

# NCHFA Compliance Guidance: Handling of Grey Areas in UPCS

## Revised & Effective 1/1/2021

### Noncompliance:

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1. Stairs with 4 or more steps and no handrails (Note: landing is considered a step)
2. Dryer Vents that have missing slats/flaps/hood or blocked with debris
3. Broken windows or glass (this also includes if only one side of double pane glass is broken at a window)
4. Mold & Mildew
  - a. Less than 1ft =Level 1
  - b. 1 to 4 ft =Level 2
  - c. 4+ ft (or Level 2 & wet) =Level 3 - Life/Health/Safety
5. Lint or mold/mildew observed on wall behind washer/dryer (indicates improperly vented dryer or water leak)
6. Condensation, mildew or mold on window sill
7. Rotted/Deteriorated exterior trim
  - a. 1-2 instances = Level 1
  - b. 3 or more instances = Level 3
8. Bird nest in exterior light fixture or fire alarm bell
9. Foliage above exterior window sill or below 6'-8' above sidewalk preventing safe passage
10. Gas can, propane tanks, lighter fluid, charcoal, gas powered equipment/vehicles in unit or unit storage area (Note: okay on patio/balcony where air circulates)
11. Car or scooter batteries present in unit, unless a reasonable accommodation has been granted to a tenant with a scooter because no other place is reasonably available to charge the batteries
12. Graffiti
  - a. 1 instance = Level 1
  - b. 2 or 3 instances = Level 2
  - c. 4 or more instances or 1 instance if gang-related or profanity = Level 3
13. Blocked egress is to be written up regardless of sprinkler inspection
14. Missing crawl space doors or foundation vents (State noncompliance)
15. No working light in bedroom or living area in the unit – Life/Safety/Health
16. Signs of water or actual standing water in water heater pan (Instruct mgmt to find cause of leak, then repair/replace)
17. Broken water heater pan
18. Missing drain/discharge line from water heater pressure relief valve
19. Exposed wires on/around water heater (even if wire nuts are used)
20. Cable and power cords across floor (trip hazard)
21. Trip hazards in yard/grounds, regardless of whether it is on a walkway (for example: missing water meter cover)
22. Control numbers on stove knobs missing
23. Signs of hoarding items (for example: extreme clutter, items stored in oven, bugs/rodents, strong smells)
24. Smoking present in unit where Oxygen is available for use – Life/Safety/Health
25. Unit or room in the unit is not available for inspection, regardless of the reason
26. Silicone liners or foil pans below element or laying on top of element in oven or foil/pan under burners on stovetop (State noncompliance) (Note: foil pans used on top of oven rack as intended is okay)
27. Hole in siding that allows for water penetration, especially behind electrical panels
28. Feces or urine in unit (pet or human)
29. Dark areas under vinyl at toilet (signs of water leak)
30. Toilet loose with evidence of leak (Note: list as a concern if no evidence of a leak)
31. Tub faucet or spout away from wall (allows for water penetration)
32. Damaged security fences (Note: Damaged decorative fences are a concern)
33. Double-keyed Deadbolt or hasp lock throughout the unit at any interior door except for a mechanical closet door where lock was installed by the owner. (Note: MUST be removed before we leave unit)
34. Drug paraphernalia of any kind (Indications of a Meth Lab include: unusual strong odors, windows blacked out, lots of traffic, excessive trash and unusual amounts of clear glass containers)
35. Sidewalk with exposed drop-off
36. Open sewer line

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37. Wasp nests in common areas or areas that are subject to regular human contact or passage
38. Amenity not used for designated purpose (for example: beauty parlor taken off line to use as storage area). Owner must get NCHFA permission to change one amenity to another amenity.
39. For non-smoking properties, if physical evidence of smoking has been identified (cigarette, cigar butts, ashes) (State Noncompliance) Note: All properties awarded credits 2015 or later must be smoke-free units/common areas
40. Open flames left unattended (Such as candles) and/or incense being burned in/on anything other than an incense burner (example: in light switches, walls, slats of doors, laying on counter tops)
41. Repairs and/or work completed that DOES NOT comply with correct trade industry standards. (For example: replacing/repairing a stair tread on a metal staircase with a wooden step.) Repairs should be completed with like materials to maintain consistency throughout the unit and site.

## Concerns:

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1. Kitchen grease observed outside of building (potential fire hazard)
2. Indoor furniture, mattresses, boxes, etc present outdoors, regardless of location – patio, beside dumpster, on curb  
(Note: This can be considered noncompliance if it presents Life/Health/Safety situation)
3. Damaged window blinds
4. Tires inside or outside building
5. Oil on parking lot surfaces (will lead to noncompliance if not handled)
6. Algae growth on exterior vinyl siding
7. Abandoned cars
8. Tenant – provided appliances or fire extinguishers that don't work

## Additional Guidance:

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1. UPCS issues are findings that get reported to the IRS. We have the authority to address other issues outside of UPCS. These findings will generally be considered state violations and will not get reported to the IRS unless they are a building code violation. Building code violations are reportable to the IRS. Here is the excerpt from the 8823 Instructions: "The UPCS does not supersede or preempt local codes. Thus, if a housing credit agency using the UPCS becomes aware of any violation of local codes, the agency must report the violation." While we are not building code experts, areas of building code that are common knowledge would fall into this category.
2. When inspecting a unit that has been vacant for more than 30 days, we must cite each violation. Being vacant for more than 30 days is not a violation. We must have sufficient knowledge of what needs to be corrected so that we can determine the appropriate work was completed without having to perform a subsequent inspection.
3. The NCHFA inspector must be the last person to enter the unit and the first person to leave the unit. We do not inspect units unaccompanied. If mgmt refuses to enter the unit, so do we and it is noncompliance. If mgmt leaves us alone in the unit, it is noncompliance.
4. It is our job to inspect the unit. Under UPCS inspector procedures, we are to 'touch' almost everything. Mgmt must enter the unit first, opening all doors including closet doors. They must test the smoke detectors and be responsible for turning the stove on and off. Also, to minimize damage to blinds, we may require mgmt to open windows, but they must leave them open so we can observe that they will open and remain open. We need to observe that they lock properly. All other aspects of the inspection are our responsibility: turning on/off water, flushing toilets, closing doors to make sure they latch, etc.
5. **Wheelchair Damage Policy:** If sharp edges or other Life/Health/Safety situations result from wheelchair damage, this will be considered UPCS noncompliance. If the damage has not yet risen to the level of UPCS noncompliance, it will be cited as a state issue. We will identify a list of damages, regardless of severity. Repairs will be required. We will advise mgmt of the state requirement to protect the unit from future damage. There are several inexpensive ways to handle this, including installation of Plexiglass, laminate, etc. The method chosen to protect the unit from future damage should be easily removable. This should not be considered permanent unless it is in a fully accessible (Type A) unit.

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6. All properties awarded credits 2017 or later are required to participate in recycling disposal per the QAP. If this service is not available in your area, supporting documentation from the town/city or trash provider should be kept on file for recordkeeping and presentation upon request.
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