U.S. Department of Housing and Urban Development

Diane M. Shelley
Midwest Regional Administrator

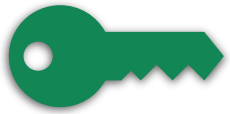
Create strong, sustainable, inclusive communities and quality, affordable homes for all.

HUD at Work

HUD's Strategic Goals

Support underserved communities

Ensure access to & increase production of affordable housing



Promote homeownership

Advance sustainable communities

Strengthen HUD's internal capacity

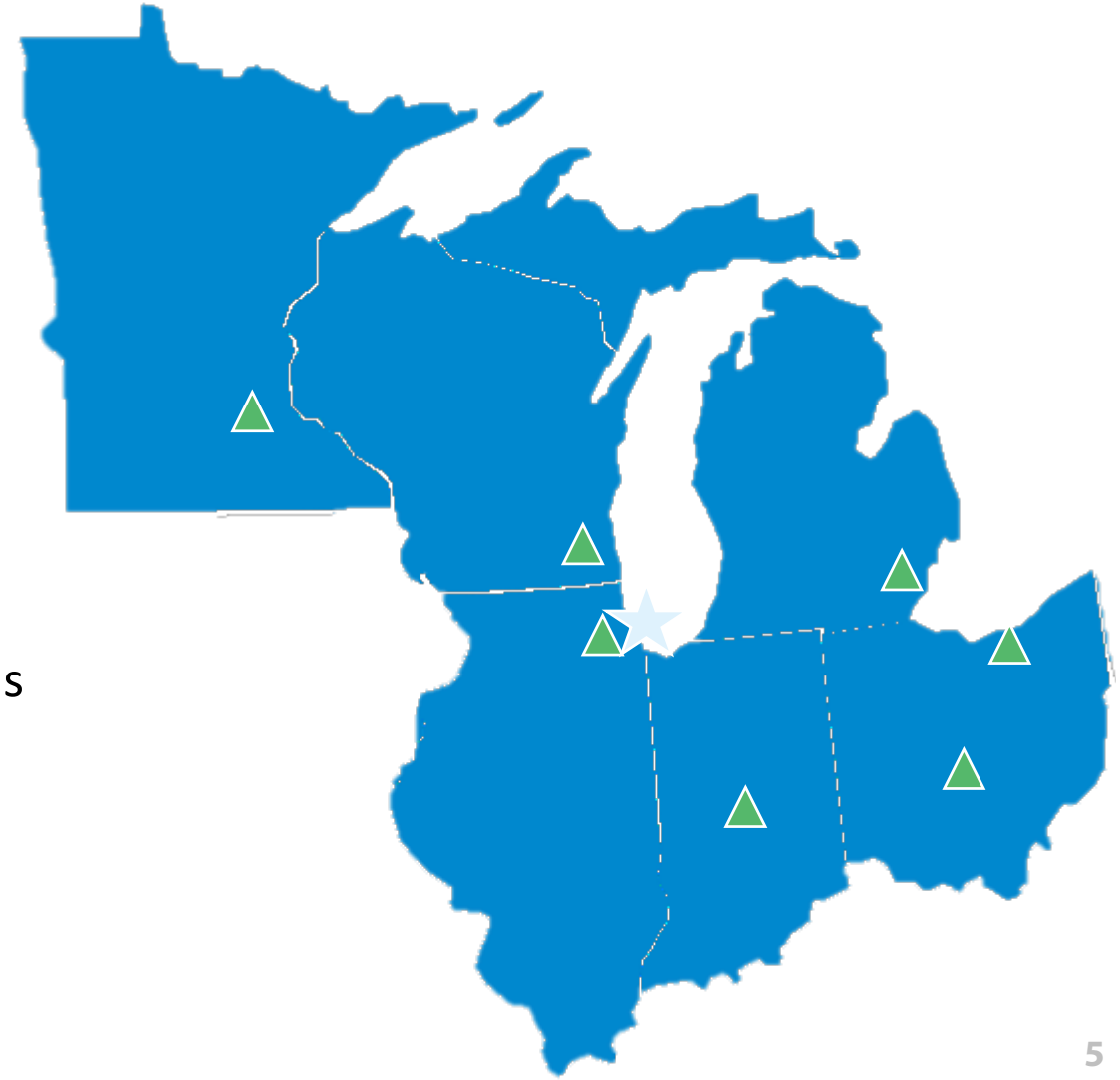
HUD's Eight Program Offices

Delivering services to the community, providing resources, partnering with stakeholders

- Fair Housing and Equal Opportunity
- Community Planning and Development
- Lead Hazard Control and Healthy Homes
- Office of Housing/FHA
- Field Policy and Management
- Public and Indian Housing
- Policy Development and Research
- Ginnie Mae

Midwest Region – Chicago base

- Illinois Field Office - Chicago
- Indiana Field Office - Indianapolis
- Michigan Field Office - Detroit
- Minnesota Field Office - Minneapolis
- Ohio Field Offices- Cleveland and Columbus
- Wisconsin Field Office - Milwaukee



National Initiatives

House America

Response to homelessness crisis

Calling on local leaders to use American Rescue Plan Act resources, with other federal, tribal, state, & local resources to:

1. Re-house at least 100,000 households experiencing homelessness (at 62,000 as of September)
2. Add at least 20,000 new housing units to the development pipeline (15,500 added as of September)

Our Way Home

Supports President Biden's Housing Supply Action Plan

- Inspiring communities to use HUD & other resources such as zoning changes & updated financing options, NOW to get houses built and preserve existing homes.
- Progress has been made & is continuing with a focus on:
  1. Improved federal financing
  2. Transit-oriented development
  3. Innovation
  4. Preserving single-family homes

Property Appraisal & Value Equity Task Force

Rooting out racial and ethnic bias in home evaluation

Five overarching actions:

1. Enhance oversight and accountability of the appraisal industry
2. Empower consumers by educating them
3. Ensure technology-based alternatives to human appraisals don't perpetuate bias
4. Cultivate a well-trained, more diverse appraiser workforce
5. Leverage federal data and expertise to inform policy, practice, and research

Bridging the Wealth Gap

Advances the ability to help renters build assets

- Focusing on expanding savings, credit building, access to banks, and financial coaching
- Developed by listening to our stakeholders, convening roundtables, and taking a hard look at what HUD could to move the needle
- Actively supporting housing authorities and private owners to create new ways of building opportunity
- Building more pathways from rental assistance to homeownership
- $113MM for the Family Self-Sufficiency program to help HUD-assisted families increase earned income and improve financial stability (closed Oct. 3)

HUD News You Can Use

Voucher updates, expanded FHA policy and awards

- **Oct. 24:** $84MM awarded to help end youth homelessness
- **Oct. 13:** 35,000 households averted homelessness with EHV use (50% leased up)
- **Sept. 28:** $125 MM awarded to protect families from lead and other home health and safety hazards
- **Sept. 27:** FHA expands homeownership access for first-time buyers with positive rental history
  - On-time payment of all rental payments in the previous 12 months
- **Sept. 23:** 19,000+ new, flexible Housing Choice Vouchers
  - Most expansive allocation in 20 years
  - Request is to prioritize and address homelessness
  - Higher FMRs provide more opportunity

HUD House Party

Secretary Fudge: Let's talk about the house

Call to Action: Collaboration

More Information

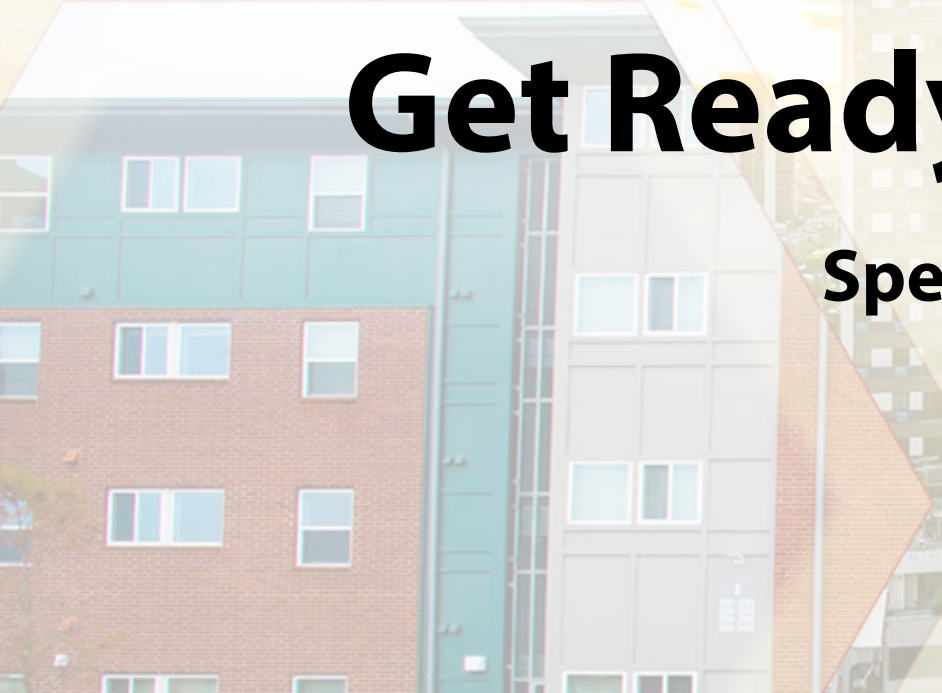
- HUD website: https://www.hud.gov/
  - PAVE: https://pave.hud.gov/
  - House America: https://www.hud.gov/house_america
  - Our Way Home: https://www.hud.gov/ourwayhome
- Notice of Funding Opportunities: Grants.gov
  - Under agency, select Department of Housing and Urban Development
- @HUDMidwest

NSPIRE

Get Ready General Session

Speaker: Ashley Leia Sheriff

October 31, 2022



NSPIRE Introduction

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

Goals of NSPIRE

PEOPLE
Residents

- ✓ Ensure families are living in safe and tenantable homes
- ✓ Facilitate year-long maintenance with a unit-focused approach
- ✓ Prioritize residents over properties
- ✓ Introduce resident surveys for better quality service

PROPERTIES
Health and Safety

- ✓ Better identification of substandard housing through clear, defined inspection protocols
- ✓ Increase inspection consistency
- ✓ Modernize health and safety standards
- ✓ Ensure homes are safe and suitable for residential use

PROGRAMS
Modernize HUD's Inspection Process

- ✓ Modernize HUD's physical inspection process
- ✓ Improve service delivery for our residents and housing principles
- ✓ Align multiple inspection standards into a clear, defined inspection protocol

How does NSPIRE Emphasize Resident Safety?

HUD published a proposed rule in January 2021 and the most recent version of the NSPIRE standards for public comment in June 2022 (with comments due 8/1/22). The rule and standards seek to:

- Emphasize the health and safety of the unit, which is where households spend the most time
- 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
- Require the same health and safety standards for all HUD housing portfolios, including privately owned properties where HUD-assisted residents reside (e.g., vouchers)
- Require an annual self-inspection and reporting requirement
- Outline the NSPIRE framework including standards, scoring, and administrative processes such as appeals and enforcement

How are we getting there?

