



NSPIRE

Improving Real Estate Assessment Center Inspections: National Standards for the Physical Inspection of Real Estate Brief

The National Leased Housing Association Annual Meeting
June 18, 2020

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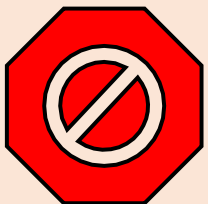


Agenda

- Return to Operations -RTO
- NSPIRE Demonstration Update
- Qs & As



Inspections RTO: Safety First



The highest priority guiding the resumption of inspections is the health, safety and welfare of all those involved in the conduct of HUD's inspection activities. This includes residents, PHA & POA staff, Federal/contract inspectors, and other HUD employees.



Resuming HUD physical inspections will require deference and flexibility for those involved and HUD inspectors must exercise an abundance of caution. Inspectors will likely encounter circumstances where a scheduled inspection cannot occur after arriving on-site due to health and safety concerns.



REAC will provide significant guidance to its Federal and contact inspectors for the safe conduct of inspections, including specifying the required PPE necessary for our contract inspector partners and providing PPE for Federal inspectors.

Target Inspection Resumption: TBD



Inspections RTO: Purpose, Objectives, Outcomes

Purpose

The purpose of the HUD Physical Inspections RTO plan is to detail all necessary activities necessary for the safe resumption of inspections of HUD-assisted rental housing portfolios; establish conditions and a timeline for the resumption of inspections; and identify risks and constraints to the safe conduct of inspections.

Objectives

- Safely resume inspections of HUD's Public Housing and Multifamily Housing portfolios
- Target/prioritize and inspect those properties most in need of inspection using risk-based criteria
- Demonstrate to HUD's stakeholders the continued importance of physical inspections to the health and safety of families and HUD's mission to meet the need for quality affordable rental homes

