

Section VI

6.1 – Uniform Physical Conditions Standards (UPCS)

The physical condition standard or inspection protocol utilized by AHFC for all Low Income Housing Tax Credit (LIHTC) developments, as well as most Home Investment Partnership Program (HOME) placed in service after 2003, is the Uniform Physical Condition Standards (UPCS). During on-site development reviews a sufficient sample of all buildings and affordable program units will be inspected to ensure the development meets this inspection standard.

IRS Regulation 1.42-5 outlines the UPCS requirements as the inspection protocol for the LIHTC program. AHFC Internal Audit Department (IAD) has elected to use the same standard in reviewing all multifamily developments to ensure a consistent standard of physical condition. The UPCS is defined in the Federal Register 24 CFR, Part 5 and 200 – Uniform Physical Conditions Standards and Physical Inspection Requirements for Certain HUD Housing; Administrative Process for Assessment of Insured and Assisted Properties; Final Rule.

AHFC IAD Compliance Specialist responsibility and process during the inspection process:

- ✚ Verification of Property Profile.
- ✚ Observe and record deficiencies based on General, Exigent Health and Safety (EHS), and smoke detector Violations.
- ✚ Verbal notification of EHS hazard violation to Owner or Manager prior to leaving the property.

Property Owner responsibilities include:

- ✚ Correct all life threatening EHS hazard violations within 24 hours after being identified. Corrections of life threatening EHS hazards must be reported to AHFC IAD within three days of the date of correction.
- ✚ Correct all non-EHS hazard deficiencies before the end of the correction period.
- ✚ Ensure that house rules regarding housekeeping are appropriately enforced.

Uniform Physical Condition Standards criteria include:

-Five (5) inspectable areas and EHS hazards.

- ✚ -Standardized definitions for inspectable items.
- ✚ -A uniform, objective inspection protocol for training inspectors to perform inspections of all property types and sizes and at any location.

Uniform Physical Conditions Standards inspectable Areas and Common Deficiencies:

Site:

- Tripping hazards on sidewalks or parking lots.
- Damaged fences and gates, including holes or gaps.
- Erosion or ruts in ground.

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Building Exterior:

- Damaged or missing roofing.
- Damaged siding or peeling paint.
- Missing window screens.
- Damaged windows.
- Clogged or damaged gutters and downspouts.
- Damaged concrete walks, driveways, and steps.

Building Systems:

- Misaligned ventilation systems.
- Leaking water.
- Missing interior electrical panel covers.

Common Areas:

- Holes or missing tiles.
- Inadequate sized trash dispensers and irregular disposal of trash.

Units:

- Inadequate hot and cold running water.
- Inadequate supply of potable water.
- Unsanitary bathroom facilities that are not in working condition, lack of privacy and have inadequate disposal of waste.
- In operable smoke detectors.
- Each unit must have at least one working smoke detector on each level of the unit.

Health and Safety:

- Exposed wires.
- Blocked exits and entrances.
- Infestation of insects or rodents.
- Smoke detector violations.
- Tripping hazards.
- Improper venting of gas appliances.

Owners and property managers should also pay close attention to the following life threatening EHS hazard deficiencies:

- Inoperable or missing smoke detectors.
- Missing or damaged fire extinguishers.
- Exposed wiring or open panels.
- Vermin infestation.

And...

- Check for missing, damaged, or expired fire extinguishers.
- Replace open electrical fuse and breaker ports.
- Assure that water heater pressure relief valve discharge tube is no more than 18 inches above the floor.
- Check the roof for non-operable exhaust vents or damaged shingles.
- Inspect walls for damage, mold/mildew, holes, or the need for a new coat of paint.

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- Test doors to ensure that weather seals are not damaged, that there are no dual sided key locks, and that interior doors can close properly.
- Damaged or inoperable stoves or ovens are placed.
- Leaking or damaged pipes, sinks or showers are repaired.
- Toilets are not loose at the floor or that floor around base of toilet is damp.
- Ensure proper ventilation to exterior from laundry rooms and bathrooms.
- Assure that there is not grease buildup around the burners of stoves.
- Check operation and proper installation of Ground Fault Circuit Interrupters (GFCIs)
- Check for loose handrails (interior and exterior).
- Verify that light bulbs/tubes are not missing from stairwells and or basements.
- Repair or replace torn or broken window blinds.
- Have all junk or abandoned vehicles removed.
- Provide or replace batteries in 'chirping' smoke detectors.

Owners and Managers may consider preparing for an AHFC IAD inspection by:

- Completing a 100% unit inspection of the property.
- Continually making notes of patterns of resident damage, repairing damage, appropriately charging the household for damage, and monitoring unit and development for future damages.

Correcting Non-compliance:

The Owner and/or manager will be notified in the review report of all tenant file and physical findings. The Owner and/or manager will have 60 days to correct the findings listed in the report. Signed and dated work orders, photographic proof, contractor invoices will be required to substantiate repairs/corrections and provided in Owners response.

Smoke detector violations must be corrected by the end of the day of the inspection and a signed and dated work order detailing the correction faxed to AHFC IAD by the close of business of the same day of inspection.

EHS life-threatening violations must be corrected within 24 hours of the finding. The Owner and/or manager must report corrections to AHFC IAD within three (3) business days.

Casualty Loss:

Developments that incur a casualty loss, including but not limited to fires, storm or flooding damage, structural failure, or other occurrences that limit the habitability of units, must report such losses to AHFC IAD immediately. A Compliance Specialist will follow up with the development regarding how the loss is being addressed.