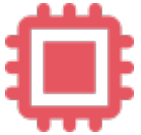
NSPIRE Guiding Principles highlight continuous improvement, customer centricity, risk-based approaches, stakeholder engagement, and fostering relationships

PEOPLE

- Engage experts
- Listen and incorporate feedback
- Prepare stakeholders for NSPIRE

PROCESS

- Utilize a human-centered design process and design thinking principles
- Deploy an initial operational capability and continuous improvement model



TECHNOLOGY

- Automate manually intensive processes
- Optimize workflows
- Improve transparency
- Bring analytical tools and technologies to improve decision making

Sunset of HQS and UPCS

UPCS and HQS has been the standard by which to measure the physical condition of properties for over 20 years

Recent NSPIRE Achievements

- Conducted four Customer Experience Workshops for Public Housing, Multifamily, Office of Field Operations, and the Office of Residential Care Facilities for over 120 internal participants; to include follow-up interviews
- Performed over 1,800 NSPIRE Demonstration inspections to evaluate NSPIRE Standards and processes
- Performed over 9,200 NSPIRE-V Demonstration inspections for the Voucher program
- Developed process models across the entire inspection lifecycle to include 13 process areas; developed over 180 use cases
- Developed the initial Federal IT application for testing in the field in the NSPIRE Demonstration

Upcoming Milestones for 2023

Fall
Publish Scoring, Administrative Procedures & Standards notices for public comment

Fall/Winter
Publish Final NSPIRE rule, with future effective date

Winter
NSPIRE Training Begins

Winter/Spring
Publish final Standards, Scoring, & Administrative procedures notices

Winter/Spring
NSPIRE Pilot

Spring
Initial Operating Capability Go-Live (Public Housing) by 4/1

Spring/Summer
Implement resident feedback MVP by 6/30

Summer/Fall
Initial Operating Capability Go-live (Multifamily Housing, Vouchers, CPD) by 10/1

NSPIRE Key Takeaways

- NSPIRE strengthens HUD's physical condition standards to emphasize resident health and safety
- NSPIRE utilizes a human-centered design approach to development and implementation
- NSPIRE implementation will include iterations to bring value and capabilities as soon as they are available
- NSPIRE seeks to continually improve
- NSPIRE is designed with the customer in mind

NSPIRE

Policy

Speaker: Tara Radosevich

Purpose

- To help PHAs, owners, managers and industry understand the rulemaking process
- Connect the dots on the NSPIRE Demonstration, NSPIRE proposed rule, and subordinate notices
- Review areas open for comment
- Ensure PHAs, owners and managers are ready for implementation

Replacing UPCS and HQS

- HUD's National Standards for the Physical Inspection of Real Estate **(NSPIRE) will replace** Uniform Physical Condition standards (UPCS) and Housing Quality Standards (HQS) in HUD regulations
- NSPIRE will:
  - Revise 24 CFR Part 5 Subpart G - Physical Condition Standards and Inspection Requirements
  - Replace the term "UPCS" in the regulations and associated guidance
  - Re-define the term "HQS" to be synonymous with HUD's Part 5 Subpart G regulations

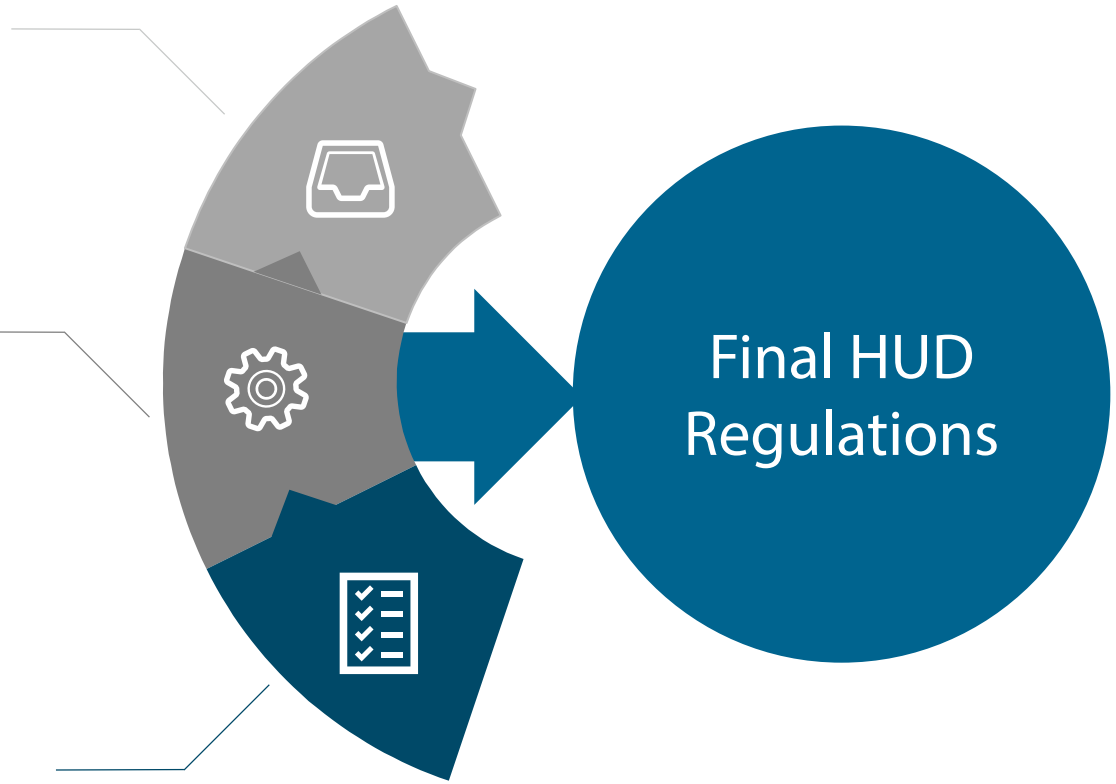
Note: HUD's section of the Code of Federal Regulations (CFR) is Title 24 and is often referenced as 24 CFR

Inputs and Process

HUD will consider public comments on the NSPIRE regulations, standards and scoring before they are final

HUD used the NSPIRE Demonstration to develop and test NSPIRE inspection process and standards

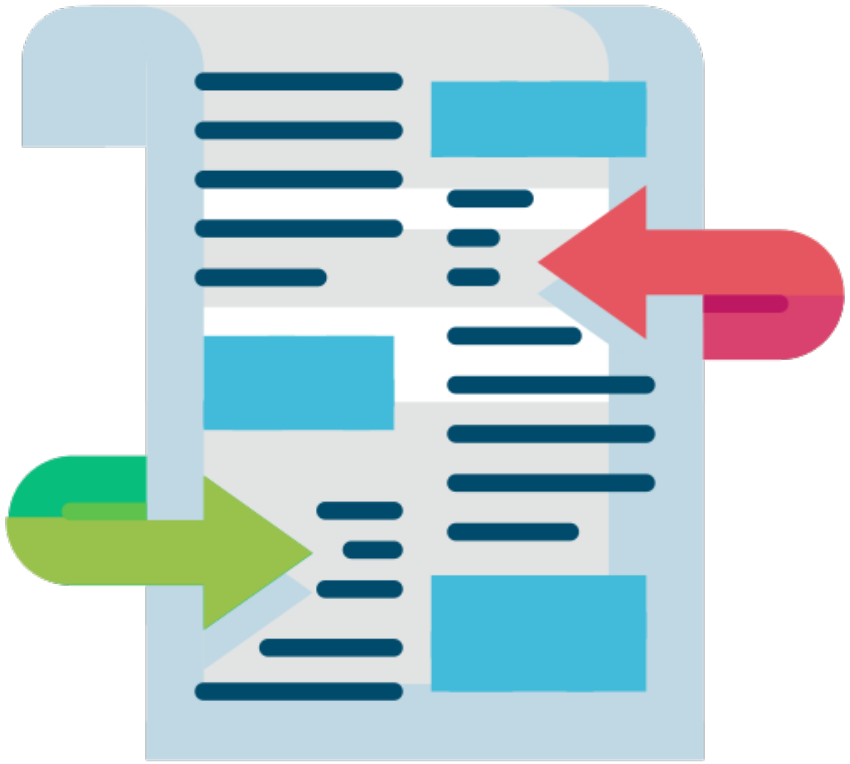
Implementing NSPIRE requires a rulemaking process with implementing "subordinate" notices in the Federal Register



New Items in the Proposed Rule

Changes introduced for comment:

- New NSPIRE standards creation and review process every 3 years
- New "affirmatives" (e.g. GFCI outlets, lighting, HVAC, water safety)
- Site and neighborhood requirements from HQS
- Special considerations for single room occupancy (SROs) units
- Updated requirements for resolving deficiencies, including providing proof of deficiency correction
- Self-inspections for both Public Housing and Multifamily Housing programs (new for MFH)



Rulemaking Process

Why is this taking so long? Why can't you just tell us more?

Federal rulemaking is covered by the Administrative Procedures Act and **we must…**

1. Make information available to all in the same way (Federal Register, website)

2. Take comments during a specified period, which post to a public docket

3. Issue a final rule with HUD's responses to comments received

4. Final rule will provide an effective date for the revised regulations

NSPIRE Implementing Notices

The NSPIRE Rule will be implemented through "subordinate notices" including:

- NSPIRE Standards Notice (proposed and final)
- Administrative Notice
- Implementing notices for Community Planning and Development (CPD) programs (HOME, HTF, ESG, COC, HOPWA)
- Scoring Notice
- Small Rural Public Housing Assessment System (PHAS) and Section 8 Management Assessment Program (SEMAP)
- Resident Feedback

NSPIRE Inspections

When will NSPIRE Inspections start?

When the rule is **final *and* effective.***

NSPIRE Inspections Cont.

***But also:**

- NSPIRE Subordinate notices are published as final
- Consider there may be "compliance dates" in the final rule
- Public housing planned for April 2023
- Multifamily housing, HCV/PBV, Section 8 Mod Rehab and CPD programs planned for October 2023
- PHAs and owners will get advance notice of scheduled inspections

NSPIRE Standards Notice

- NSPIRE Standards proposed notice published in the Federal Register June 17, 2022. Comments were due August 1, 2022
- Notice included 13 questions for comment on mold, safe drinking water, requirements for a permanent heating source, minimum temperature, electrical outlets, deficiency correction time frames and pest infestation
- Included an attachment with 63 "tables" covering individual housing components or hazard inspected
- Proposed updates to the HOTMA Life Threatening or "HOTMA LT" standards for conditions that must be resolved before move-in/24 hours if occupied in the voucher program

NSPIRE Scoring Notice

- Will be published in Federal Register for comment
- Relevant to public housing and Multifamily housing program properties
- Scoring will reflect NSPIRE goals
  - Health and safety of residents over curb appeal, site conditions
  - Deficiencies in Units > Inside > Outside
- Notice will also include
  - What's changing from UPCS scoring
  - Methodology used to revise scoring
  - Expected sampling strategy
  - Justification for scoring decisions

NSPIRE Administrative Notice

- Information to submit in advance of inspection. REAC may collect:
  - Elevator, fire sprinkler certificates
  - Whether there are any current water safety alerts, name of public water system
  - Property construction date verification, scan of lead-based paint inspection (if built before 1978)
- Process for technical reviews
- Post inspection report process, how to report correction of deficiencies
- Communication with residents, making final inspections available for review
- Self inspection process
- Administrative referrals process for failing scores

Policy Key Takeaways

- HUD's physical condition standards are based on federal regulations and implementing notices
- Changes to federal regulations are completed with advance notice and fair opportunity for public comment
- HUD used the NSPIRE Demonstration to design and test the NSPIRE standards and inspection process
  - Note: Demonstration scores were not scores of record
- NSPIRE inspections will commence once the rule is final and effective. All regulations, policies, and effective dates are TBD until published as final
- "Hoping" for rule effective in April 2023 for public housing, and October 2023 for Multifamily Housing, HCV/PBV and CPD programs