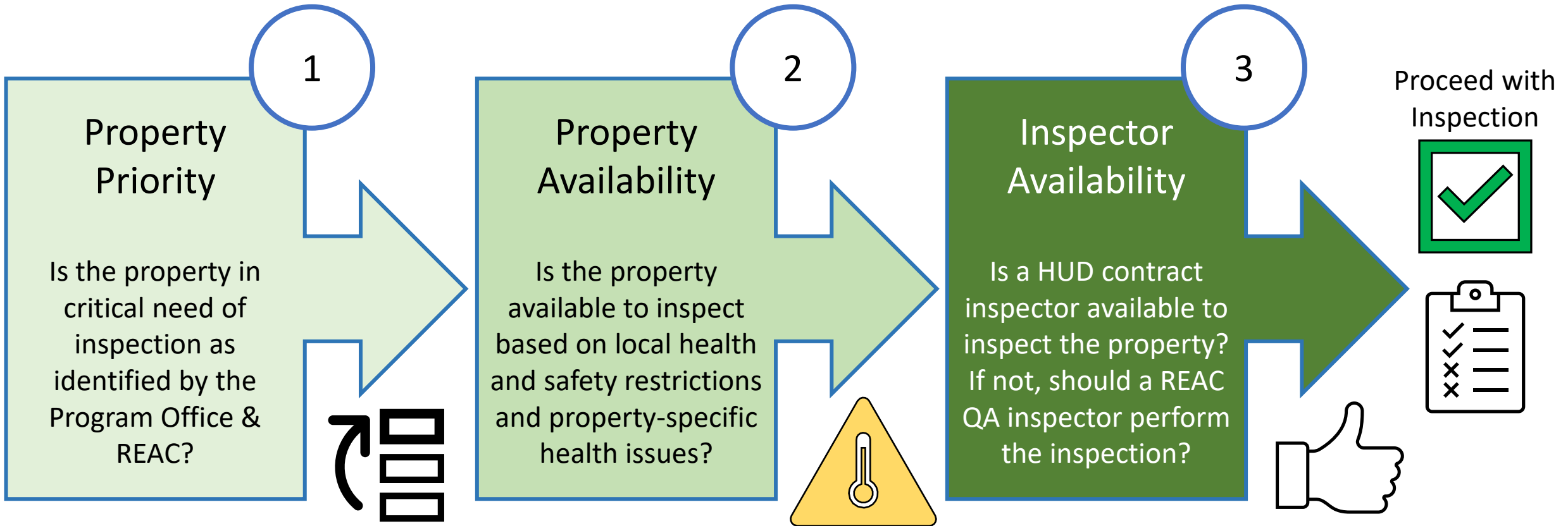
Outcomes

- Identified and implemented strategies to keep all parties involved in the inspection process safe
- Reduced the backlog of physical inspections for those properties not assessed in the last three years
- Successfully inspected properties identified as high-risk
- Created innovative inspection types that meet or exceed the quality of inspections before COVID-19



Inspections RTO: Inspecting Priority Properties

Following the clearance of all RTO gates, REAC will prioritize properties for inspection based on three factors:





Inspections RTO: Critical Constraints & Mitigation

| Constraint | Internal/ External | Mitigation |
|---|-----------------------|---|
| PIH Notice 2020-05 – Inspection Waivers | Internal | Identify properties with inspections pending not covered by the waiver provisions, those PHAs that are requesting inspections for other reasons (e.g. to improve PHAS designation), and properties identified by REAC as high risk |
| Inspection Contracting Issues | Internal | Work with REAC’s inspection vendors to collectively address issues preventing contract inspections; evaluate modifications to existing vendor contracts to accommodate safety concerns |
| HUD Employee Safety | Internal | Assess HUD and other GSA/OPM safety guidance by region/facility. Provide PPE and consider extra distancing precautions for Federal inspectors. |
| Availability of PPE | Internal | Work with OCPO to obtain the appropriate PPE for Federal inspectors while adhering to any relevant Federal guidelines concerning the supply of PPE for front-line workers. |
| State and Local Government Business & Social Distancing Guidelines/Restrictions | External | Proactively analyze the geographic location of HUD-assisted properties using public information about state/local guidance on business activity and social distancing to identify those properties that may be more likely candidates for inspection. |
| PHA/POA Restrictions | External | Communicate with PHAs/POAs well in advance of inspections and develop a mechanism to validate whether a property is inspectable before sending an inspector on-site. |
| Availability of PHA/POA Staff | External | Communicate with PHAs/POAs well in advance of inspections and develop a mechanism to validate whether a property is inspectable before sending an inspector on-site. |
| Resident Safety & Comfort Level | External | Develop a protocol for inspectors to follow when arriving at a unit where a resident seeks to refuse an inspection for health reasons including selecting alternate units for inspection |



Inspections RTO: Planning, Communications & Safety Gates

Planning & Approval Gates



REAC develops a plan for resuming physical inspections that prioritizes safety and identifies all logistics, protocol, communications, and other challenges that must be addressed for the RTO

REAC identifies states/localities where inspections can likely begin and properties in these areas that meet the priority criteria for being inspected (pending PHA or POA availability to participate)

REAC implements necessary unilateral contract changes/notices of intent with contract inspection partners concerning the safe resumption of inspections

HUD leadership approves resumption of inspections AND HUD approves employee activities necessary for resumption of inspections such as travel to property sites

