouraged to correct NSPIRE's infestation standard (www.stoppests.org)
- NSPIRE's lead-based paint incorporates requirements from HUD's Lead Safe Housing Rule regulations for the voucher program so this will look familiar



NSPIRE Standards Webpage

You can find the 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

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



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:		Moderate	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:		Fail	
HCV CORRECTION TIMEFRAME:		30 days	
INSPECTION PROCESS:			
OBSERVATION:		<ul style="list-style-type: none">- 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 building.	
REQUEST FOR HELP:		- None	
ACTION:		- Approach the entrance to the building from the main street, road, or parking area.	
MORE INFORMATION:		- None	

Each deficiency includes an Inspection Process section:

- Observation
- Request for Help (from resident or landlord)
- Action
- More Information





Summary of Changes

As part of its continuous improvement of NSPIRE, HUD documents the revisions it makes to each standard

- The Summary of Changes is provided at the end of each standard and lists:
 - Fields updated in the standard
 - Revision dates starting with the most recent version



NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

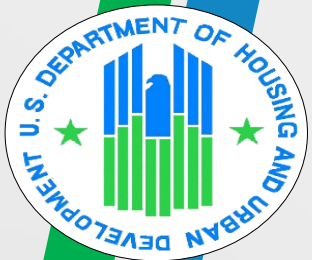
SUMMARY OF CHANGES

TITLE: ADDRESS AND SIGNAGE

VERSION: V3.0

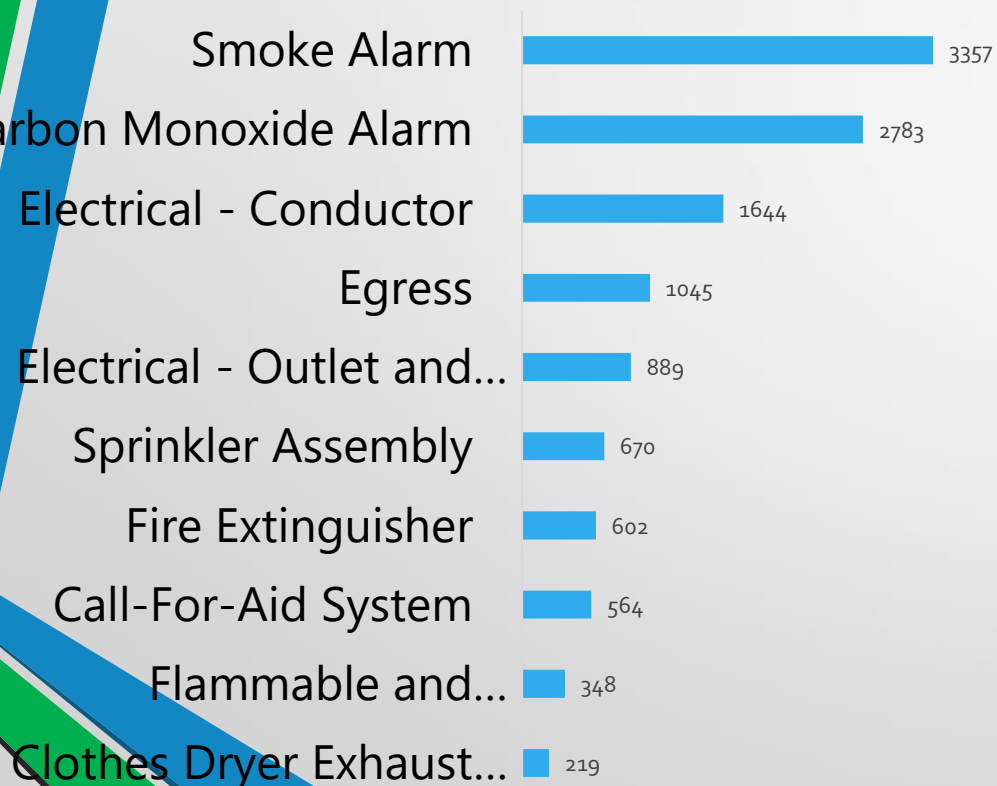
DATE PUBLISHED: 06/20/23

FIELD	CHANGE	VERSION	DATE
-----	Abbreviated published version	V2.2	2022-06-23
	Name Variants: Removed from published version		
	Common Materials: Removed from published version		
	Rationale: Removed from published version		
	Tools or Equipment: Removed from published version		
Deficiency I		V2.2	2022-06-23
	Health and Safety Determination: Relabeled from "Standard" to "Moderate"		
-----	Copy edits	V2.1	2021-04-02
Deficiency I		V2.0	2020-10-28
	Health and Safety Determination: Added standardized description		
	HCV Pass / Fail: Field added; response input as "Fail"		