NSPIRE

Standards

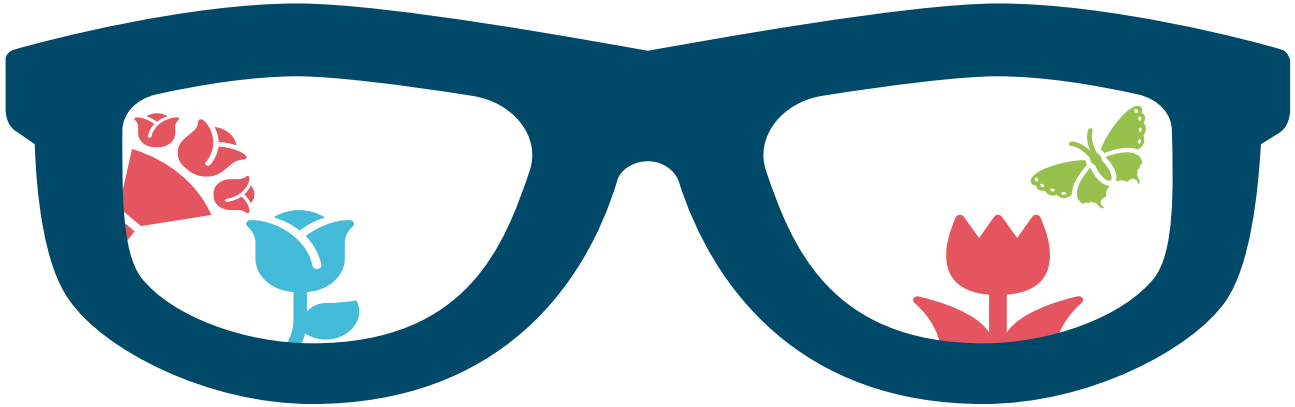
Speaker: Kevin Laviano, Ashley Sheriff, and Tara Radosevich

Module Objectives

- Define key focus areas for HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) Standards
- Describe new framework for physical inspections and key changes from UPCS/HQS to NSPIRE
- Demonstrate new deficiency rationales and categories
- Describe how to view NSPIRE Standards and available resources on HUD.gov

View Standards through the NSPIRE Lens

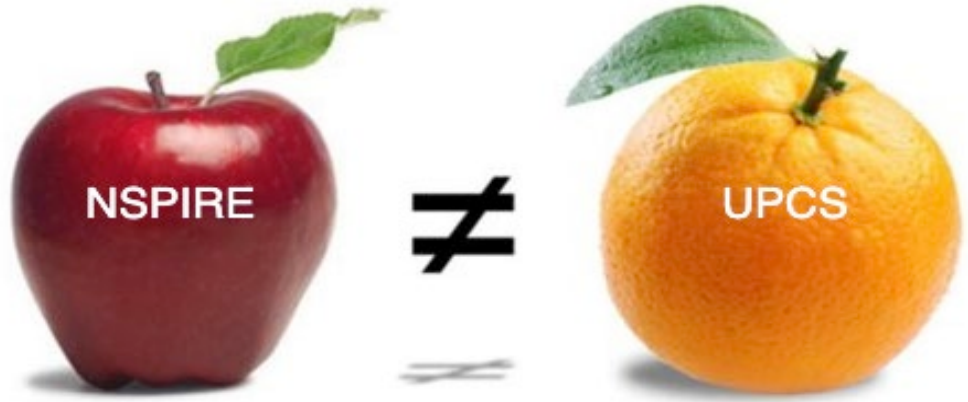
Comparing NSPIRE with UPCS or HQS can obscure your understanding of the Standards



Changes from UPCS 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



Deficiency Classification

- **Heath and Safety (H&S)** make up most of the NSPIRE deficiencies because they are focused on the most critical elements that impact resident safety and habitability
- The other two categories of **Function and Operability (F&O)** and **Condition and Appearance (C&A)** deficiencies will make up a much smaller portion of NSPIRE deficiencies. These new categories allow HUD to focus on the most important defects and conditions to support healthy and safe homes

Deficiency Rationales

The "why"

Life-Threatening	Deficiencies that, if evident in the home or on the property, presents a high risk of death or severe illness or injury to a resident.
Severe Non-Life-Threatening	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.
Advisory	Deficiencies critical to habitability but not presenting a substantive health or safety risk to residents.

Three Inspectable Areas

NSPIRE establishes the three inspectable areas of a REAC inspection into three easily identified locations: Unit, Inside, and Outside.

- This increases the usability of the standards and streamlines the inspection process
- Ensures that all residents live in safe, habitable homes, the items and components located inside the building, outside the building, and within the units of HUD housing must be functionally adequate, operable, and free of health and safety hazards
- This streamlined approach allows inspectors to cite deficiencies based on where they are standing and eliminates potential subjectivity or ambiguity about a deficiency's location

Inspectable Areas Continued

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 playgrounds, sidewalks, and air-conditioning units.

Example Unit Health & Safety Defects

Chimney or flue piping is blocked, misaligned, or missing (i.e., evidence of prior installation, but now not present or is incomplete).

Electrical conductor is not enclosed or properly insulated (e.g., damaged sheathing, open port, missing knockout, missing outlet or switch cover, missing breaker or fuse, or missing lightbulb).

Smoke alarm is not installed inside each sleeping area, outside each sleeping area, and on each level.

Core Health & Safety Focus

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

Improving Fire Safety Standards

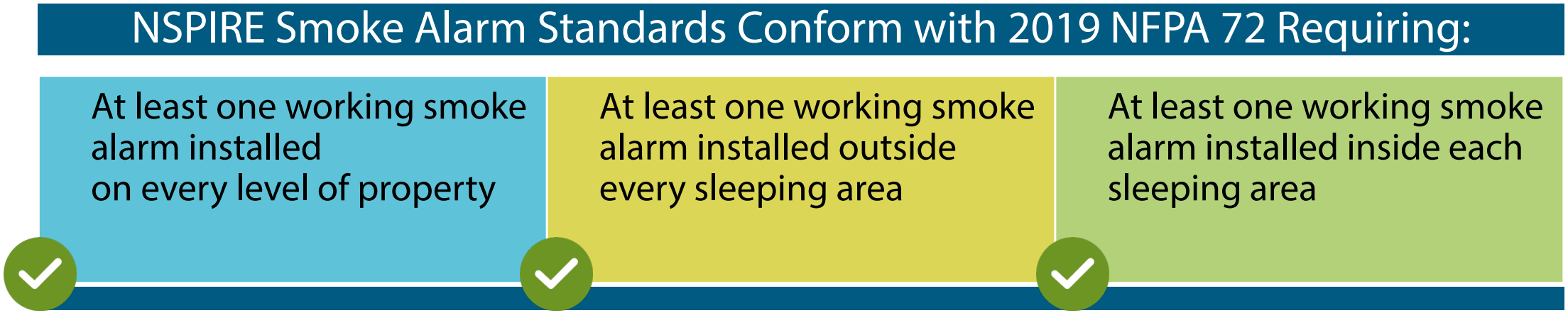
NSPIRE improves fire safety standards in several ways from UPCS

- Implementation of National Fire Protection Association (NFPA) 72
- Minimum temperature requirement
- Permanent heating source requirement
- Prohibition of unvented space heaters
- New fire sprinkler defects related to the proper functioning of these systems
- GFCIs, AFCIs, CO alarms, dryer exhaust, and electrical outlets
- More stringent & specific fire door requirements

NSPRE and NFPA 72

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



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

Fire Safety and Heating Systems

Properly functioning 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

- PIH Notice 2018-19 set a minimum heating temperature standard for public housing
- The PIH notice set 68 degrees, which is carried over into NSPIRE

Forthcoming NSPIRE Standards Notice will contain the heating source and space heater requirements

Fire Safety and Fire Doors

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

- Under UPCS 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

Fire Safety and Sprinklers

Properly functioning fire sprinklers are critical for the suppression of fires

Current NSPIRE version has additional defects and criteria

1. Deficiency criteria is more detailed and objective
2. New deficiency for obstruction of the spray area
3. The deficiencies have elevated severity levels

Additional Life Safety Defects

New Electrical Life Safety Deficiencies include:

- Ground Fault Circuit Interrupters
- Arc Fault Circuit Interrupters
- Properly Wired Outlets
- Grounded Outlets

Addressing Water Safety

Water safety was introduced through the NSPIRE Proposed Rule

HUD recognizes the EPA is the government agency tasked with testing and measuring water quality

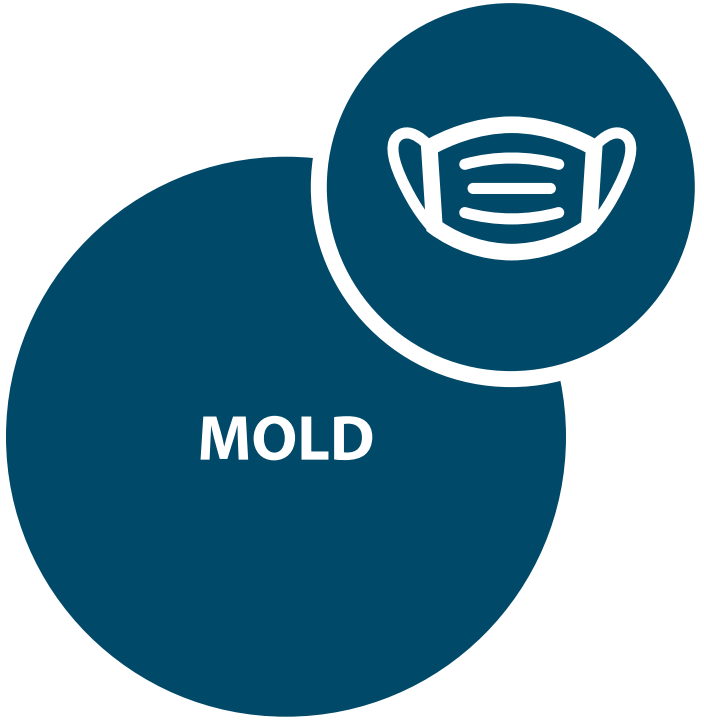
HUD is considering collecting information on local water outages or water quality alerts

HUD is considering recording observations of lead water service lines in HUD assisted properties

Addressing Mold & Moisture

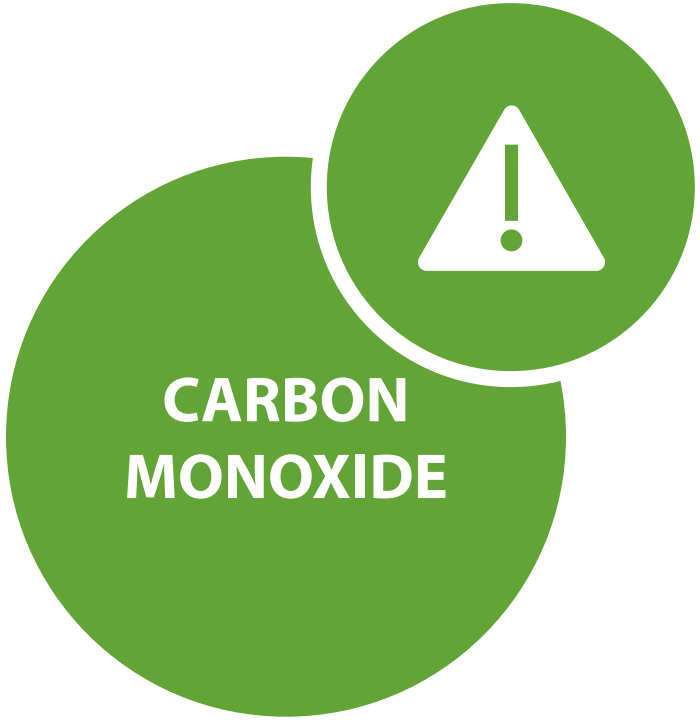
NSPIRE takes a comprehensive approach to mold and moisture

- Objective and measurable mold deficiency criteria that recognizes different severity levels
- The current mold standard also contains a deficiency for ventilation or dehumidification of bathrooms
- The most recent leak standard contains multiple deficiencies with specific criteria to capture a broad range of plumbing and environmental leaks
- NSPIRE is considering **requiring the use of moisture meters** and **recommending the use of infrared cameras** during inspections