Gates and associated activities should occur simultaneously

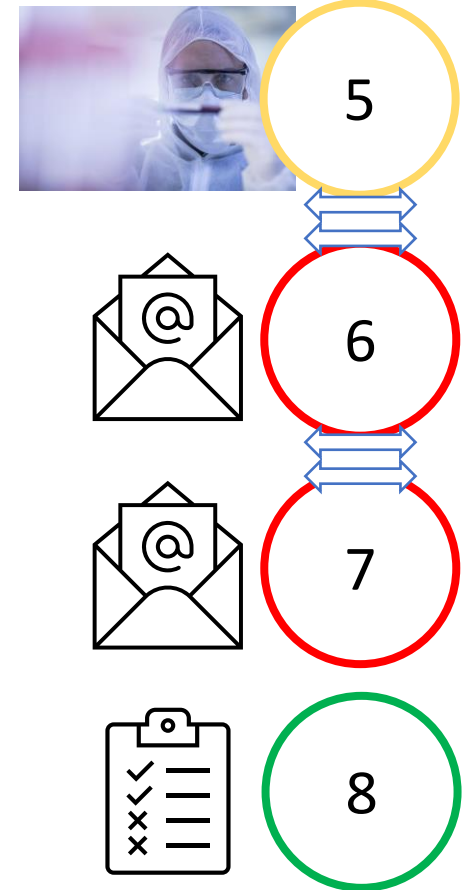
Communications & Safety Gates

REAC arranges for PPE for Federal inspectors and modifies contracts in place with inspection vendors to reimburse for PPE

REAC notifies individual PHAs and POAs a reasonable period of time before the planned resumption of inspections

REAC provides 14-day notice of impending inspection

REAC re-validates the safety/availability of the property and conducts an inspection





Inspections RTO: Identifying & Notifying Eligible Properties

2



REAC will work with OFO, PD&R, and FPM to develop a methodology for identifying, validating, re-validating, and notifying PHAs and POAs that meet the property eligibility criteria by analyzing available data from state and local governments, CDC, other government entities, and media reports

