



Owner & Agent Training

# Mastering Physical Inspections

Presenter: Jose Zavala, Senior AM Physical Inspector

# Physical Inspection Session Agenda

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- Physical Inspection Purpose

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- Inspection Workflow Process
- NSPIRE/UPCS Inspection Protocol and Cure Periods

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- Inspection Video

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- New Report Design
- Inspection Results Acceptable Compliance Documents

5

- IRS 8823 Reporting of Noncompliance





# Physical Inspection Purpose

Physical inspections are conducted to ensure the quality, safety, and sanitation of properties that receive HUD assistance under **National Standards for the Physical Inspection of Real Estate (NSPIRE)** or **Uniform Physical Condition Standard (UPCS)** inspection protocol.

# Inspection Process Workflow

## Before Inspection

- Scheduling
- Confirmation
- Tenant Notification

## Day of Inspection

- Interview
- Review
- Updates
- Sampling
- During the Physical Inspection

## After Inspection

- Closing interview
- Review of Health and Safety deficiencies found
- Explain cure period requirements



# Asset Management physical inspection training

## IHDA



Click on the image to view the Physical Inspection Training video.



# PHYSICAL INSPECTION PROTOCOLS

As a Housing Finance Agency, IHDA uses three inspection protocols:



## National Standards for the Physical Inspection of Real Estate (NSPIRE)

- What is the NSPIRE inspection process?
- What is the intent of NSPIRE?

## Uniform Physical Condition Standard (UPCS)

- What is the UPCS inspection process?

## Real Estate Assessment Center (REAC)

- What is the HUD REAC inspection process and IHDA's relationship?

**Note:** The final rule for NSPIRE became effective on October 1, 2023, excluding managing programs such as HOME, Housing Trust Fund, Section 8 Mod Section 811 Project Rental Assistance, Long Term Operating Support (LTOS), and developments participating in the Statewide Referral Network. These programs will remain under UPCS standards.

Rehab,  
These



# NSPIRE Changes to Health and Safety Deficiency Cure Periods



	Outside	Inside	Unit
<b>Life - Threatening</b>			
24-hour cure period	Gas dryer exhaust ventilation system has restricted airflow	Structural System exhibits signs of serious failure	Flammable or combustible material is on or near a gas ignition source, e.g. water heater or furnace
<b>Severe</b>			
24-hour cure period	A sharp edge that can result to 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
<b>Moderate</b>			
30-day cure period	Trip hazard on walking surface	Plumbing leak that allows for water intrusion in unintended areas	Refrigerator component is damaged such that it impacts functionality
<b>Low</b>			
30-day cure period	Water runoff is unable to flow through the site drainage system	Exterior gate will not close	Presence of mold-like substance at very low levels is observed visually

# New Health & Safety Inspection Report



## **Physical Inspecton**

**Easy Living Apartments**

**Health and Safety Report**

**04/24/2025**

**ID: 601939**

**Performed By:**

**J Zavala**



# New Health & Safety Inspection Report



(601939)

## Easy Living Apts: (Multiple Units) Health and Safety Report Physical Inspection: Triennial Inspection



Scheduled: 04/24/2025

Closed: Apr 29 2025

ID: 601939

### Inspection Notes

TC-1200

### Inspection Results - Health/Safety Only

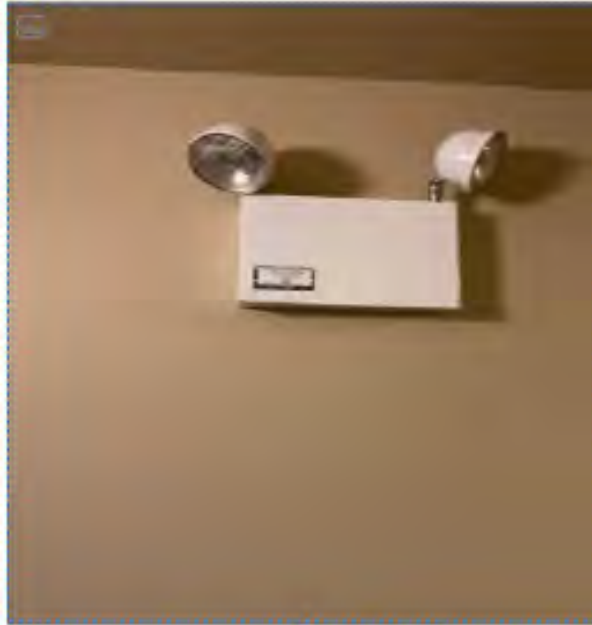
Inside								
<del>00296</del>								
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Hallways & Corridors (Bldg)	Lighting – Auxiliary	Auxiliary lighting component fails to illuminate when tested	All floors	1	04/24/25 12:00 KF		Severe	24H
Unit								
00296: Unit 104								
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Bathroom 1	GFCI/AFCI	GFCI outlet or GFCI breaker reset button does not test (No visible damage)		2	04/24/25 11:29 KF		Severe	24H
00296: Unit 304								
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Bathroom 1	GFCI/AFCI	GFCI outlet or GFCI breaker reset button does not test (No visible damage)		3	04/24/25 12:07 KF		Severe	24H



