

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

550 12TH Street, SW Suite 200 Washington, DC 20410

4/29/2021

OFFICE OF PUBLIC AND INDIAN HOUSING REAL ESTATE ASSESSMENT CENTER

MEMORANDUM FOR:	Public Housing Agency and Multifamily Property Owner/Agent Points of Contact for REAC Physical Inspections
FROM:	Ashley L. Sheriff, Acting Deputy Assistant Secretary, Real Estate Assessment Center (REAC)
SUBJECT:	Update to REAC's Return to Operations Guidelines Relating to Physical Inspections

This memorandum outlines HUD's Return to Operations (RTO) approach for scheduling and conducting physical inspections on public housing and multifamily properties. HUD suspended inspections on March 16, 2020, to protect the health and safety of inspectors, property staff, and residents due to the COVID-19 pandemic. Inspection operations officially re-started on October 5, 2020, under guidelines outlined in REAC's Deputy Assistant Secretary's memorandum dated August 10, 2020.

Beginning June 1, 2021, REAC will increase inspections of Public Housing and Multifamily properties beyond the limited number of inspections conducted since October 2020 consistent with Secretary Fudge's <u>April 23, 2021 letter</u>: "At this moment, we must take the steps needed to ensure the whole health and well-being of the households we serve. It is with utmost concern for the overall health and well-being of HUD-assisted households that I am announcing that HUD will substantially increase housing inspections by our Real Estate Assessment Center, beginning on June 1, 2021."

HUD's increase of inspections will focus first on properties identified by the Offices of Public and Indian Housing (PIH) and Multifamily Housing based on multiple factors, including, but not limited to risk analysis, resident complaints, properties' most recent inspection scores, and the time elapsed since properties' last inspections. This will also include properties that have requested physical inspections as part of improving their Public Housing Assessment System (PHAS) score and designation. In continuation of HUD's commitment to improve our inspection programs for the future, HUD will also resume inspections for the properties that have volunteered for the National Standards for the Physical Inspection of Real Estate (NSPIRE) Demonstration. Recipients of this memo own/manage at least one high priority property, a property where an inspection has been requested, or an NSPIRE demonstration property and in these cases should expect HUD to inspect these properties by December 31, 2021.

Consistent with HUD's approach to balance the public safety risks presented by COVID-19 against the public health risks of poor housing conditions, HUD has also developed substantial safety protocols (available <u>here</u>) informed by the Centers for Disease Control and Prevention's (CDC) guidance. These

protocols will help prioritize safety and mitigate the risk of COVID-19 transmission among all inspection participants including residents, property staff, and HUD inspectors.

These protocols limit the number of non-resident inspection participants, require the use of proper personal protective equipment (PPE) by both inspectors and property staff, and provide detailed information on the sanitization of both inspection equipment and unit surfaces. It is critical to note that residents may refuse inspection of their homes, in which case the HUD inspector will select an alternate home to inspect. HUD has created a resident flyer (attached and available <u>here</u>) which will also be translated into several languages that summarizes HUD's inspection protocols and residents' options when a HUD inspector arrives for a unit inspection. HUD strongly encourages Public Housing Authorities (PHAs) and Property Owners/Agents (POAs) to make this flyer available as part of its standard inspection notice procedures for upcoming HUD inspections.

In recognition of the challenges presented by COVID-19 for property staff to conduct routine maintenance and other operations, HUD is *temporarily extending the notice period for physical inspections from 14 to 28 days*. Regardless of the priority criteria described above, Multifamily property owners remain subject to HUD inspection of their properties at any time. PHA and POA inspection points of contact will receive both a 28-day and a 14-day notice of inspection and HUD will evaluate local public health conditions throughout the notice period prior to arriving on-site. In compliance with HUD's 28-day notification policy, notifications will begin on Tuesday, May 4, 2021 and additional physical inspections will commence on or about Tuesday, June 1, 2021.

HUD will use both its Uniform Physical Condition Standard (UPCS) and National Standards for the Physical Inspection of Real Estate (NSPIRE) standards for high-priority properties. For NSPIRE inspections, HUD will not be issuing a score of record. As a reminder, for UPCS inspections, mitigation of exigent deficiencies must occur in the timelines described in 24 CFR 200.857 and 24 CFR 902.22. For NSPIRE demonstration inspections, properties should follow the procedures outlined in the NSPIRE demonstration notice found at 84 FR 43536. Public housing properties receiving an NSPIRE inspection outside of the demonstration, should follow the guidelines in the Public Housing Occupancy Guidebook (available here). Table 1 below summarizes the inspection standards that will be used for various categories of HUD-assisted properties.

HUD Property by Assistance Type	UPCS	NSPIRE
Multifamily – High Priority	Х	
Multifamily – NSPIRE Demonstration Properties		Х
Public Housing – High Priority		Х
Public Housing – Inspection Requested for PHAS purposes	Х	
Public Housing – NSPIRE Demonstration Properties		Х

Table 1: HUD Physical Inspection Standards for Properties Under Return to Operations Approach

Updated protocols and frequently asked questions in support of our new guidelines can be found on REAC's home page at: <u>https://www.hud.gov/program_offices/public_indian_housing/reac</u>

Additional questions should be directed to: <u>REACTAC@hud.gov</u>.