Key Eligibility Criteria

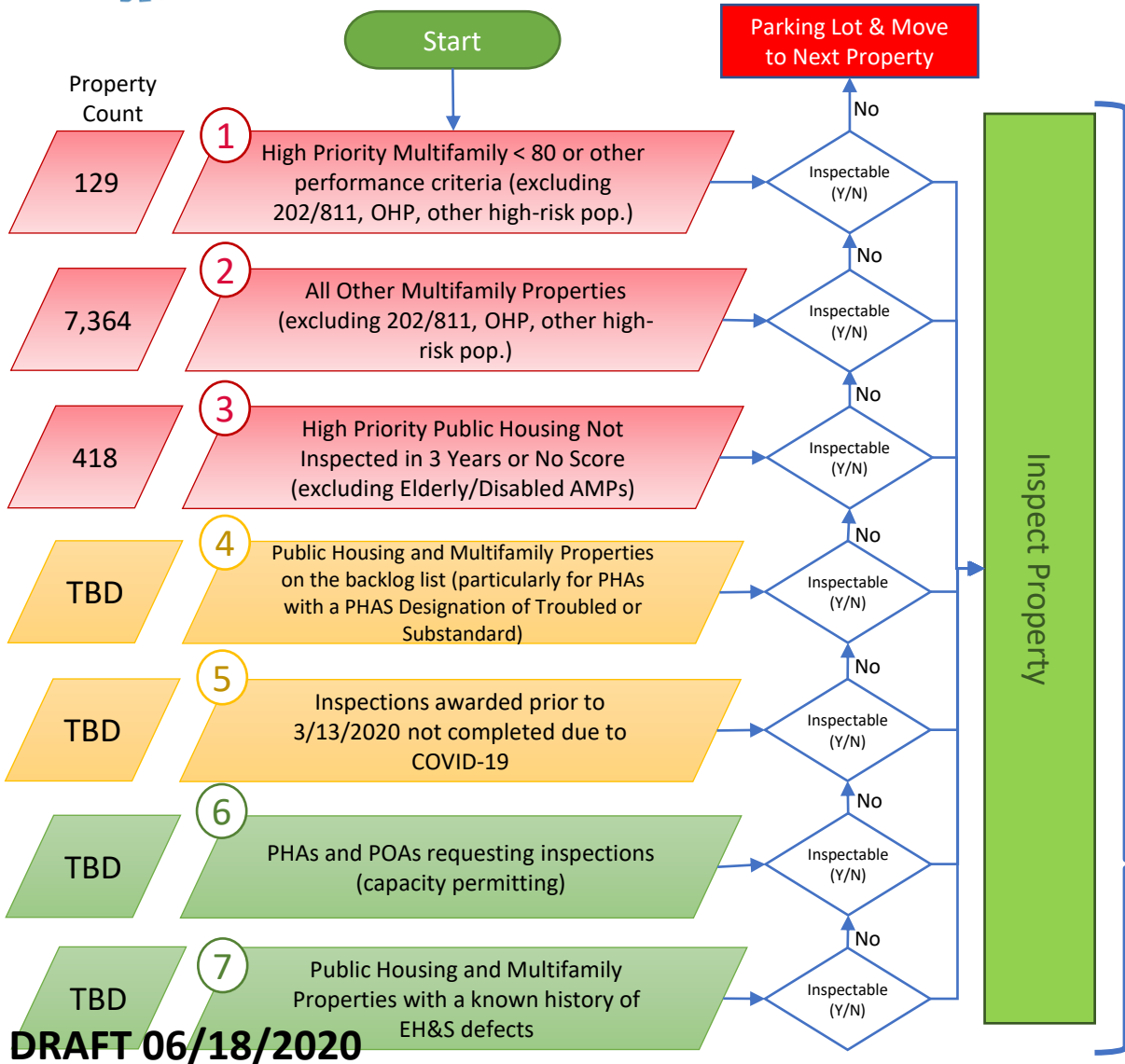
- ✓ Property is located in a jurisdiction in a phase of reopening allowing substantial in person commerce (e.g. inside restaurant dining, in-store shopping)
- ✓ COVID-19 cases in the property's locality (e.g. city) have been trending downward or remaining flat for a minimum of 14 days. Related public health data (ICU beds) is similarly positive.
- ✓ There are no known and specific COVID-19 issues (outbreaks) at the PHA or property in question regardless of the locality's phase of reopening or case trends
- ✓ Where applicable within a given radius, HUD FPM or GSA has provided guidance to local HUD employees that they may report to the local office nearest where the property is located
- ✓ Air/rail/car travel to and from the property can be achieved with appropriate safety precautions

Notification/Validation Steps

- ✓ REAC will post to HUD's website a list of PHAs and Property Owners/Agents (POAs) that meet all five availability criteria
- ✓ REAC will e-mail PHAs and POAs a resumption notice and the list of properties owned/managed that are subject to resumed inspections
- ✓ REAC will perform ongoing, regular re-evaluations/validations of the properties that have received proper notice and notify PHAs/POAs in writing if the status of the property changes due to updated conditions/data
- ✓ Properties still meeting the five criteria at the end of the notice period will be sent a 14-day inspection notice
- ✓ REAC will perform a final validation of the criteria two business days before the inspection and inspectors will always have the ability to evaluate conditions after arriving on-site and not conduct the inspection if warranted



Inspections RTO: Inspecting Priority Properties



2

Property Availability

Is the property available to inspect based on local health and safety restrictions and property-specific health issues?

The ability to inspect properties will be dictated primarily by the availability of properties to inspect as determined by local guidelines and the safety of all inspection parties. Although these priorities represent a desired risk-ranking of inspections to perform, it is unlikely that all properties in each priority category will be inspected before moving to the next category.

