

REAC Inspection

Based on HUD's Business Agreements, property inspections are required and performed on a routine basis by inspectors with the Real Estate Assessment Center (REAC).

During the inspection, a notice will be issued if any exigent health and safety hazards are observed. These items must be corrected within 72 hours and require an owner's certification that repairs have been corrected.

The physical inspection report will identify the level of severity of the required repairs. If the project receives an unacceptable physical score below 60, the case is referred to the Departmental Enforcement Center (DEC) to insure compliance.

Resources

HUD Publications

HUD Handbook, 4350. 1 Chapter 6
www.hudclips.org/sub_nonhud/cgi/selectbkb.cgi

LISC Publications:

Occasional paper Series No. 3

A Guide to the Roles & Responsibilities of an Asset Manager
A Guide to Comprehensive Maintenance Repair
Chapter 5 Long Range Planning

Websites

U.S. Department of Housing and Urban Development
www.hud.gov

REAC physical inspection
www.hud.gov/offices/reac/products/prodpass.cfm

USPC
www.hud.gov/offices/reac/pdf/phys_inspect.pdf

Institute of Real Estate Management
www.irem.org

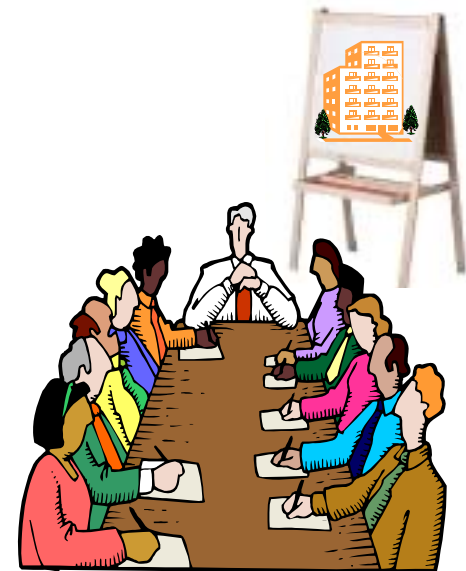
Local Initiatives Support Corporation
www.lisc.org

Minnesota Housing Finance Agency
www.mhfa.state.mn.us

Minnesota Multifamily Housing Association
www.mmha.org

ORIENTATION GUIDE

BOARD OF DIRECTORS



This Orientation Guide is one of a series of five
Compiled by the
Minneapolis Office
Multifamily Housing Division
U.S. Department of Housing and Urban Development



MONITORING PHYSICAL CONDITION



MONITORING PHYSICAL CONDITION

Goals

To ensure that the tenants are being provided with decent, safe and sanitary housing, and the project is in good repair in accordance with the Uniform Physical Condition Standard (UPCS).

To identify and correct deficiencies in the physical condition of the project that could threaten the project's viability.

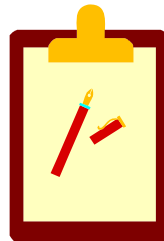


Property Inspection

Inspect the exterior and common areas of the building. Inspect for needed repairs, security and safety concerns, appearance and cleanliness. If the project is not being maintained, this could have an effect on the amount of vacancies the project is experiencing.

Listen to what residents say. Do they seem satisfied with the maintenance of their homes and the common areas of the building?

Unit inspections should be performed by the management agent at the time of move-in/move-out and annually. These inspections help to identify repairs, housekeeping issues, unauthorized persons occupying the unit, and other lease violations.



Preventive Maintenance

A preventive maintenance schedule should be established by the Management Agent that lists timeframes for completing the work.

Routine maintenance schedules should be established for work performed on major building and emergency systems, such as smoke detectors, fire extinguishers, heating, air conditioning, roofs, and elevators, etc.



Repairs

A written procedure should be established that will:

- ▶ Handle emergency repairs
- ▶ Schedule routine repairs
- ▶ Address how requests for repairs are handled
- ▶ Establish procedures for documenting repairs
- ▶ Identify timeframes for completion.

Repair items identified on the REAC physical inspection should be corrected prior to the next inspection.