Carbon Monoxide Alarms

- Transitioning from a survey question to an enforceable standard
- 2021 Consolidated Appropriations Act included a statutory requirement for CO alarms to be installed with the requirements of the 2018 International Fire Code
  - Effective date of requirement is December 27, 2022
  - Chapters 9 & 11 of the 2018 IFC contain the specific installation requirements & are available free online
- REAC will be publishing a PIH notice for the implementation of the CO requirements within UPCS before the NSPIRE final rule is published and effective
- Future publication of a decision tree for CO installation



Addressing Infestation

NSPIRE infestation standards are changing

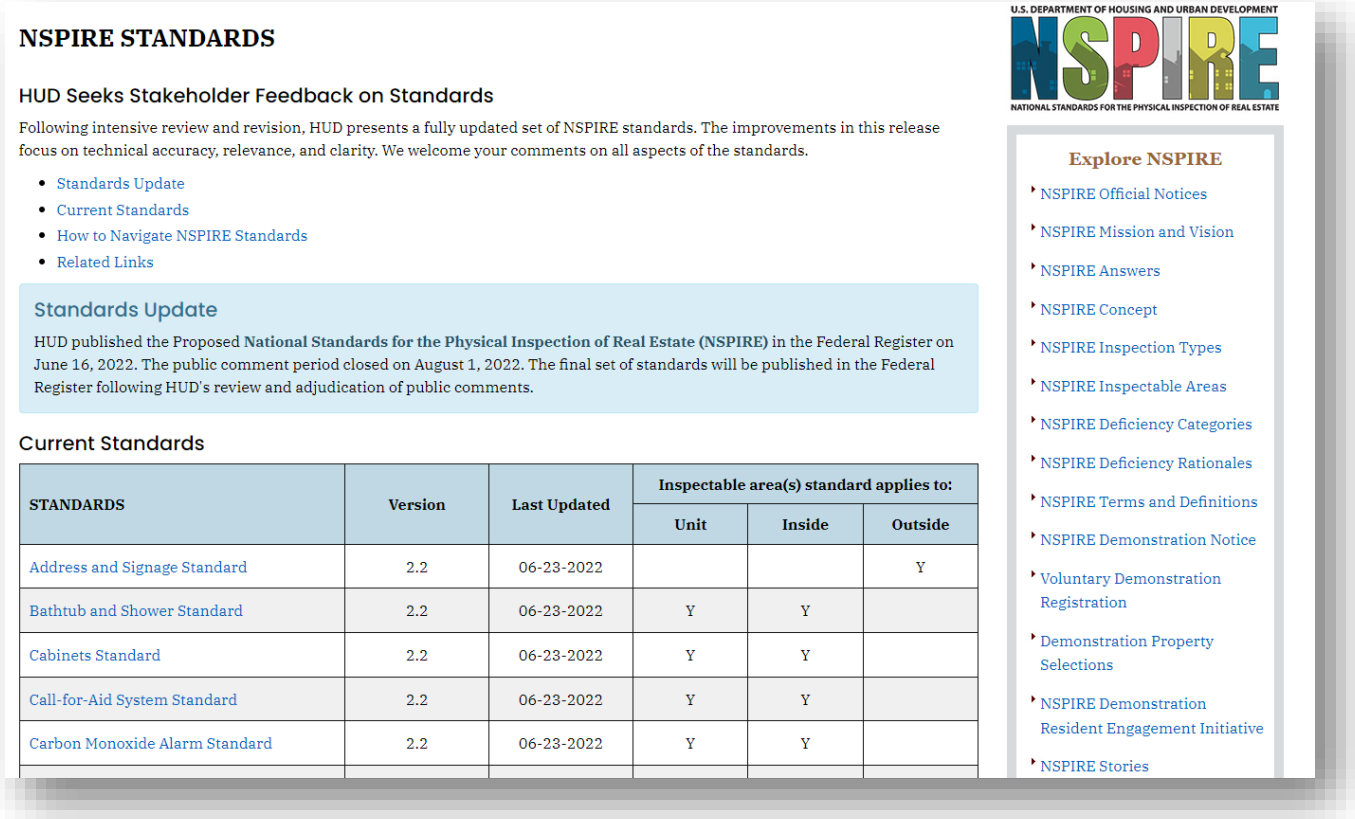
- Objective deficiency criteria
  - Specific observed numbers of pests result in different severity levels
- REAC is considering alternative correction options and longer time frames for properties using industry best practices
  - An example of best practices would be integrative pest management

Addressing Lead Based Paint

NSPIRE will have a different approach than UPCS

- Current lead-based paint standard
  - Incorporates requirements from HUD's Lead Safe Housing Rule regulations for the voucher program
  - In buildings constructed before 1978, inspector will perform a visual assessment for deteriorated paint in units with children under age 6
  - NPSIRE does not replace HUD's safe lead requirements

NSPIRE Standards Webpage



NSPIRE STANDARDS

HUD Seeks Stakeholder Feedback on Standards

Following intensive review and revision, HUD presents a fully updated set of NSPIRE standards. The improvements in this release focus on technical accuracy, relevance, and clarity. We welcome your comments on all aspects of the standards.

- Standards Update
- Current Standards
- How to Navigate NSPIRE Standards
- Related Links

Standards Update

HUD published the Proposed **National Standards for the Physical Inspection of Real Estate (NSPIRE)** in the Federal Register on June 16, 2022. The public comment period closed on August 1, 2022. The final set of standards will be published in the Federal Register following HUD's review and adjudication of public comments.

Current Standards

STANDARDS	Version	Last Updated	Inspectable area(s) standard applies to:		
			Unit	Inside	Outside
Address and Signage Standard	2.2	06-23-2022			Y
Bathtub and Shower Standard	2.2	06-23-2022	Y	Y	
Cabinets Standard	2.2	06-23-2022	Y	Y	
Call-for-Aid System Standard	2.2	06-23-2022	Y	Y	
Carbon Monoxide Alarm Standard	2.2	06-23-2022	Y	Y	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT NSPIRE NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE

Explore NSPIRE

- NSPIRE Official Notices
- NSPIRE Mission and Vision
- NSPIRE Answers
- NSPIRE Concept
- NSPIRE Inspection Types
- NSPIRE Inspectable Areas
- NSPIRE Deficiency Categories
- NSPIRE Deficiency Rationales
- NSPIRE Terms and Definitions
- NSPIRE Demonstration Notice
- Voluntary Demonstration Registration
- Demonstration Property Selections
- NSPIRE Demonstration Resident Engagement Initiative
- NSPIRE Stories

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
- Access to previous versions of the standards
- Guidance for submitting feedback will be provided when the feature is available

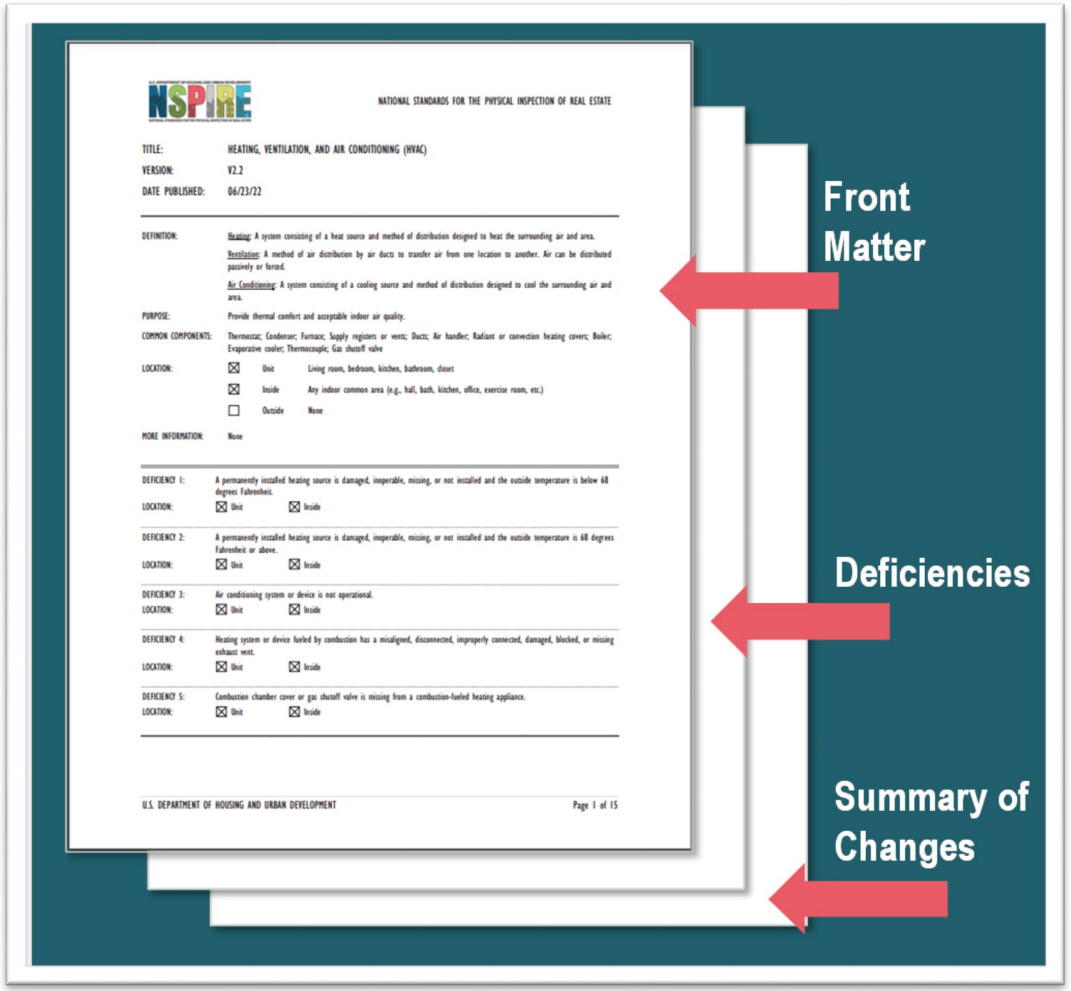
Inspector Participation

NSPIRE Standards Template Guide

To help inspectors, quality control reviewers, and other stakeholders 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

