

Exhibit 7-1

Inspection Process

HUD Regulation 24 CFR 982.401

(a) Performance and acceptability requirements.

(1) This section states the housing quality standards (HQS) for housing assisted under the HCV program.

(2)

(i) The HQS consist of:

(A) Performance requirements; and

(B) Acceptability criteria or HUD approved variations in the acceptability criteria.

(ii) This section states performance and acceptability criteria for these key aspects of housing quality:

(A) Sanitary facilities;

(B) Food preparation and refuse disposal;

(C) Space and security;

(D) Thermal environment;

(E) Illumination and electricity;

(F) Structure and materials;

(G) Interior air quality;

(H) Water supply;

(I) Lead-based paint;

(J) Access;

(K) Site and neighborhood;

(L) Sanitary condition; and

(M) Smoke detectors.

AHFC Policy

AHFC will inspect and document the condition of units receiving subsidy under the Housing Choice Voucher Program in accordance with the above HUD regulation.

1. Notification

AHFC may provide verbal notification of an inspection when notified that an emergency or life-threatening condition exists at an assisted dwelling unit. Otherwise, AHFC will provide written notification of all pending inspections to families and landlords.

- If a condition is reported that appears to be life-threatening (AHFC would require a repair within 24 hours), AHFC must inspect the unit within 24 hours of when AHFC received the complaint.¹
- If a condition is reported that appears nonlife-threatening (AHFC would require a repair within 30 days), AHFC must inspect the unit within 15 days of when AHFC received the complaint.¹

2. Initial (Move-In) Inspection

1. Initial inspections will be conducted within 15 days of receipt of the *Request for Tenancy Approval*. If the unit is not available at that time, AHFC will conduct the inspection within 15 days from available date.
2. AHFC will not inspect the unit if it is occupied by a family other than the family AHFC plans to assist. The landlord, voucher holder, and/or their representatives must be present.
3. AHFC will give the landlord and family written notice of any HQS violations and the time frame to correct at the inspection.
4. AHFC will conduct a physical re-inspection of all initial (move-in) inspection fail items to assure all HQS violations are corrected prior to activating the Housing Assistance Payments Contract. AHFC may give the landlord up to 30 days to repair the fail items. However, the HAP contract cannot be active, and assistance on behalf of the family begun, until all repairs are made and re-inspection is complete. It is the responsibility of the landlord to contact AHFC as soon as repairs are complete to schedule the re-inspection.

AHFC may reject the *Request for Tenancy Approval* if the fail items are not repaired by the deadline.

¹ Section 220 of the 2014 HUD Appropriations Act, formally known as Title II of Division L of Public Law 113-76, 128 Stat. 5, approved January 17, 2014. This was set forth in the *Federal Register* on June 25, 2014.

3. Biennial Inspection

Each unit must be inspected no less than biennially (every two years) following the initial move-in. See the Special Programs chapter and exhibits for programs which require annual inspections.

1. Both the family and the landlord will be given reasonable notice for all inspections. The inspection will be scheduled no later than the end of the 24th month following the inspection. For example, if the last inspection was conducted in June 2022, the subsequent inspection will be conducted no later than June 30, 2024.
2. The voucher holder or other adult family representative must be present. AHFC strongly encourages the presence of the landlord or landlord's representative.
3. Biennial inspections will be conducted in the same manner as an initial inspection. If an inspection reveals that the dwelling unit does not meet HQS or is not in compliance with terms of the HAP Contract, the landlord will be notified in writing of the need to take corrective action.
4. All units belonging to a landlord who falsified a self-certification will be physically re-inspected each year and not be eligible for biennial inspections unless and until AHFC determines that they are again eligible for self-certification.
5. A physical inspection will be required if the unit failed due to major fail items.
6. Depending upon the severity and overall compliance by a landlord, a physical inspection may be required annually if the unit failed the HQS the previous year.

4. Other Inspections

AHFC may inspect the contract unit and premises at such times as staff determines necessary to ensure that the unit is in accordance with the HQS.

5. HQS Failures

The following lists of major and minor fail items and unit comments provide clear guidance on severe versus minor deficiencies in a unit.

5.A Major Fail Item

Failures categorized as major fail items cause the entire inspection to fail. These include, but are not limited to:

1. No heat or hot water
2. No water
3. Furnace red-tagged

4. Major plumbing issues - any drain does not drain, major leaks
5. Anything that threatens health or safety of residents and puts them in immediate danger including missing or non-functioning smoke and carbon monoxide detectors
6. Vermin or rodent infestations
7. Sewer problems – backed up system, soggy leach field, etc.
8. Major electrical problems –missing or loose cover plates allowing access to exposed wires, reverse polarity in outlets, sparking
9. Improper operating conditions for outlets
10. Exterior plugs not properly covered

These may require an in-person re-inspection to verify repairs have been made before HAP can be paid.

5.B Minor Fail Item

These failures are categorized as minor fail items.

1. Cracked cover plates or switch plates with no exposed wires or connections
2. Closet doors off track
3. Shower diverter knob missing
4. Missing knobs on cooking range – must have at least one knob
5. Heater knobs missing
6. Non-working burners on an electrical stove – must have at least one working burner
7. Weather-stripping problems
8. Minor carpet tripping hazards
9. Refrigerator door seals with minor cracks

A landlord may self-certify that minor fail items have been repaired.

5.C Unit Comments

AHFC will note items of concern that are not fail items. If they worsen, they may become minor or major fail items. Examples of such items include, but are not limited to:

1. Missing light globes
2. Slow draining sink or tub
3. Minor carpet repair, if not in high traffic area
4. Small window cracks or BB holes in outer pane of double pane windows
5. Refrigerator handle missing with no sharp edges
6. Cracked toilet seat with no cutting hazard
7. Decayed drip pans on the range

8. Dripping faucets
9. Holes in walls for lead-based paint non-target units – equal to or smaller than a clipboard

Numbered Memo

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