# Inspection Photos

## Inside

00296



1

00296 - Hallways & Corridors (Bldg) -  
Lighting – Auxiliary - Apr 24 2025  
12:00PM - K Fuqua CAPTION: All floors



2

00296 - Restrooms - Bathtub/Shower  
(Common Area) - Apr 24 2025 11:35AM -  
K Fuqua CAPTION: Large hole around  
sprinkler head (1st floor hall)

## Unit

00296: Unit 104



3

00296 Unit 104 - Bathroom 1 -  
GFCI/AFCI - Apr 24 2025 11:29AM - K  
Fuqua



# Copy of Email with report



Good morning,

The Illinois Housing Development Authority appreciates the cooperation received from your staff while performing our program physical inspection we conducted on 0/00/0000.

As part of our monitoring responsibilities under your development's legal documents, IHDA requires exercising all available rights and remedies in its effort to collect required compliance monitoring documents. This can include declaring a non-monetary default should the Owner fail to submit the requested data in a complete, accurate, and timely manner.

Attached is the report and inspection results of your latest Illinois Housing Development Authority Physical Inspections. The inspections covered the physical monitoring requirement for the programs listed in the report.

Please send completed work orders that are signed and dated in correlation to the deficiencies and protocol. NSPIRE inspection results are shown under the 'results' column. Signed-dated work orders needed on or before 'Fix by date'. UPCS inspection results are shown under the 'results' column. Signed-dated work orders are needed 30 days from the date the inspection took place. If there were no deficiencies in the inspected areas and locations, under 'results' it will show 'no issues found' denoting 'Pass'.

# New Inspection Results Report 5214



## Physical Inspection

Easy Living Apts

Final Inspection Report

04/15/2025

ID: 605225

Performed By:

J Zavala



(601939)

# Easy Living Apts: (Multiple Units) Final Inspection Report Physical Inspection: Triennial Inspection



Scheduled: 04/24/2025

Closed: Apr 29 2025

ID: 601939

## Inspection Notes

TC-1200

## Inspection Results

Inside									
00296	Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By
Alternate Location - See Notes for Details Hallways & Corridors (Bldg)		Elevator Certificate	CERTIFICATION: Missing/Expired/or Not Displayed			04/24/25 12:46 KF			N/A
		Lighting – Auxiliary	Auxiliary lighting component fails to illuminate when tested (17221)	All floors	1	04/24/25 12:00 KF		Severe	24H
	Restrooms	Bathtub/Shower (Common Area)	General Comment	Large hole around sprinkler head (1st floor hall)	2	04/24/25 11:35 KF			
00296 Inside NSPIRE Totals									
Life Threatening: 0/0			Severe: 1/13.4		Moderate: 0/0			Low: 0/0	

Unit									
00296: Unit 101									
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Fix By	
Entire Unit	No Issues/Violations	Inspected - No Issues Were Found			04/24/25 17:13				
00296: Unit 101 Unit NSPIRE Totals									
Life Threatening: 0/0			Severe: 0/0		Moderate: 0/0			Low: 0/0	







# Inspection Result Photos

## Inspection Photos (Continued)

### 00296: Unit 304



6

00296 Unit 304 - Bathroom 1 -  
GFCI/AFCI - Apr 24 2025 12:07PM - K  
Fuqua

### 00296: Unit 406



7

00296 Unit 406 - Hallways & Corridors -  
Ceiling Covering and Finishes - Apr 24  
2025 11:49AM - K Fuqua CAPTION:  
Another smoke alarm present



8

00296 Unit 406 - Hallways & Corridors -  
Door - General - Apr 24 2025 11:52AM -  
K Fuqua CAPTION: Off track



9

00296 Unit 406 - Kitchen - Infestation -  
Apr 24 2025 11:56AM - K Fuqua



# Acceptable Work Order



Development Name

Development Address

Phone -

Fax -

Work Order #	21740-1
Status	Completed No Need To Bill
Created On	08/15/2024
Estimate Requested On	--
Estimate Amount	--
Estimated On	--
Scheduled On	--
Completed On	08/19/2024
Tenant(s) Notified	--
Permission to Enter	N/A
Job Site	Address including unit number

Tenant(s)

Tenant Name

Unit number:

Deficiency Description:

Example: Repaired damaged seal in refrigerator

Pet(s)	--
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Created By:

Authorized By:

Signed By:

Dated By:

Invoice #:

Technician's Notes: 

