Uniform Physical Condition Standards (UPCS)
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

**Property ID / Name:**

**Inspection Date:**

<table>
<thead>
<tr>
<th>Inspectable Item</th>
<th>Observable Deficiency</th>
<th>NCD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>NA</th>
<th>H&amp;S</th>
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<tbody>
<tr>
<td>Fencing &amp; Gates</td>
<td>Damaged/Falling/Leaning</td>
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<td>Grounds</td>
<td>Erosion/Rutting Areas</td>
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<td>Overgrown/Penetrating Vegetation</td>
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<td>Puddles/Site Drainage</td>
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<td>Health &amp; Safety</td>
<td>Air Quality - Severely Odor Detected</td>
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<td>Air Quality - Propane/Natural Gas/Methane Gas Detected</td>
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<tr>
<td></td>
<td>Electrical Hazards - Exposed Wires/Open Panels</td>
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<td>Electrical Hazards - Water Leaks on/Under Electrical Equipment</td>
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<td>Garbage and Debris - Outdoors</td>
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<td>Hazards - Sharp Edges</td>
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<td>Infestation - Insects</td>
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<td>Infestation - Rodents/Mice/Vermilion</td>
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<tr>
<td>Mailboxes/Project Signs</td>
<td>Mailbox Missing/Damaged</td>
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<td>Signs Damaged</td>
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<td>Market Appeal</td>
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<tr>
<td>Parking Lots/Driveways/Roads</td>
<td>Cracks</td>
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<td>Potholes/Loose Material</td>
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<td>Settlement/Heaving</td>
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<td>NLT</td>
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<td>Play Areas and Equipment</td>
<td>Damaged/Broken Equipment</td>
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<td>Deteriorated Play Area Surface</td>
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<tr>
<td>Refuse Disposal</td>
<td>Broken/Damaged Enclosure-Inadequate Outside Storage Space</td>
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<tr>
<td>Retaining Walls</td>
<td>Damaged/Falling/Leaning</td>
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<td>Storm Drainage</td>
<td>Damaged/Obstructed</td>
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<td>Walkways/Steps</td>
<td>Broken/Missing Hand Railing</td>
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<td>Spalling</td>
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</table>

- 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/reaac/pdf/pass_dict_z3.pdf" (332 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/reaac/pdf/pass_bulletin.pdf" (24 Pages, 275 KB).
- Only level 3 is applied to independent Health & Safety items.
- 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 Exempt Health and Safety Report at the end of an inspection.
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](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 UPCS 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):
  - Application Submission:

- Training is offered both in person and via webinar
• 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
• 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

• Dictionary of Deficiency Definitions
  ○ [http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf](http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf)

• HUD UPCS Inspection Form

• UPCS Flip-Field Guide
Questions?

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