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HUD NSPIRE Impact on LIHTC Programs

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Agenda

- Introduction
- NSPIRE
- NSPIRE Standards
- What's Next in Preparing for NSPIRE
- Resources

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This training provides suggestions, recommendations, and some best practices. Always follow your company policy and guidance.



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NSPIRE



On October 1, 2023, the NSPIRE (National Standard for Physical Inspection of Real Estate) Inspection Protocol replace UPCS and HQS as the inspection protocols used on Multifamily and Public Housing HUD Inspections. Ending these decades-old inspection protocols and combining them into a single standard for both risk-based and results-based inspections will have a tremendous effect on programs throughout the industry.

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At the same time, most HUD Community Planning and Development (CPD) Programs and Housing Credit (LIHTC) programs will change to the new NSPIRE Standards. This does not mean that these properties will be inspected by REAC but that they are subject to the same standards as all HUD programs. Part of the objective of NSPIRE is to align all inspection protocols to one universal standard for all assisted housing programs.

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Are Tax Credit (LIHTC) Properties Changing to NSPIRE?

While NSPIRE is a protocol established by HUD for the purpose of HUD programs, the Internal Revenue Service (IRS) adopted the same protocol for the purposes of the low-income housing tax credit (LIHTC) incentive in Treasury Regulation Section 1.42-5(d)(2)(ii). This means that this change not only impacts HUD programs, but will likely change the inspection protocol for the LIHTC-financed properties.

So, in short – Yes. LIHTC monitoring inspections will change to NSPIRE at the same time as the HUD-funded and financed programs in October of 2024.

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NSPIRE vs UPCS

UPCS inspectable areas:

NSPIRE inspectable areas:

- Site
- Building Exteriors
- Building Systems
- Common Area
- Common A
- Units

- Outside
- Inside
- Units

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NSPIRE Inspectable Areas



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NSPIRE Inspectable Areas

- UNIT: A "Unit" of HUD 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, and so on.
- 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.

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NSPIRE Inspectable Areas

The front matter of each standard lists the areas or items within each inspectable location that the standard applies to.

For example, the Handrail Standard lists stairs, hallways, and ramps as inspectable items in the Unit.



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NSPIRE 3 Types of Inspections

There are three types of inspections under NSPIRE. Applicable NSPIRE inspection types may vary by program or property type.







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NSPIRE vs UPCS

UPCS Level of Deficiency:

NSPIRE Level of Deficiency:

- L1
- L2
- L3 • EH&S
- H&S Life Threatening
- H&S Severe
- H&S Moderate
- H&S Low

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NSPIRE Level of Deficiency

TITLE:	LEAK -	WATER		
AEREION:	V3.0			
DATE PERUSHED:	06/20	23		
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PURPOX:	Hore			
COMBON COMPONENTS:			s, Cap, Koar, Munting pump, Pump system; Fire suppression spirikler assentily, including connected pipes core; Buller, Dichwalter; Gubage disposit; Sink; Yalves	
LOCATION:	0	Dok	Gallings, flaum, walls, sinks, dishwashem, walter, water heaters, control water apply lines, drainpipes, spinkler assembly, plumbing system	
		Inide	Gallege, floors, walk, sinks, dishwashers, water, water heaters, central water apply lines, drainpipes, spinisher assembly, planting system	
	8	Datide	Cercal water supply lines, spiritely assembly, plumbing system	
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NSPIRE Level of Deficiency

 Deficiency Low correction timeframe is 60 Days HCV Pass/Fail Pass HCV Correction Timeframe N/A

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Сонкстон Тикония:	60 days	
BOT No. / Tax:	Paus	
BCF Connection Territorie:	NA	
INFECTION PROSEC		
Опинилок	- Evaluate exterior pl	unbing systems for any leaks.
Brown on Star	- None	

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ALVA						
PACIFIC SOUTHWEST	NSP	IRE	Level of Deficiency			
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				Days		
HCV Pas	ss/Fail	F	ail			
HCV Cor	rrection	Time	frame 30 Days			
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What's Next in Preparing for NSPIRE

As the timeline for this change is approaching, monitoring agencies should begin preparing for the transition as soon as possible. NSPIRE, unlike UPCS, is more than just a checklist of deficiencies. The NSPIRE standards include repair timelines, severe life-threatening designations, and Pass or Fail decisions.

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What's Next in Preparing for NSPIRE

- Update policies and procedures
- Train compliance staff on the new requirements
- Is any software used for inspections updated to follow NSPIRE standards?
- Inform sponsors, stakeholders, and owners adequately of the new expectations
- Are third-party vendors (if applicable) prepared to use the new inspection protocol?

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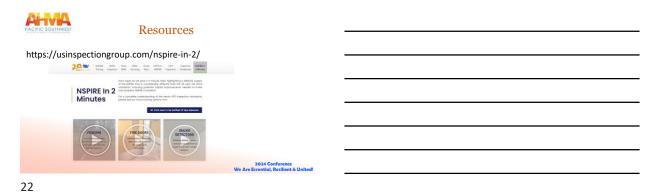
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Resources

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







Questions

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