Commonly Asked Questions



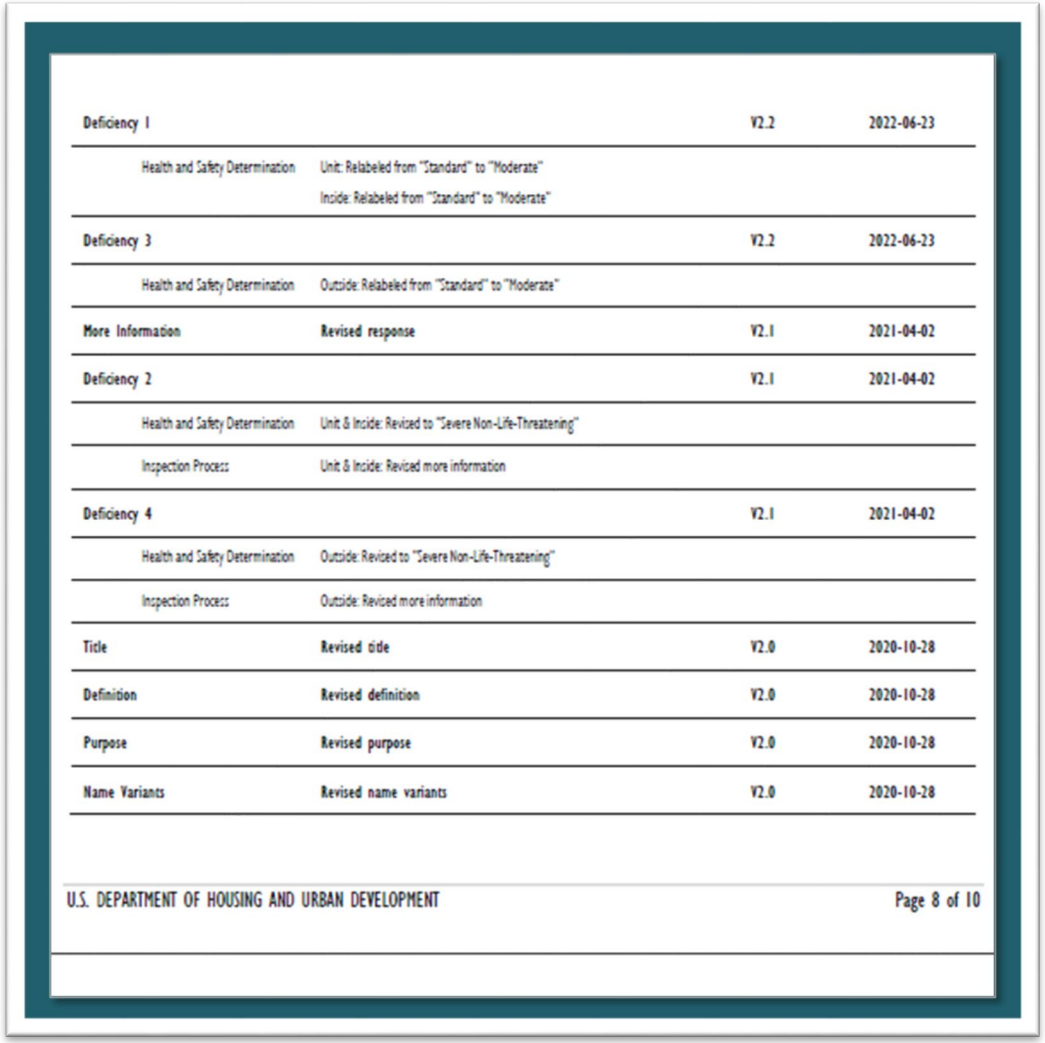
Organization of NSPIRE standards

HUD redesigned the format and language.

- Beginning section (front matter)
  - Defines the inspectable item
  - Summarizes the deficiencies
- Deficiencies
  - In order of inspectable area
  - Provides additional information to inspect the deficiency
- Summary of Changes lists revisions to the standard

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



Deficiency 1		**V2.2**	**2022-06-23**
Health and Safety Determination	Unit: Relabeled from "Standard" to "Moderate" Inside: Relabeled from "Standard" to "Moderate"		
Deficiency 3		**V2.2**	**2022-06-23**
Health and Safety Determination	Outside: Relabeled from "Standard" to "Moderate"		
More Information	**Revised response**	**V2.1**	**2021-04-02**
Deficiency 2		**V2.1**	**2021-04-02**
Health and Safety Determination	Unit & Inside: Revised to "Severe Non-Life-Threatening"		
Inspection Process	Unit & Inside: Revised more information		
Deficiency 4		**V2.1**	**2021-04-02**
Health and Safety Determination	Outside: Revised to "Severe Non-Life-Threatening"		
Inspection Process	Outside: Revised more information		
Title	**Revised title**	**V2.0**	**2020-10-28**
Definition	**Revised definition**	**V2.0**	**2020-10-28**
Purpose	**Revised purpose**	**V2.0**	**2020-10-28**
Name Variants	**Revised name variants**	**V2.0**	**2020-10-28**

Standards Key Takeaways

- NSPIRE will prioritize the components of the property that impact the resident the most – resident units
- NSPIRE strengthens HUD's physical condition standards to emphasize resident health and safety
- NSPIRE aligns inspection standards across all HUD-assisted properties, as directed by Congress
- NSPIRE Standards can be found on HUD.gov
- Get ready now for changes to come (e.g., check fire doors, smoke detectors, carbon monoxide alarm)

NSPIRE

Scoring Model

Speakers: Ash Sheriff and Kevin Laviano

Purpose of Section

By the end of this module, you will be able to:

- Understand the mechanics of the old (UPCS) Inspection Scoring Model
- Comprehend the proposed NSPIRE Inspection Scoring Model features
- Align proposed NSPIRE goals with NSPIRE Inspection Scoring Model features

UPCS Scoring Scale

- **100-point score scale:**
  - The best possible inspection score is 100 and deficiencies generally cause the inspection score to decrease by some amount.
- **Item and Area-Based Limits**
  - Under UPCS, the total score of 100 is comprised of five area scores that each comprised a certain limited percentage of the total score.

Area	Typical % of Property Inspection Score
Units	35
Building Systems	20
Common Areas	15
Building Exterior	15
Site	15

UPCS Scoring Items and Area-Based Limits

Item and Area-Based Limits

- Further, each area is inspected for specific items.
  - For example: if a kitchen has 10 inspectable items (e.g.., door, ceiling, cabinet, floor, lighting, HVAC, etc.,) each of the 10 items (if present) have a 10% "item weight."
- When a deficiency is cited, the impact that the deficiency has on the area score relates to this "item weight" that is subsequently multiplied by a few additional values, which are shown and described on the following slide.

UPCS Scoring Criticality and Severity Level

Criticality and Severity level:

- Under UPCS, each "item weight" is multiplied by a predetermined severity and criticality level.

Severity Level	Multiplier Value
3	1.00
2	0.50
1	0.25

Criticality Level	Multiplier Value
5	5.00
4	3.00
3	2.25
2	1.25
1	0.50

Draft NSPIRE Physical Inspection Model Features

UPCS Comparison to NSPIRE Scoring Model

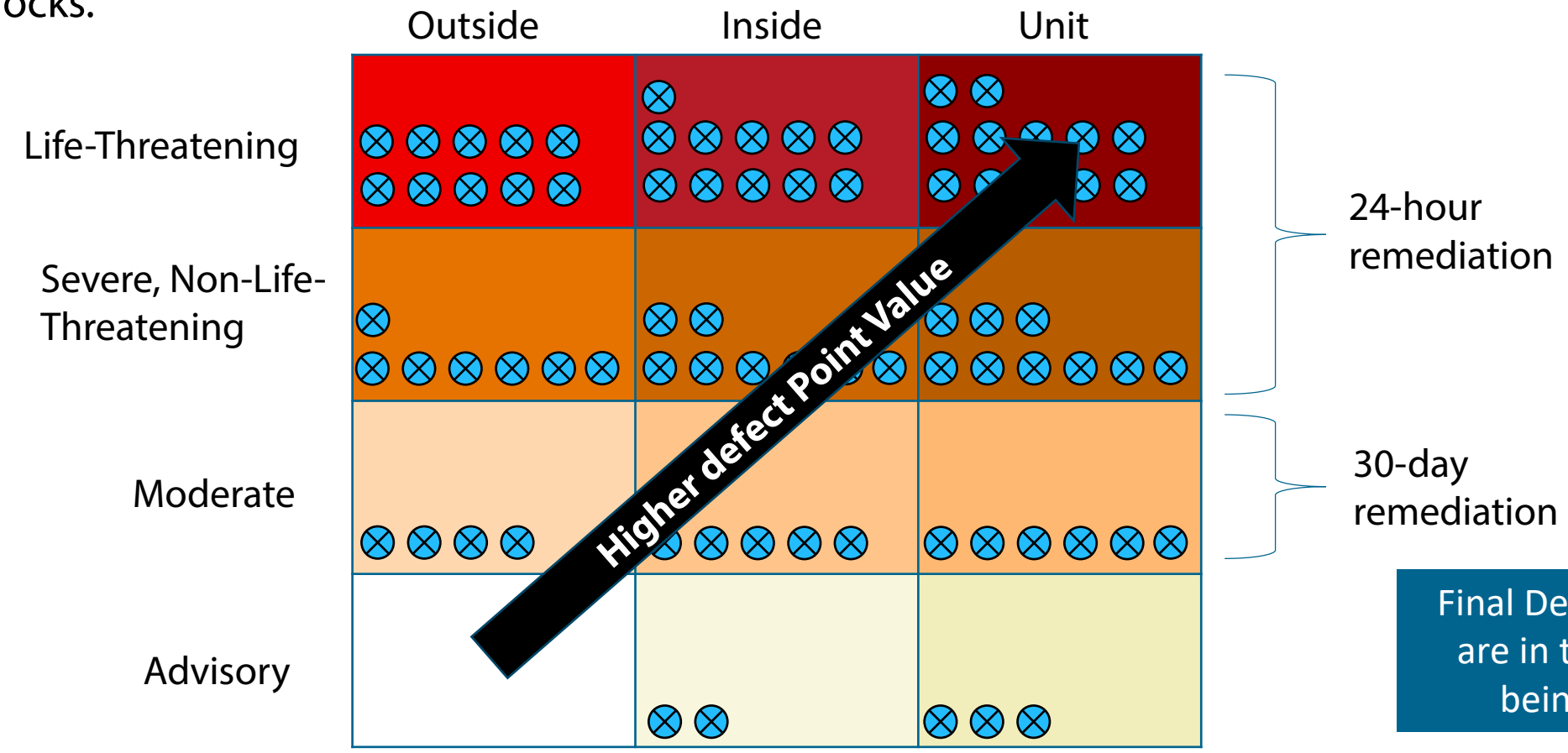
UPCS	NSPIRE
Complex system of weightings, multipliers, and limits	Simplified three-step scoring system
Unsafe properties could still receive a passing score for a variety of reasons, including mechanisms of “capped” item and area weights	Unsafe properties will not receive a passing score due to focus on Health & Safety and Unit-based defects
Item and area weights could sometimes cause less important defects to disproportionately factor into inspection scoring	Defect Valuation Table makes clear the hierarchy of defect importance on Inspection Score

Draft NSPIRE Defect Point System

- **Not Finalized – currently undergoing calibration**
- **Draft Defect point system:**
  - Each deficiency causes the inspection score to decrease by some prescribed amount according to severity and location.
    - ***Health and safety (H&S)*** make up most of the NSPIRE deficiencies because they are focused on the most critical elements that impact resident safety and habitability.
  - Sum of "Defect Points" will be standardized to accommodate different property sizes

NSPIRE Draft Defect Valuation Table

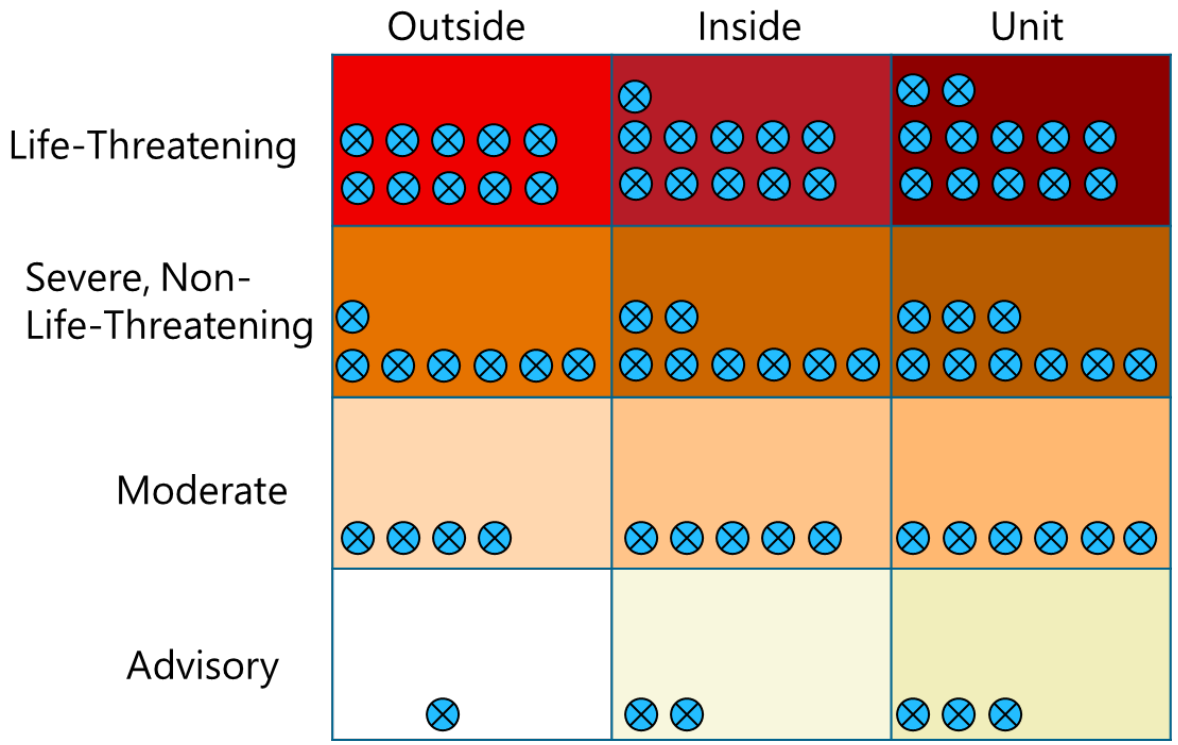
The **Draft Defect Valuation Table** concept is the backbone of the scoring model. ⊗Symbols shown in the table represent increasing defect value, not actual values for location and severity blocks.