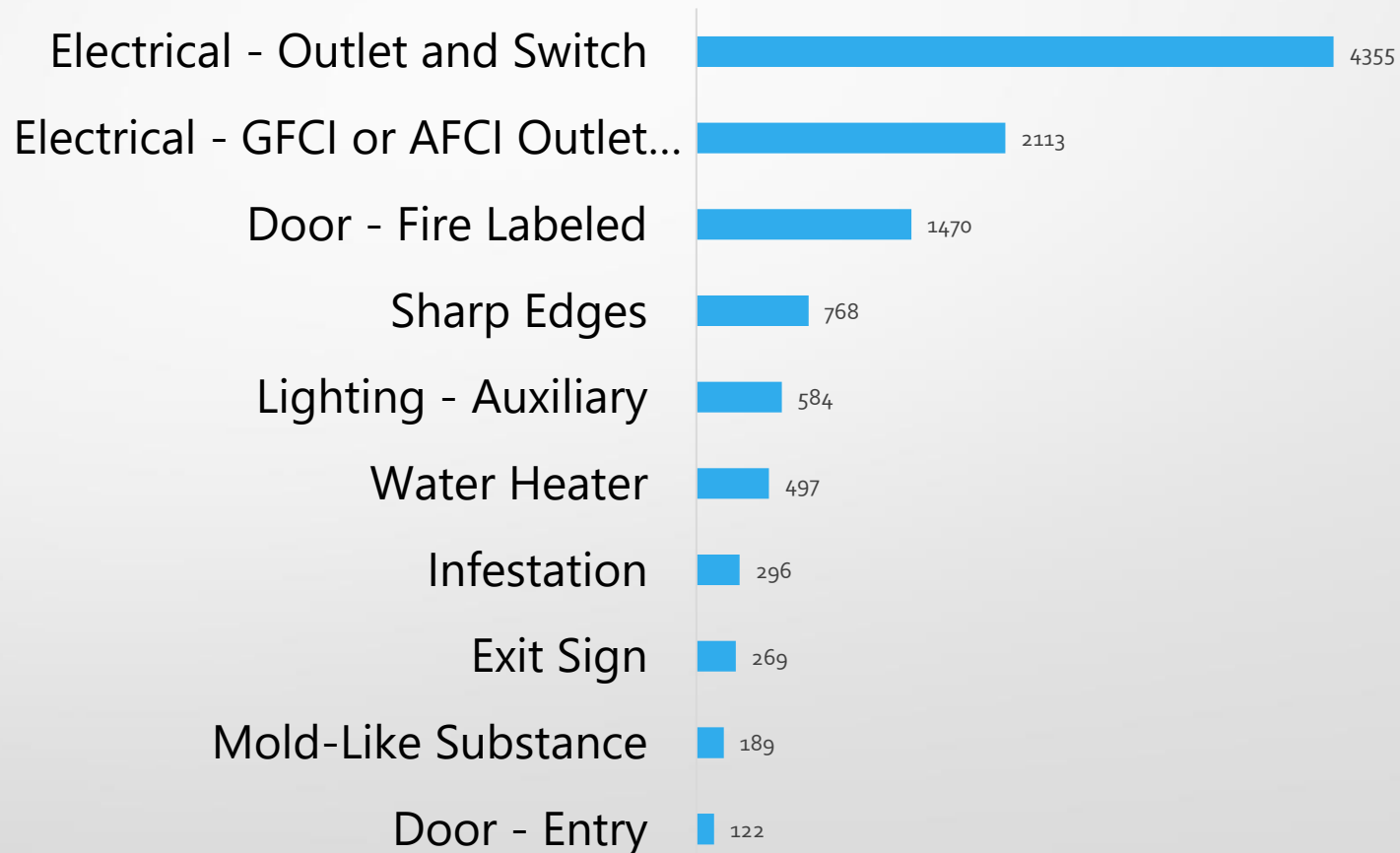


Top Defects Based on Demonstration

Top 10 Most Occurring Life Threatening Defects



Top 10 Most Occurring Severe Defects





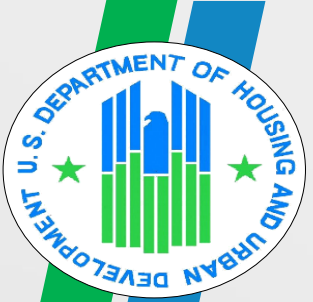
Watch the Standards Video





Key Standards Takeaways

- NSPIRE strengthens HUD's physical condition standards to emphasize resident health and safety in their units
- NSPIRE aligns inspection standards across all HUD-assisted properties, as directed by Congress
- NSPIRE Final Standards can be found on HUD.gov
- Prepare for substantive changes such as fire labeled doors, egress, outlet & switch standards, mold-like substance, etc.



NSPIRE: What's Next?

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

- **Inspections officially began for the Public Housing portfolio on August 10, 2023**
- **October 1, 2023 marks the effective date for Voucher programs**
 - Notice to be posted VERY soon
 - PHAs will be able to retain HQS as previously defined until 10/1/24

App and Tool

- Excel tool will be posted to HUD's website prior to 10/1/23
- HUD-provided application tool for Voucher programs is not yet complete
- PHAs that were part of NSPIRE V Demonstration can continue to use their app (that uses Standards 2.2) while they come into compliance with NSPIRE before 10/1/24

There are vendors out there now with applications and software ready or in the works

Training

- More training to come from HUD (and others!)



NSPIRE

Questions & Answers

NSPIRE@hud.gov

https://www.hud.gov/program_offices/public_indian_housing/react/nspire



Reminders

- HUD has been working to improve the HCV utilization resources available to PHAs, in case you missed it here are a few new items:
 - HCV Connect – A email newsletter focused on the HCV program with reminders of program guidance, notification of webinars, events, and research.
 - HCV Utilization Webinars – These webinars will provide HCV program updates and share best practices. They are scheduled for **every third Thursday at 2:00 Eastern**.
 - HCV Overview Video Series with short videos covering common topics in HCV program administration.
- Plus, we have ongoing support for the HCV Utilization Tools and the HCV Data Dashboard.

All of this is available at:

www.hud.gov/hcv



Next Month's HCV Utilization Webinar: Examples of Leveraging Technology

OCT

19

HCV Utilization Webinar - *Examples of Leveraging Technology*

October 19, 2023 | 2:00 - 3:00 PM EASTERN TIME

We'll be discussing several ways how investing in technology can improve efficiency and reduce the administrative burden of PHA's. We'll be joined by several innovative PHA's who will present ways they have used technology to improve their daily operations.

[Register Now](#)

To register for this webinar, or to see additional upcoming topics, please visit the [Webinars and Trainings](#) section of www.hud.gov/hcv.