REAC will not inspect properties with potentially higher-risk resident populations including elderly and disabled properties, including: 202/811, 232, 236 and Public Housing Elderly/Disabled AMPs

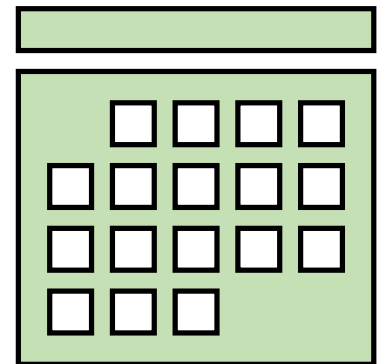
- Priority Considerations**
- Multifamily did not waive inspection requirements
 - PIH Notice 2020-05 provides waiver of inspections for PHAs until 12/31/20
 - Inspecting properties with inspections >3 years old is required to meet HUD's published guidelines and HUD needs insight into these properties
 - Reducing the backlog of inspections where feasible
 - Resuming those inspections already contracted speeds up RTO
 - Enabling PHAs and POAs to lift properties out of troubled status



Inspections RTO: Key Milestones

Note: The below timeline assumes REAC receives the appropriate approvals and safety precautions are met

- June 19th: REAC DAS Approves RTO
- July 15th: Assistant Secretaries PIH and Housing/Deputy Secretary Approves Inspection Resumption
- TBD: First Notification Issued to POAs/PHAs for Phase I
- TBD: 14-Day Notices Resume
- TBD: Safety Precautions Validated & Implemented
- TBD: Initial Set of Inspections Resume





Inspections RTO: Other Safety & Logistics Risks

- Availability of PPE
- Pre-Inspection Temperature Checks/Validation
- On-site Notification Processes for Health-Related Issues Impacting the Inspection
- Travel Considerations
- Second-Wave COVID-19 Flare Ups
- Managing Social Distance in Occupied Units
- Pre-/Post-Inspection COVID-19 Testing for Inspectors



Inspections RTO: Protocols

- REAC has developed a detailed inspection protocol guide for both Federal and contract inspectors
- The protocols detail instructions for inspectors to follow in the conduct of an inspection when inspections resume
- Protocols cover the following activities/requirements:
 - Pre-, Day Of, and Post-Inspection Protocols
 - Travel/Logistics (including consideration of stay at home orders)
 - Personal Protective Equipment (PPE)



Inspections RTO: COVID-19 Sample Special Protocols

- HUD will require contractors to wear face masks and gloves and use hand sanitizer, at a minimum, when conducting inspections.
- POAs are responsible for communicating local restrictions relating to COVID-19 to the contractor/inspector at the time the inspection is scheduled
- HUD will determine if the inspection should be cancelled due to local restrictions or reported COVID-19 cases at the with guidance from the Field Office



NSPIRE Demonstration Update



NSPIRE Demonstration Goal: 4500 Properties

- 2455 - Multifamily Properties Approved
- 555 - Public Housing Properties Approved
- 4 - Office of Healthcare Program Properties Approved

Revised Standards

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

- Recently published the list of Life-Threatening Deficiencies
- Integrating NSPIRE Standards into HCV and Project-Based programs
- Revised 65 Standards into new template
- Release Partial list of Version 2 Standards June 2020

Policy and Regulatory

- Recently submitted revised NSPIRE Proposed Rule for Approval



NSPIRE Demonstration Update



Customer User Experience/Communications

- https://www.hud.gov/program_offices/public_indian_housing/reac/nspire
Launch of new NSPIRE website
- Published *Get NSPIREd* Newsletter 3rd Edition June 2020

New Scoring Model

- SOP Validation Scoring Model Analysis and Mockups and Associated Documentation

New Inspection Software

- NSPIRE Team is developing and testing Salesforce back-office compatibility
- Collaborating with HUD Offices to develop an IT solution