Final Defect Valuations are in the process of being finalized.

Draft Scoring 3-Step Process

1. Count defects of each type. Multiply by values in defect valuation table (*example* values shown in table to right). Yields **total defect points**.
2. Size-adjust **total defect points**
   - May divide total defect points by units inspected to adjust for property size
3. Normalize **area-adjusted defect points** into **0-100 scoring scale**



Draft Scoring Example

	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, Non-Life-Threatening	**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.**
Advisory	**Water runoff is unable to flow through the site drainage system.**	**Air conditioning system or device is not operational.**	**Presence of mold-like substance at very low levels is observed visually.**

NSPIRE Scoring: Letter Grades

Categorization into Letter Grades (Proposed Feature)

Grade **A**	Great condition Minor defects and patterns	Least frequent inspections	90-100	Passing Grade
Grade **B**	Good condition Mostly minor defects and patterns	Less frequent inspections	80-89	
Grade **C**	Marginal condition Livable conditions but should be monitored	Standard inspection frequency	60-79	Substandard Grade
Grade **D**	Bad condition Serious defects and patterns	Higher inspection frequency	30-59	Failing Grade
Grade **F**	Very bad condition More serious defects and patterns	Highest inspection frequency	0-29	

Draft NSPIRE Sampling Plan Example

Draft NSPIRE Sampling Plan

- **Not Finalized – currently undergoing calibration**
- **Draft NSPIRE Sampling Plan:**
  - Number of Units Sampled during inspections may increase under NSPIRE
  - Resident-selected Units may not be excluded from the Inspection Sample
  - Buildings may be inspected with a likelihood that is related to their number of units (e.g., buildings with higher unit counts are more likely to be inspected)

NSPIRE

Operations

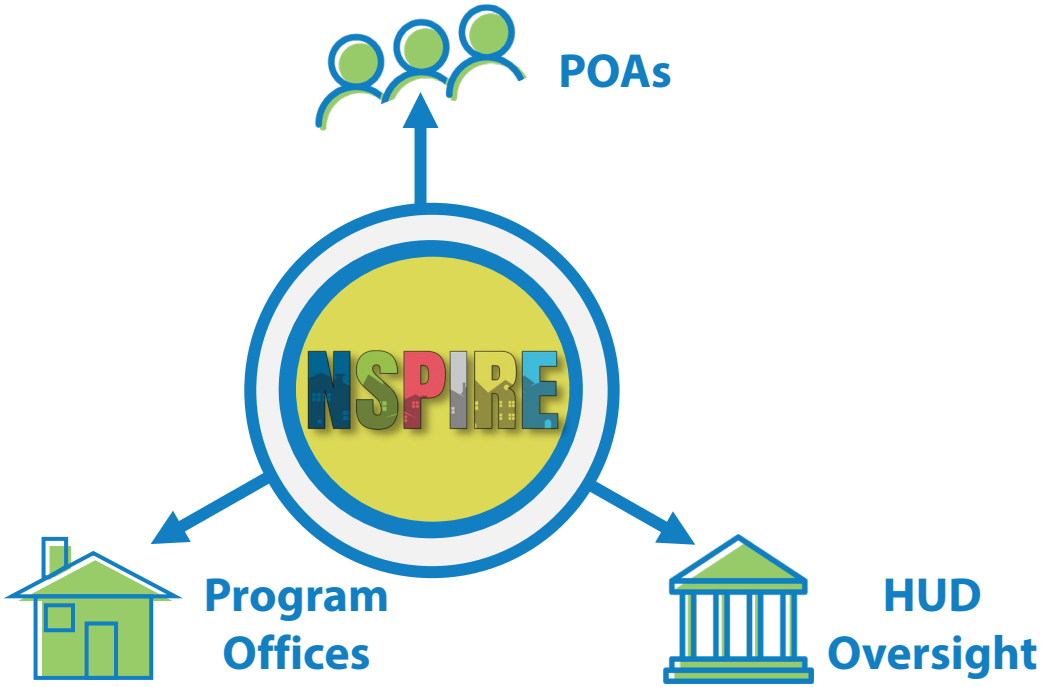
Speaker: Kevin Laviano

Operations Introduction

We are transforming the way HUD manages the quality of more than 6 million affordable housing units, emphasizing the health and safety of more than 10 million residents. We are improving our core business capabilities by:

- Integrating operations and improving infrastructure to streamline workflows and utilize automation technology
- Utilizing predictive analytics to improve risk management and better allocate resources to housing improvements that are most needed
- Improving assessments to more accurately detect properties with hazardous conditions, promote timely response, and incentivize continuous quality improvement for properties

Revitalized Service Delivery Model



We value our customers and seek to prioritize improvements that re-establish relevance and align services with customer needs

ENHANCED CONNECTIVITY

to accelerate housing quality improvement

Connected Property Owners and Agents (POAs), HUD Oversight (i.e., REAC, OFO, DEC), and Program Offices increases transparency and coordination

ENHANCED OPERATIONS

to streamline business processes & user experience

Real-time data and intuitive automated workflows improve business processes focusing on timely detection, remediation, and improvement of homes

ENHANCED TECHNOLOGY

to increase productivity and data analytics

Modern, digital experience improves portfolio management, risk assessment, and predictive analytics

Benefits to POAs & Field Staff

For POAs:

- Efficient coordination and scheduling
- System generated health and safety notifications and instructions for appropriate users
- Enhanced case management for appeals
- Technology solution can integrate with required systems such as property source systems, procurement systems, and financial systems
- Refreshed scoring model promotes emphasis on health and safety of residents

For Field Staff:

- Improved transparency and communication from REAC to equip Field Staff to provide tailored support to its customers
- Manually intensive tasks are automated to maximize staff's efforts on high value, high return items
- Direct input from staff informs ongoing NSPIRE process design and continuous improvement

Improvements to Operations

What happens before, during, and after inspections is changing

Inspector/Property Coordination

Property Documentation

Final Inspection Confirmation

Inspection Routine

Identifying Deficiencies

Recording Deficiencies

24-hr Health & Safety Report

POA Acknowledgement

Syncing Inspection

Before Inspection

Before-Inspection Highlights

- POAs will receive automatic emails directing them to verify their property profiles prior to inspection
- POAs will have access to an integrated dashboard to update property information including certificate upload (elevator, fire extinguishers, etc.)
- Continued effective coordination between NSPIRE inspectors and POA once inspection is scheduled
- HUD upgraded back-end automated systems to streamline internal inspection administrative processes (i.e., scheduling, inspectors' roles)

Inventory Management

Inventory Management is the process to ensure that property inventory for the inspection line of business are complete and accurate

Inventory Management – Key Changes

- Field Offices (FOs) will have the ability to track and query property profiles directly in the Salesforce platform but will still need to update the property profiles in the source systems
- Processes will be streamlined to notify down stream customers when to verify and update property profiles prior to an inspection thus resulting in increased inventory accuracy
- Variance report will identify properties with inconsistent, incomplete, or inaccurate profiles based on the inspection

Ordering

Ordering is the process for creating property inspection orders

Ordering – Key Changes

- Salesforce will generate a collection of Inspection of Record Orders including properties to be inspected, which are then automatically routed to FOs and Program Offices (POs) for review and approval
- FOs new responsibility includes examining new orders for issues
- FOs and POs have the ability to delay the inspection for any property in the collection
- FOs and POs will receive automated notifications when orders are placed to vendors

Ordering Continued

Ordering – Key Changes

- Ad-hoc orders will follow the same general process as Inspection of Record Orders; however, they are initiated as “one-off” inspections performed as a result of Congressional inquiry, low scores, high risk, etc.
- Once an inspection is ordered there will be an Ideal Future Date (IFD) and it will follow the 3-2-1 score impact cycle

Scheduling

Scheduling is reengineered to include an Integrated Master Schedule (IMS) on Salesforce to improve resource, workload, and financial planning

Scheduling – Key Changes

- Vendors and POAs will have access to view scheduled inspections associated with their organization
- POAs will receive automated email notifications when properties are due for inspection, when inspections are scheduled, and when the inspection date is upcoming

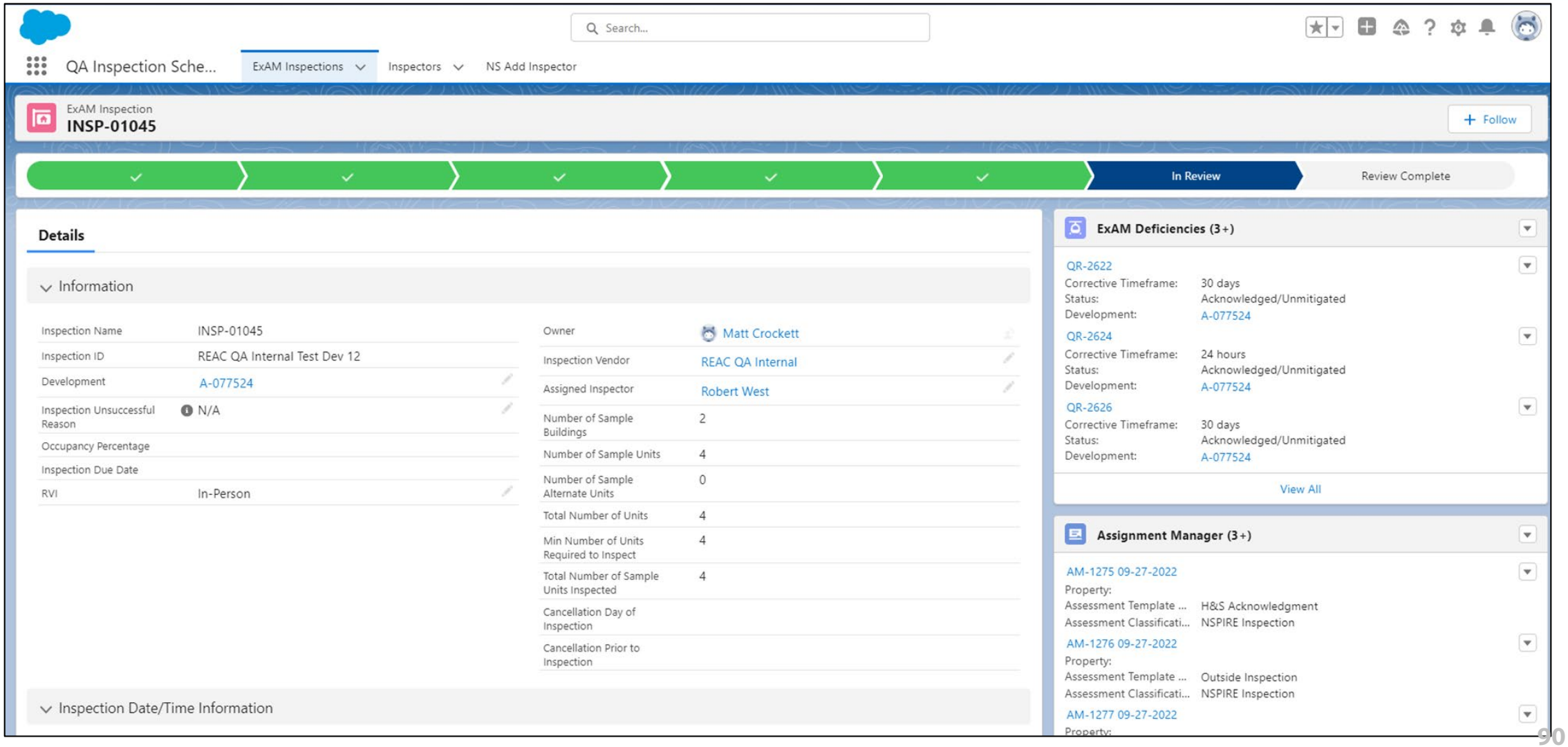
Scheduling Continued

As part of scheduling, POAs will have new responsibilities prior to the inspection