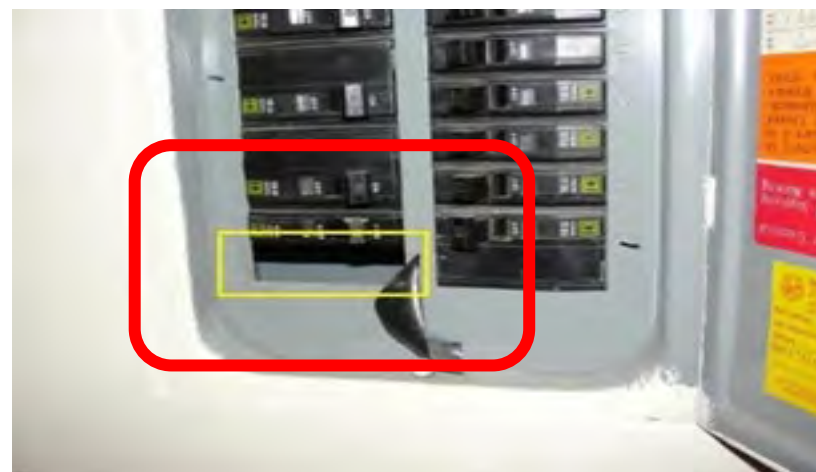
# Common Life -Threatening Deficiencies Found



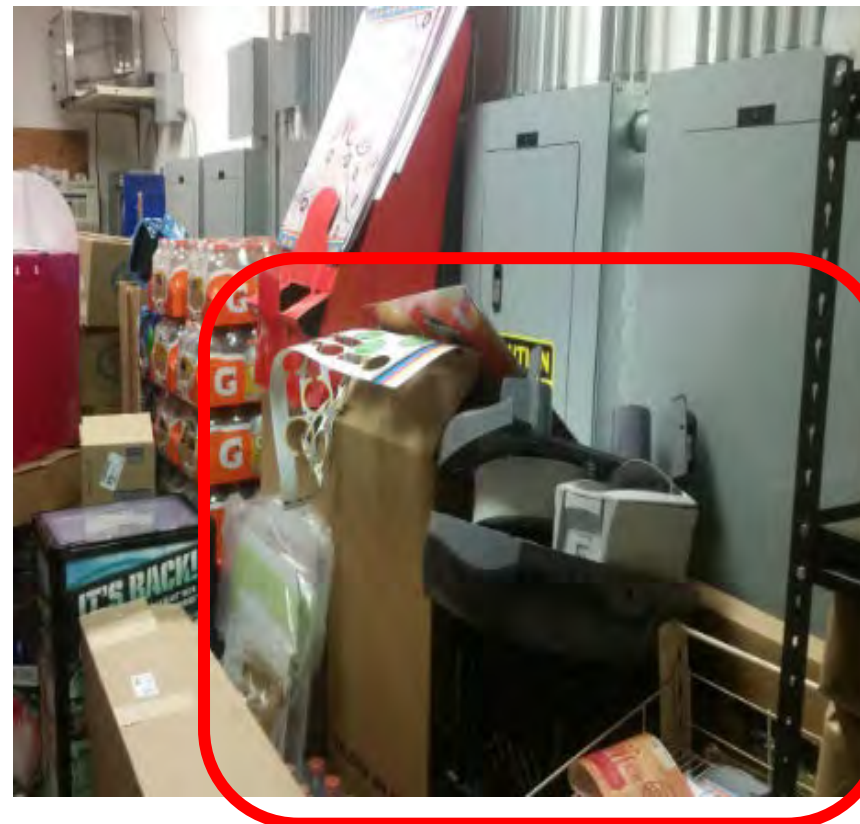
Chimney or flue piping is blocked, misaligned, or missing.



The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.



Electrical conductor is not enclosed with blank, breaker, or knockout is missing electrical box plug.



Electrical service panel is not readily accessible. In case of emergency.



# Not Blocked Egress



Window blocked by tenant owned furniture in sleeping room on 3rd floor or below (New NSPIRE rule). Also, 2 double pane windows only one window blocked.



Window Bars Quick with Release



Unblock window allows fire fighters access





# Blocked Egress



Windows with stationary security bars



Excessive clutter blocks all emergency evacuations for (EMT service).





# IRS 8823

## REPORTING OF NONCOMPLIANCE FOR LIHTC PROGRAM ONLY

- IHDA is required to file an IRS-8823 filing(s) for Federal Tax Credit awarded program failed inspections during the compliance period indicated in the Extended Use Agreement (normally 15 years) for Low Income Housing Tax Credit (LIHTC).
- 8823 filings are not reported for IAHTC (State Tax Credits) nor the 1602 Grant Program.
- 8823 are created once the 30-day cure period has ended.
- If IHDA grants the property a compliance extension, the 8823 will be filed at the end of the extension date. Compliance extensions are granted for weather related repairs during the winter months; or major multiple repairs; or fire or natural disaster related damages.
- Considered as an Owner commitment made to IHDA under other Programs or Agreements.



# Q & A





# AM Physical Inspection Contact

## Information



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of  
People, Teamwork, Equity &  
Inclusion, Innovation and  
Respect.***



# We Appreciate Your Feedback!



Owner & Agent Training -  
Mastering Physical Inspections