Program Alignment

- NSPIRE and HCV integration

Preparing for RTO



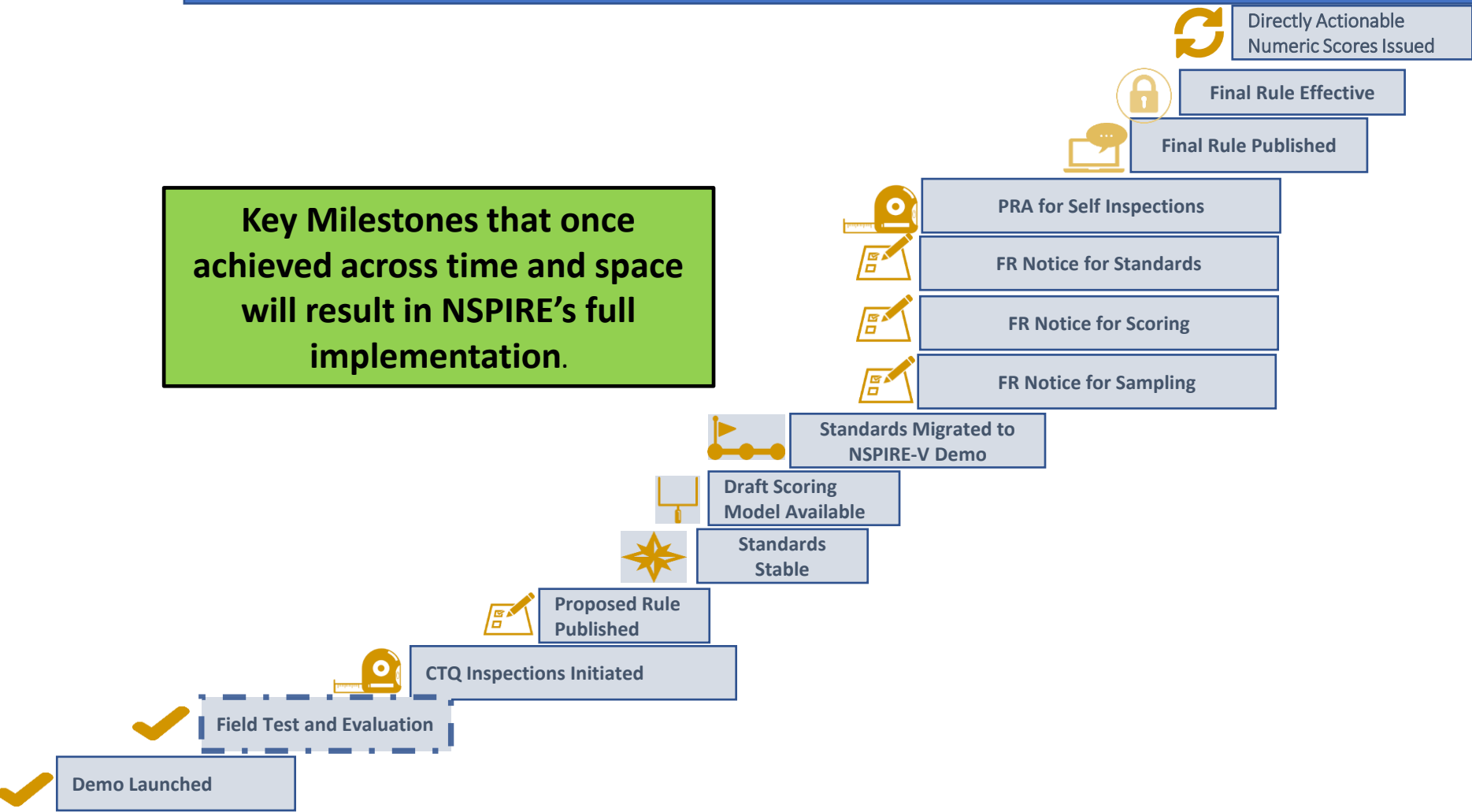
NSPIRE Major Milestones



NSPIRE's Full Implementation

Key Milestones that once achieved across time and space will result in NSPIRE's full implementation.

