

Exhibit 7-1

Inspection Process

As required by 24 CFR 982.401, all Housing Choice Voucher units must meet Housing Quality Standards (HQS) requirements both at commencement and throughout an assisted tenancy. Documentation of the HQS inspection, Lead Based Paint Certification for units built before January 1, 1978, and rent reasonableness are required to be kept in the client file. The file order is described in the *HCV File Index* (form V701) right side.

7-1.1 SCHEDULE THE INSPECTION

7-1.1.A Initial (Move-In) Inspection

Schedule the move-in inspection upon receipt of the completed *Request for Tenancy Approval* and required forms.

1. Process and Notice

Initial inspections will be conducted within 15 days of receipt of the *Request for Tenancy Approval*, form HUD-52517. If the unit is not available at that time, AHFC will conduct the inspection within 15 days from available date listed in item 8 on page 1 of the *Request for Tenancy Approval*.

2. Initial Inspection Attendance

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. Initial Inspection Results and Re-inspections

AHFC will give the landlord and family written notice of any HQS violations and the time frame to correct at the inspection using the *Housing Quality Standards (HQS) First Notice* (form V714_1). See section 7.5.

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.

7-1.1.B Biennial Inspection

Each unit must be inspected no less than biennially (every two years) following the initial move-in.

1. Process and Notice

Both the family and the landlord will be given reasonable notice for all inspections. The inspection will be scheduled in the same month the unit was previously inspected. For example, if the last inspection was conducted in June 2012, the subsequent inspection will be conducted in June 2013 or 2014.

2. Inspection Attendance

The voucher holder or other adult family representative must be present. AHFC strongly encourages the presence of the landlord or landlord's representative.

3. Inspection Results and Re-inspections

Dwelling unit inspections will be conducted in the same manner as the 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.

- a. The landlord may self-certify that minor fail items have been repaired. See Inspection Results section below.
- b. 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.
- c. A physical inspection will be required if the unit failed due to major fail items.
- d. 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.

7-1.1.C 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.

7-1.2 NOTIFICATION

Staff may provide verbal notification of an inspection when notified that an emergency or life-threatening condition exists at an assisted dwelling unit. Otherwise, staff will provide written notification of all pending inspections to families and landlords. Staff will provide a minimum notification period of 48 hours in advance of the scheduled inspection.

Staff will use *Housing Quality Standards (HQS) Inspection* (form V769) to schedule the HQS and notify the family of the date and time. A copy of the letter is sent to the landlord.

- 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 to 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

7-1.3 INSPECTION PACKET

The packet will include the Inspection Checklist (form HUD-52580) with appropriate information completed on page 1. See the Administrative Desk Manual, Completing the Inspection Checklist for instructions. The inspection packet may include a map showing the unit's location and any paperwork that requires signature by the landlord or family.

For a move to a new unit, the packet will also contain:

- Two copies of the HAP Contract, Part A, completed with the required information. See the Administrative Desk Manual, Preparing the HAP Contract, for instructions.
- Three copies of the lease agreement
- Three copies of the HAP Contract, Part C, Tenancy Addendum

7-1.4 INSPECTION FORM

The inspector will use form HUD-52580 *Inspection Checklist*. Staff may use the short or long version. The long version of the form has detailed instructions and can be found included in the *AHFC Field Guide*, Exhibit 7-2. See the Administrative Desk Manual, Completing the HUD-52580, for instructions to complete this form.

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.

7-1.5 PASS/FAIL NOTICES

Staff must notify the landlord and participant of any fail items.

1. *Housing Quality Standards (HQS) First Notice* (form V714_1) to document items needing correction in the unit. The third part of the notice may be sent to the landlord when she/he is not present.
2. The *Housing Quality Standards (HQS) Second Notice* (form V714_2) will notify the landlord that the corrections were not made timely and that housing payments will be abated and how to rectify that situation.
3. Form V714_2 may also be used to notify a landlord when a unit has passed the inspection and HAP payments will resume, usually in more severe cases where the HAP has previously abated.

7-1.5.A Major Fail Item

Staff will code an inspection with a major fail item as Fail in the data system. Staff will code the re-inspection Pass when the items have been corrected. Examples of major fail items 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, PIH Notice 2010-10, see Exhibit 7-2
10. Exterior plugs not properly covered

7-1.5.B Minor Fail Item(s)

AHFC will code an inspection with a minor fail item as *Pass w Comments* in the data system and make note on the inspection form. Examples of minor fail items include, but are not limited to:

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

7-1.5.C Unit Comments

Staff should note items of concern that are not fail items. Examples of such comments 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

Forms

HUD-52517 Request for Tenancy Approval

HUD-52580 Inspection Checklist

V714_1 Housing Quality Standards (HQS) First Notice

V714_2 Housing Quality Standards (HQS) Second Notice

V732 Rent Change Notice

V769 Housing Quality Standards (HQS) Inspection

Administrative Desk Manual

Completing the HUD-52580 – Inspection Checklist