

Uniform Physical Condition Standards (UPCS)



MONTANA
DEPARTMENT OF COMMERCE

COMMUNITY DEVELOPMENT DIVISION

**MONTANA HOME INVESTMENT
PARTNERSHIPS PROGRAM**



What is UPCS?



- Uniform Physical Conditions Standards
- Replaces HQS
- Adopted by the Montana HOME Program
- Evaluate the condition of properties receiving HOME assistance
- Ensures housing is decent, safe, sanitary, and in good repair

When Does UPCS Take Effect?



- Any projects with HOME funds committed **after** August 23, 2013 (from the HOME Final Rule)

Five Inspectable Areas



- Site
- Building Exterior
- Building Systems
- Common Areas
- Dwelling Units

Site Inspections



- Fencing/gates
- Grounds
- Mailboxes/signs
- Market Appeal
- Parking Lots
- Driveways/Roads
- Play Areas
- Refuse Disposal
- Retaining Walls
- Storm Drainage
- Walkways

Building Exterior



- Doors
- Fire Escapes
- Foundations
- Lighting
- Roofs
- Walls
- Windows

Building Systems



- Domestic Water
- Electrical System
- Elevators
- Emergency Power
- Fire Protection
- HVAC
- Sanitary System

Common Areas



- Basement/Garage
- Mechanical Room
- Community Room
- Day Care
- Halls/Stairs
- Kitchen
- Laundry
- Offices
- Pools
- Restrooms
- Storage

Dwelling Units



- Bathroom
- Call-for-Aid
- Ceiling
- Doors
- Electrical
- Floors
- Hot Water
- HVAC
- Laundry
- Lighting
- Outlets/Switches
- Smoke Detector
- Stairs
- Walls
- Windows

Inspection Form



Uniform Physical Condition Standards - Comprehensive Listing
Inspectable Area: Site

Page: ____ of ____

Property ID / Name: _____

Inspection Date: _____

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Fencing and Gates	Damaged/Falling/Leaning						NLT
	Holes						NLT
	Missing Sections						NLT
Grounds	Erosion/Rutting Areas						NLT
	Overgrown/Penetrating Vegetation						
	Ponding/Site Drainage						
Health & Safety	Air Quality - Sewer Odor Detected						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
Infestation - Rats/Mice/Vermis						NLT	
Mailboxes/Project Signs	Mailbox Missing/Damaged						
	Signs Damaged						
Market Appeal	Graffiti						
	Litter						
Parking Lots/Driveways/Roads	Cracks						
	Ponding						
	Potholes/Loose Material						
	Settlement/Heaving						
Play Areas and Equipment	Damaged/Broken Equipment						NLT
	Deteriorated Play Area Surface						
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space						
Retaining Walls	Damaged/Falling/Leaning						NLT
Storm Drainage	Damaged/Obstructed						
Walkways/Steps	Broken/Missing Hand Railing						NLT
	Cracks/Settlement/Heaving						
	Spalling						

- In order to accurately categorize a deficiency as a "Level 1", "Level 2" or "Level 3" (including independent Health & Safety items), you must refer to the Final Dictionary of Deficiency Definitions (PASS) Version 2.3, dated 03/08/2000. This document can be found at http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf (325 Pages, 343 KB)

- Additional clarification to these definitions is contained in the REAC PASS Compilation Bulletin which can be found at http://www.hud.gov/offices/reac/pdf/pass_bulletin.pdf (24 Pages, 275 KB)

- Only level 3 is applied to independent Health & Safety deficiencies.

- In the H&S column, NLT is a "Non-Life Threatening" Health & Safety concern whereas LT is a "Life Threatening" concern which calls for immediate attention or remedy and will show up on the Exigent Health and Safety Report at the end of an inspection.

Inspectable Item Entries



- Three types of deficiencies:
 - Level 1 – Not Applicable or not present
 - Level 2 – Damaged and not functional
 - Level 3 – Inspectable item not present (i.e. missing)
 - No Observed Deficiency = NOD
- Dictionary of Deficiency Definitions
 - http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf

Examples of Levels



- **Level 1**
 - Unit does not have a fence to inspect

- **Level 2**
 - Unit's fence is damaged and not functional

- **Level 3**
 - Unit's fence is missing and/or does not function to the point it threatens the health and safety of tenants

- **NOD**
 - Unit's fence is in good, working condition

When Does UPICS Apply?



- Prior to occupying a HOME-assisted unit (new construction and rehabilitation projects)
- Prior to the purchase of a unit with HOME funds (down-payment assistance, closing cost assistance, etc.)
- During temporary relocations while HOME-assisted units are being renovated
- Yearly, during the Period of Affordability

HOME-Assisted Units (New Construction and Rehabilitation)



- New construction and rehabilitation projects require UPCS
- Inspection done by a qualified individual
- Inspected also conducted during the HOME monitoring
- Inspection must be completed and the HOME-assisted units must pass prior to occupancy
- All forms will need to be kept with both the HOME program and the grantee

Becoming a UPCS Inspector



- Inspector Qualifications Questionnaire
 - Need to fill out the Qualifications Questionnaire and send it in to HUD. HUD will inform applicant if they are qualified
 - HUD's Inspector Candidate Form (use HUD-50002A):
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud5
 - Application Submission:
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/reac/products/prodpass_iaform
- Training is offered both in person and via webinar

UPCS and Homebuyer Assistance Program



- All housing to be purchased with HOME funds need to have an UPCS inspection conducted by a qualified individual
- UPCS compliance must be documented no earlier than 90 days before the commitment of HOME funds
- Properties not closing within 90 days of the date of inspection will need to be re-inspected prior to closing

UPCS and HBA, con't



- Housing must not contain deficiencies based on inspectable items
- If the property fails to comply with the established property standards, HOME funds will not be committed until deficiencies are remedied and the item passes a subsequent inspection
- A copy of the inspection form must be submitted to the HOME Program along with all required documents
- Grantee must keep the original inspection form as well

UPCS and Temporary Relocation



- If HOME-assisted tenants are required to relocate temporarily then UPCS will need to be conducted
- All temporary locations will be subjected to UPCS
- Common areas, building exterior, and sites will only need to be inspected once
- Individual units will need to be inspected each time used
- Building systems will not need to be inspected

UPCS and Period of Affordability



- Inspections on HOME-assisted units are required yearly
- Reported with the Annual Rental Recertification
- All noted deficiencies will need to be fixed in a timely manner and documentation of the fixes sent to the HOME Program
- Grantee must retain the inspection forms during the POA and have available for monitoring
- HOME will review forms during scheduled monitoring visits

Useful Links



- Department of Commerce HOME Program
 - <http://housingcdd.mt.gov/hm/default.mcpx>
- Dictionary of Deficiency Definitions
 - http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf
- HUD UPCS Inspection Form
 - http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_26481.pdf
- UPCS Flip-Field Guide
 - <http://www.theinspectiongroup.com/product/upcs-flip-field-guide/>

Questions?



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