- Desired Future-State**
- Stakeholder Buy-In
 - All Resident **health and safety** hazards identified and removed
 - **Less complex** inspection protocol; aligned with quality of resident health and safety
 - A **singular inspection** protocol that aligns all property physical inspections
 - Increased **consistency and accountability** in the physical inspection protocol **Proper identification** of substandard properties
 - **Compliance** with property self-inspection protocol



DRAFT 06/18/2020 Today

Future State



Why Volunteer? Because It's S.M.A.R.T!



Set the Standard



Maintain Your Current Score



Act Now to Get Ahead



Receive Advisory Scores



Train for the Future



Set the Standard



- Collaborate with HUD to shape the new inspection standards through feedback and direct access to HUD decision-makers.
 - This collaborative partnership will help improve the relationship between you and HUD.
 - Standards that are revised from your participation and input are posted on HUD's website at



Maintain Your Current Score



- No UPCS inspections during the Demonstration.
- Your UPCS score will be carried forward for the duration of the Demonstration.
- High-performers maintain their status as a high-performing property throughout the Demonstration.



Act Now to Get Ahead



- Your participation allows for sharing of information and keeps you informed of the latest NSPIRE updates.
- Secure your spot today! There are thousands of eligible properties, but only 4,500 will be selected to participate in the NSPIRE Demonstration.



Receive Advisory Scores



- Find out how properties will score under NSPIRE before final rule and implementation.
- Receive an advisory score that will allow you to be better informed and prepared for when NSPIRE goes into effect.
- Self-inspections are evaluated, not scored.



Train for the Future



- Get technical assistance on the new standards, scoring, sampling, and health and safety deficiencies.
- Participate in NSPIRE focus groups, workshops, listening sessions, and HUD subject matter experts to prepare your team with the skills they need.
- Prepare your team with the skills they need to maintain/achieve high-performing-property status.



How to Volunteer



https://www.hud.gov/program_offices/public_indian_housing/reac/nspire/registration

The screenshot shows the HUD.gov website with a navigation bar at the top containing social media icons and links for 'About HUD', 'Program Offices', 'Resources', 'Contact Us', and 'Información en Español'. Below the navigation bar is a header with the HUD logo and 'HUD.GOV', followed by menu items: 'SECRETARY OF HUD', 'WHAT WE DO', 'PRESS ROOM', and 'HUMANS OF HUD'. A secondary navigation bar lists: 'PIH HOME', 'ABOUT PIH', 'PIH ONE-STOP TOOL', 'PUBLIC HOUSING', 'OPERATING FUND', 'CAPFUND', 'INDIAN HOUSING', and 'MORE'. The main content area features a section titled 'SIGN UP FOR NSPIRE DEMONSTRATION!' with text stating that HUD is seeking participation from 4,500 properties and will select from a nationwide pool of Public Housing Authorities (PHAs) and Property Owners and Agents (POAs). It encourages PHAs and POAs to register one or multiple properties but notes that submission of an application does not constitute acceptance. To the right of the text is a photograph of two men in a room, one holding a clipboard and the other pointing upwards. Further right is the NSPIRE logo and a box titled 'Explore NSPIRE' with links for 'NSPIRE Demonstration Notice' and 'NSPIRE Standards'.



Follow-On Steps



- Future Communication and Stakeholder Outreach
https://www.hud.gov/program_offices/public_indian_housing/react/nspire/webinars
 - Virtual Workshop – Top NSPIRE Topics Workshops, June 23, 2020 (Limited Seating Invite Only)
 - Virtual Workshop – NSPIRE Standards, July 29, 2020, Aug 8, 2020 & Aug 18, 2020 (Limited Seating Invite Only)
 - NSPIRE Standards Webinar – July 31, 2020
 - NSPIRE Demonstration Volunteer Property Benefits Webinar (recorded May 20, 2020) Webinar
 - ***Get NSPIRed*** Newsletter Future Issues
- NSPIRE Development
- Public Comments and Feedback



NSPIRE

Questions and Feedback

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

NSPIRE Information Center 1-800-883-1448

New NSPIRE Website

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