Scheduling – Key Changes

- Prior to inspection day POAs will:
  - Receive an email link to their property profile for validation
  - Interface with a single platform to verify and update property profiles and view scheduled inspections
  - Upload certificates to Salesforce (e.g., fire suppression, elevator, boiler)
  - Provide an accurate point of contact to generate work orders and close out H&S items

Tracking & Managing Inspections



During Inspection

During Inspection Highlights

- Actions on the day of inspection are streamlined due to:
  - Previous validation of property profile information
  - Previous validation of profile sampling variables such as offline buildings and units, vacancy rates, and converted units (if applicable)
  - More efficient visual verification of properties based on “real time” information
  - Modern inspection software

After Inspection

After-Inspection Highlights

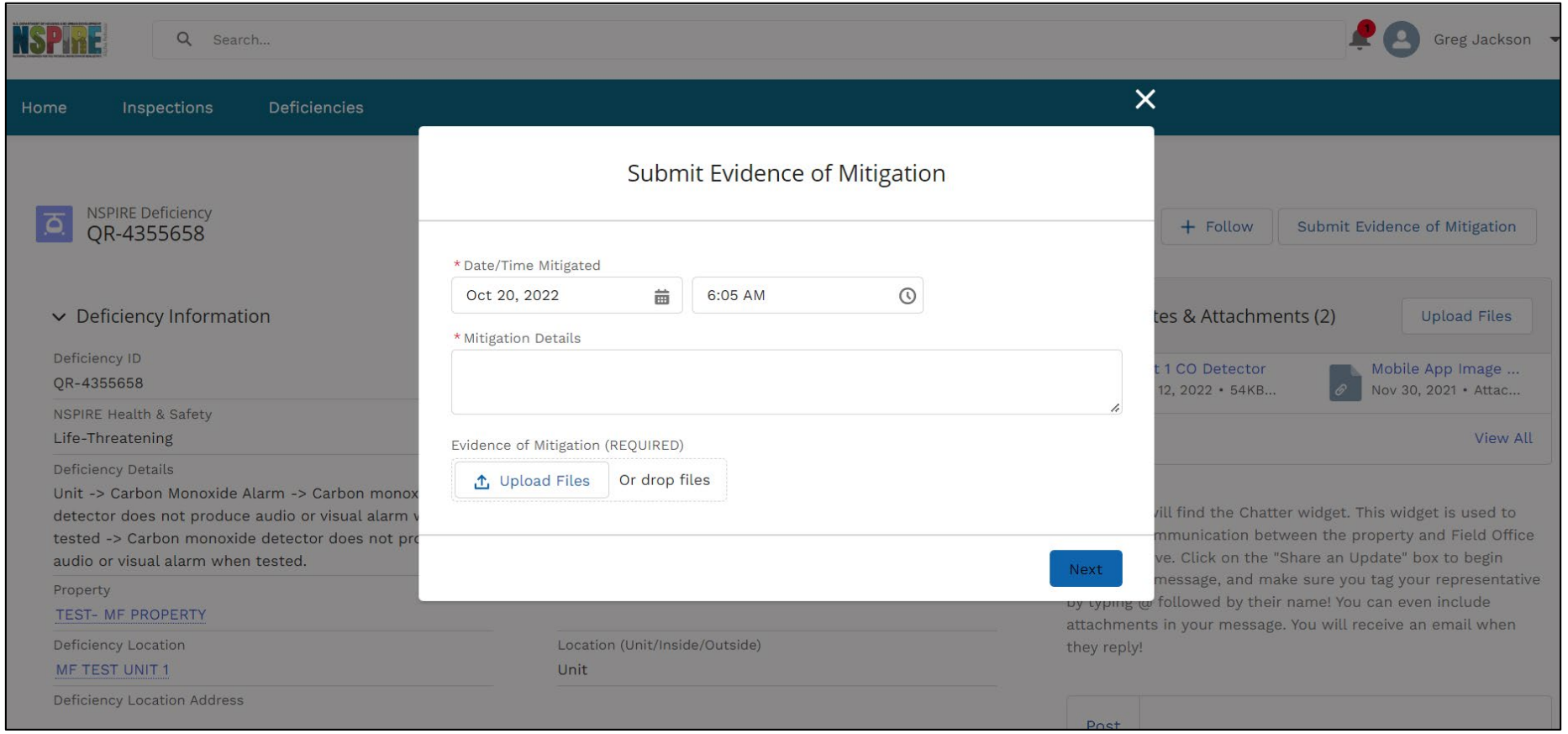
- New inspection software automatically syncs with records
- Property representatives given health & safety reports daily, acknowledge receipt electronically and have immediate access to H&S report via automated links
- Information flows and timeliness between QC reviewers, Inspection Vendors, and POAs will be improved
- The inspection report format will be a more user friendly
- Under NSPIRE, deficiencies have specific mitigation/repair timeline requirements (i.e., 24-hrs, 30-days)

Health & Safety

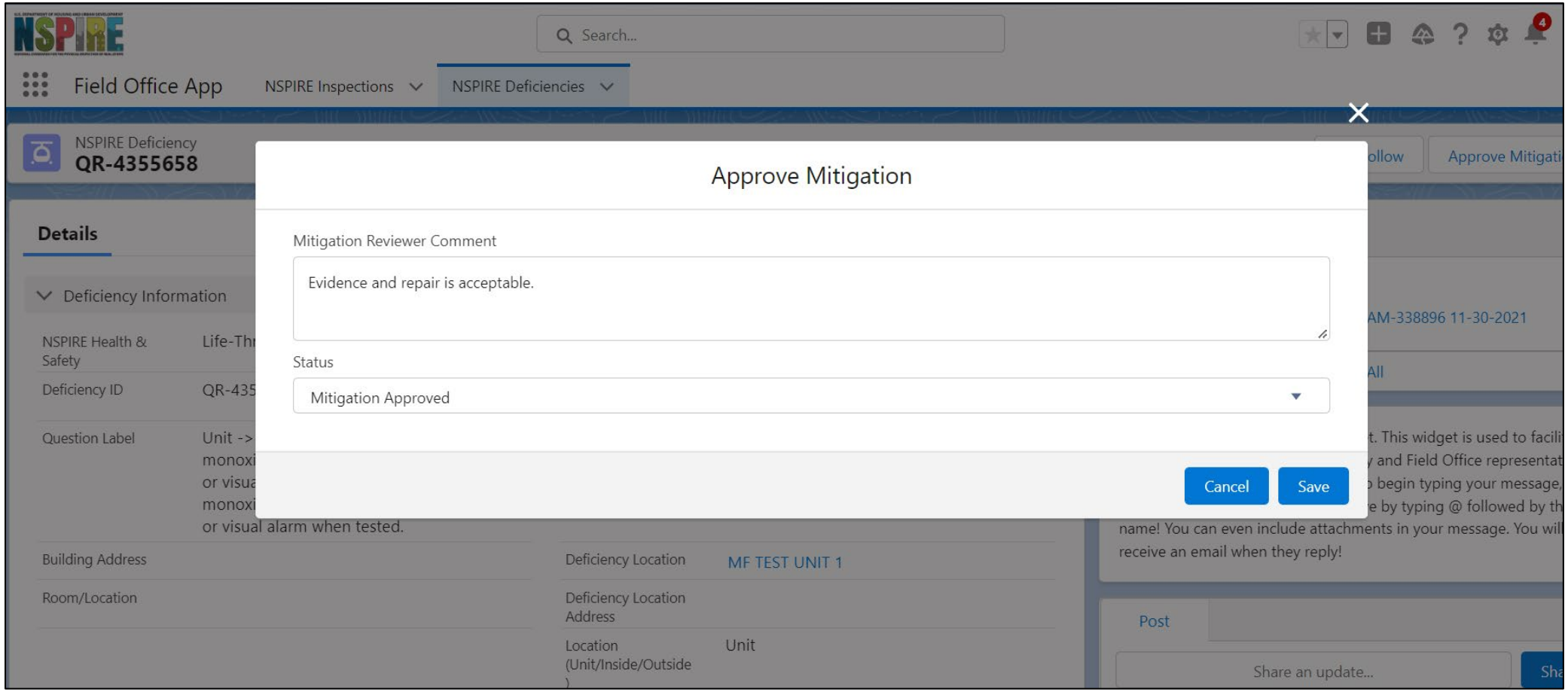
Health & Safety – Key Changes

- H&S defects are uploaded to Salesforce at the end of an inspection
- Records will be created and tracked through resolution including POA mitigations, supporting documentation, and FO verification
- Multifamily and public housing organizations will receive H&S reports by their field office and region
- Automated notifications for: open H&S items; items awaiting mitigation; insufficient defect resolution; and, when defect resolution is complete

Submitting Evidence of Mitigations



Reviewing & Adjudicating Mitigations



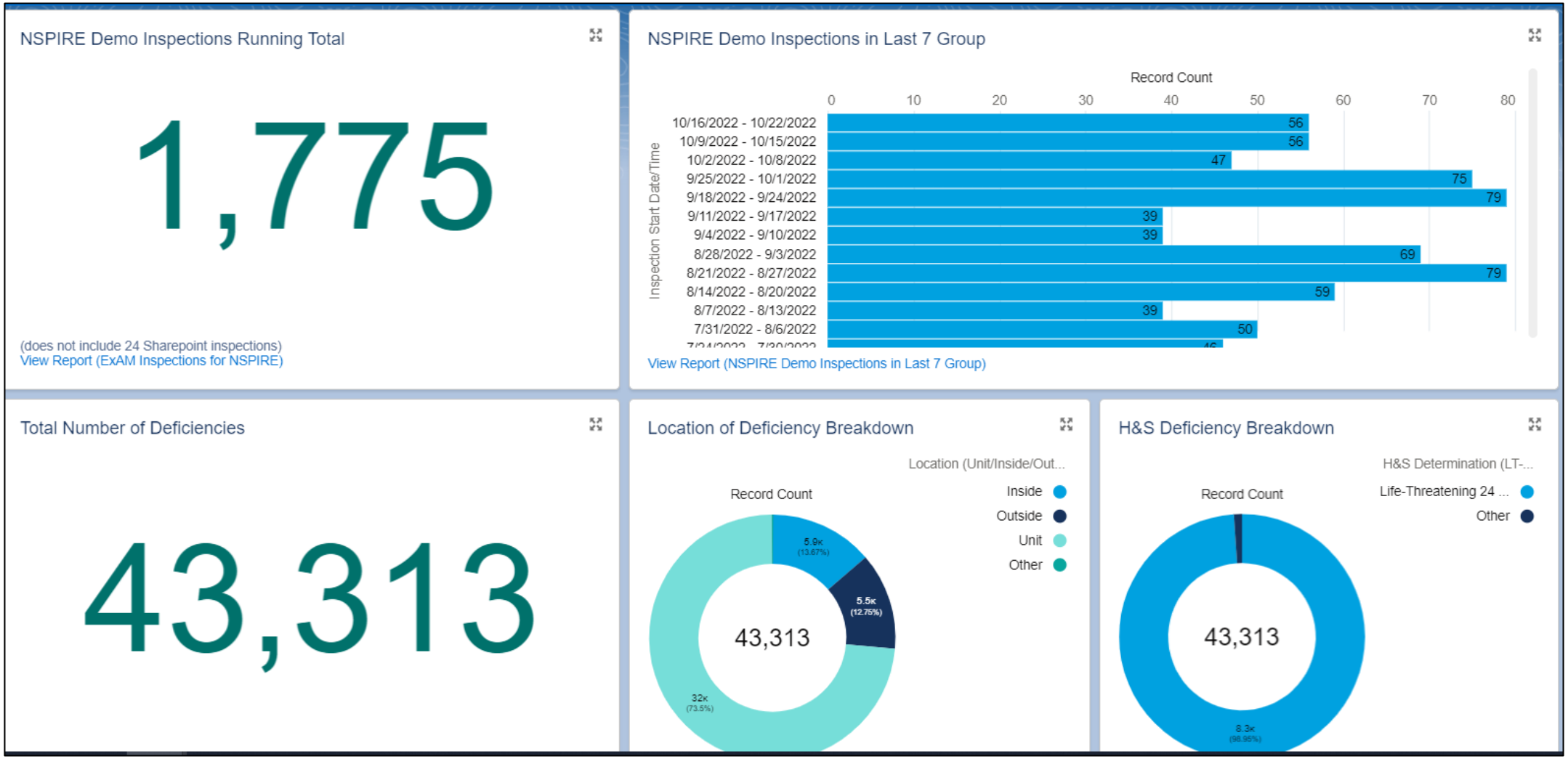
Appeals

Appeals is the process responsible for POAs submitting appeal requests associated with an inspection on their property

Appeals – Key Changes

- POAs will submit appeals via Salesforce
- Appeals lifecycle management is streamlined thereby improving visibility, tracking and reducing process cycle times

Reports and Dashboards

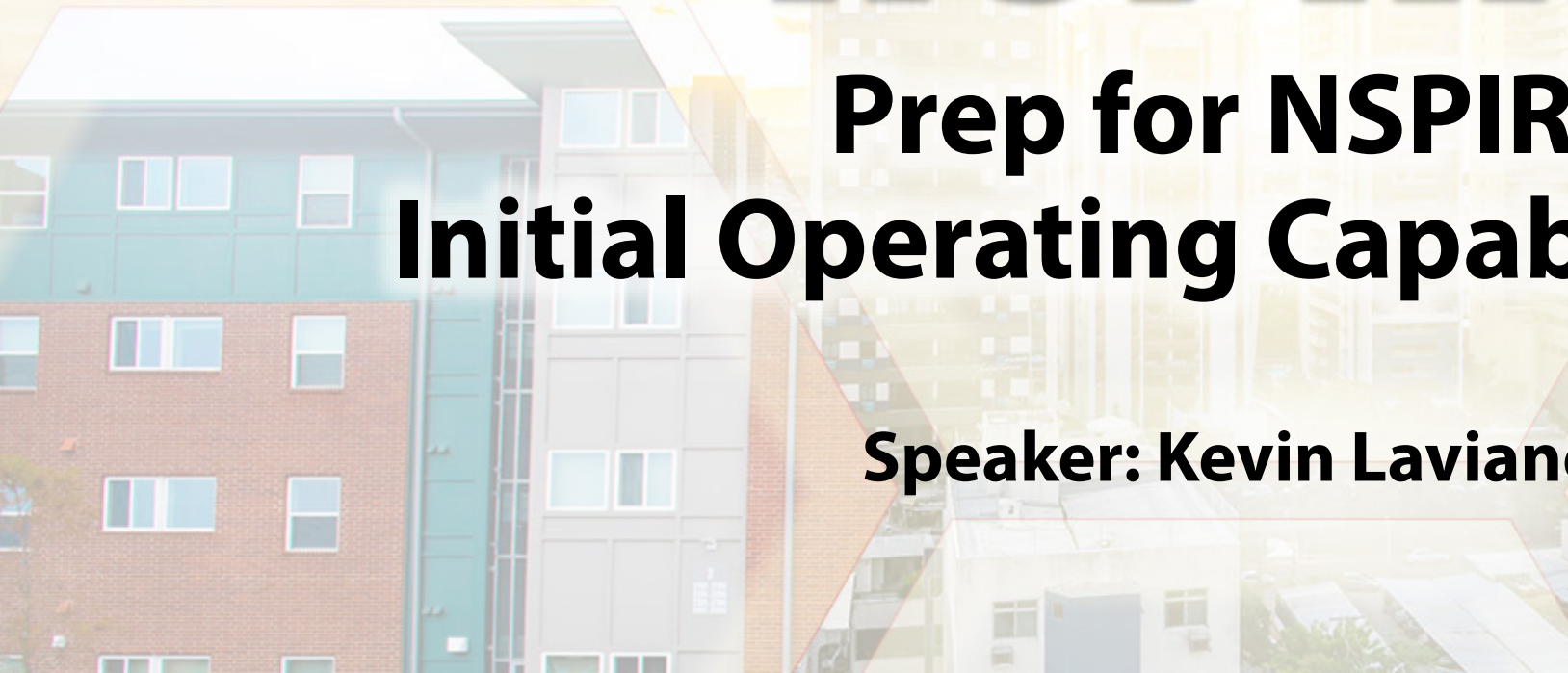


Key Takeaways on Health and Safety

- NSPIRE strives to enhance connectivity, enhance operations, and enhance technology as part of the end-to-end inspection life-cycle
- Business processes have been reengineered to improve timeliness, efficiency, and accuracy of organizational performance
- POAs and Field staff will see benefits of streamlined workflows and reduction in manual work

NSPIRE

Prep for NSPIRE Initial Operating Capability (IOC)



Speaker: Kevin Laviano

Preparation for Go-Live

Demonstration Description

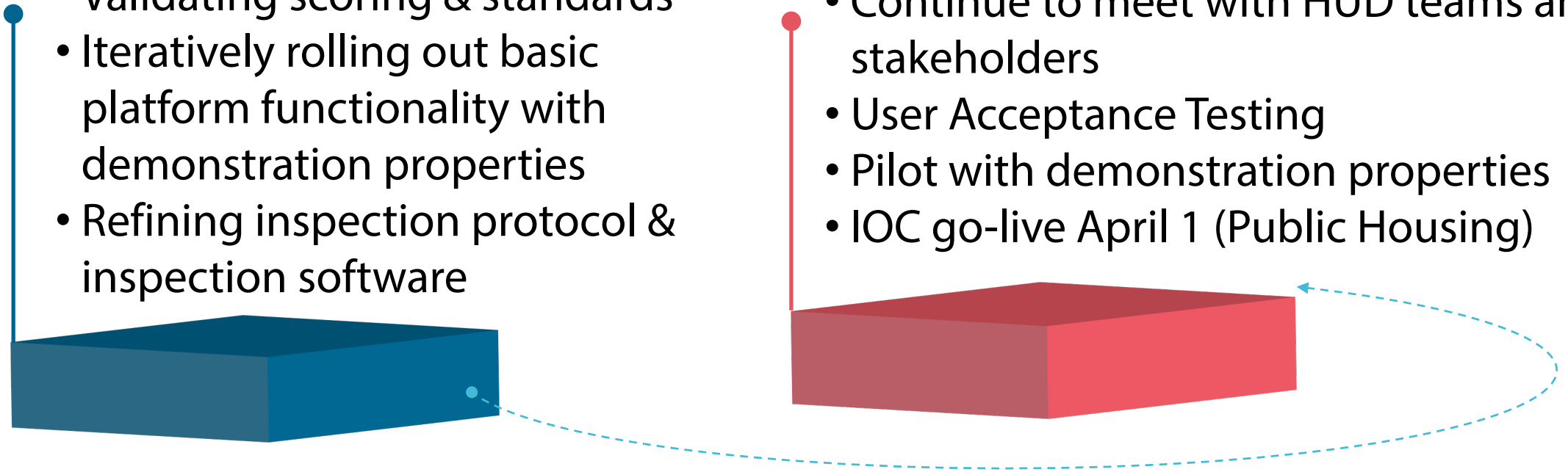
The NSPIRE Demonstration serves as an opportunity to collaborate with stakeholders, gather input, refine processes, and ensure all mechanisms are in place to facilitate the nationwide IOC go-live

Current Actions

- Validating scoring & standards
- Iteratively rolling out basic platform functionality with demonstration properties
- Refining inspection protocol & inspection software

Next Steps

- Continue to meet with HUD teams and stakeholders
- User Acceptance Testing
- Pilot with demonstration properties
- IOC go-live April 1 (Public Housing)



Pilot Description

The Pilot has inspection lifecycle functionality live for all parties involved in a REAC inspection. The Pilot includes:

- Simulation of the inspection process for real properties as if it were an inspection of record – under the NSPIRE Demonstration Notice
- Testing the inspection end-to-end lifecycle
- Testing with up-to-date NSPIRE standards to be published in the Federal Register
- Demonstrating roles in the field based on new/shifted NSPIRE processing standards and functions (e.g., operations, systems, standards & protocols, reporting)

Pilot Expected Outcomes

Begin With Basic Operational Readiness	Prepare For Full Operations	Incorporate Iterative Improvements & Enhancements	Perform Operational Readiness Assessment	Identify Potential Blockers for Go-live

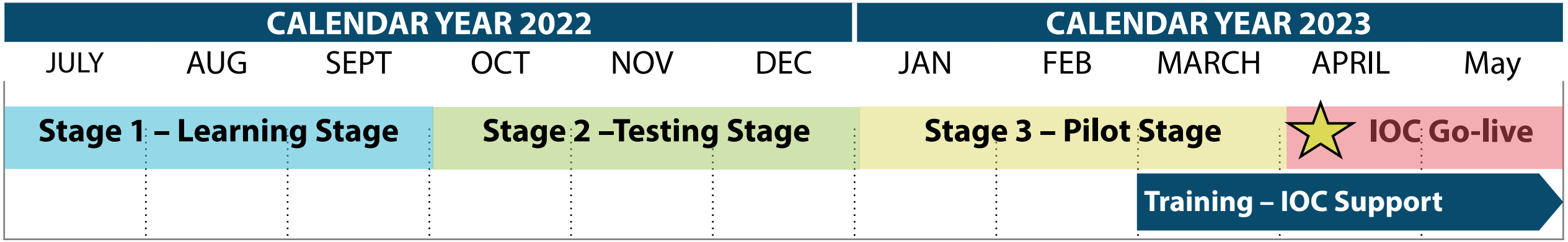
Define IOC Go-live

Inspections of record switch from UPCS to NSPIRE for Public Housing

Go-Live Support for Public Housing

NSPIRE regulations published (i.e., Final Rule and NSPIRE standards Federal Register notice)

Support for Go-live



- All impacted stakeholders will receive tailored training support leading up to IOC Go-live and beyond via:
  - Webinars
  - Training Artifacts (e.g., fact sheets, user guides, and infographics)
  - Open Office Hours
  - Tech Support
  - NSPIRE@hud.gov mailbox
- Full NSPIRE toolkit with resources will be available on HUD.gov

Summary

- The NSPIRE Demonstration serves as an opportunity to gather input from stakeholders, refine processes, and ensure all mechanisms are in place to facilitate the nationwide IOC go-live
- Prior to IOC go-live, NSPIRE will undergo a Pilot with Demo inspections
- Training will be provided for impacted groups for both the Pilot period and IOC go-live