

# Technical Services

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# The Role of Property Maintenance

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Property maintenance is important for keeping buildings safe, functional, and comfortable for its occupants. It also helps to protect a property's investment value, especially if the property is intended to be rented out.

Property owners and property management companies have a duty to maintain safe and hazard-free properties. Failure to do so may result in legal liability for injuries or damages.





# Maintenance Types

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## Reactive Maintenance

Is the maintenance strategy that involves fixing equipment or fixtures only after it has broken or malfunctioned.

## Proactive Maintenance

Is the maintenance strategy that aims to prevent equipment failure and extend the life of the asset.

# Reactive Maintenance

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## What is it?

- Emergency Calls
- Landscape Overgrowth
- Potholes in Parking Areas
- Major Water Leaks
- HVAC Failures
- Water Heater Failures

## What does it effect?

- The community
- The properties budget
- Your time off work
- Your work reputation
- The “Snowball Effect”

# Preventative Maintenance

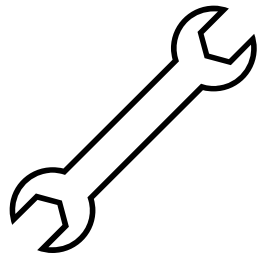
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## What is it?

- HVAC filter changes
- Flushing Water Heaters
- Daily property walks
- Quarterly unit inspections
- Alarm and sprinkler system tests
- Routine Pest Control

## What does it effect?

- The life of equipment
- The life of the property
- The life of the resident
- The property's long-term budget
- Your reputation



# Physical Conditions Critique (PCC) Inspections

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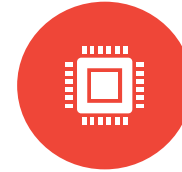
The Agency's Technical Services Division is responsible for the physical observation of all Agency-funded properties.



The Technical Services Representative (TSR) assigned to your property will conduct an initial construction warranty inspection in the eleventh month following the completion of construction.



This review includes 100 percent of units, buildings, common areas, and grounds.



Thereafter, the PCC is performed annually (every other year for projects with 11 or less units).



The owner/agent is encouraged to perform their own periodic inspections of the property, including occupied units, during the year. This is an opportunity to monitor the conditions prior to the PCC.

Contact the TSR assigned to your property for information and guidance regarding your PCC Inspections.



# NSPIRE Standards Based Inspection

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The NSPIRE (National Standards for Physical Inspection of Real Estate) program, launched by HUD, is a new approach to assessing housing conditions, focusing on health, safety, and functional defects rather than appearance.

The NSPIRE standard for inspections applies to the vast amount of funding sources we as affordable housing professions handle everyday.

# What's the focus?

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The new NSPIRE model prioritizes health, safety, and functional defects over appearance.

It implements inspections that better reflect the true physical conditions of the property.

The NSPIRE model supports the adoption of sound, year-round maintenance practices.

# Preparing for Your Inspection

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Have a copy of the following on hand:

- ✓ List of vacant units
- ✓ Elevator certification
- ✓ Sprinkler System Inspection Report
- ✓ Fire Alarm Inspection Report
- ✓ Boiler Certification
- ✓ Unit access notice that was provided to residents
- ✓ Any citations received for building, health, and/or safety violations
- ✓ For housing build prior to 1978, lead-based paint (LBP) inspection reports or LBP disclosure certifications are required.

The work (or as some call them “reimbursement”) request serves as a historical record on what items have been replaced at a portfolio property that PHFA holds the reserve funds for, when and where these items were replaced, and at what the unit cost is.

No reserve funds may be requested in the first 5 years; this is based on the property’s “in service” date.

It is important to submit these requests in a timely manner as well as in an accurate format.

The work request is the first link to getting reimbursed for funds used out of the operating account that are not your everyday expenses.

# Work Request

## What to submit

- Description of work
- Proposed funding method (reserve)
- Pre-approval documents (if applicable)
- **Design drawings/specs, invoices, proof of payment, quantities, price per unit, Energy STAR requirements met**

Work  
Request

## When to submit

- Submit every 30 to 90 days
- Avoid year-end backlog
- No reimbursement for work over 1 year old, based on invoice date.

Work  
Request

# When is Pre-Approval Required?

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Developments >100 units: \$10,000+

Developments < 100 units: \$5,000+

Noncompliance = Owner/Agent must fund work independently

**3 competitive bids must be submitted on expenses over the threshold**

# Review Process

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Technical Services Representative reviews for:

- ✓ Accuracy, completeness, cost, need

Forwarding to Financial Analyst for final funding review

Pre-approval on items over threshold amounts

Approval or denial

**Typical review time: up to 60 business days for full turn around**



# Approval & Reimbursement

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Approval = Direction to proceed with pre-approved work or reimbursement for work completed.

Denial = Owner/Agent funds must be used for work.

**Work may be inspected for compliance and quality.**



# PHFA RFR Spreadsheet

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How do we use the information you provide?

Quantities (Sq. Ft., Sq. Yds., Each, LF)

Life expectancy – How long do we expect items to last vs. how long do they really last?

Price per unit – compared to the average across your region and the trend.



## Communication Tips

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Typical review time = up to 60 business days

Avoid frequent follow-ups.

Allow for seasonal and volume delays.

# Request Breakdown - Correct

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<u>Item</u>	<u>Location</u>	<u>Quantity</u>	<u>Vendor</u>	<u>Date of Work</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Carpet	Apt 208	15 s.y.	I Am Flooring	10/26/2024	\$17.50/sy	\$262.50
Ranges	Apt's 117, 125, 133, 204, 308, 317	6	Appliance Ware house	10/29/2024	\$310.00 /ea	\$1860

# Request Breakdown - Incorrect

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<u>Item</u>	<u>Location</u>	<u>Quantity</u>	<u>Vendor</u>	<u>Date of Work</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Flooring	Apt 208	1	I Am Flooring	10/26/2023		\$262.50
Ranges	Apartments	7	Appliance Ware house	10/29/2024		\$1860

## Funding Criteria

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Item must be on the RFR Spreadsheet.

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Both PHFA Technical Services Representative and Financial Analyst approve.

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Sufficient reserve balance. Can't go below the minimum threshold, must maintain \$1,000 per unit.

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Emergencies or extenuating needs.

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Proper work request process followed.



# Ineligible Items

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Routine maintenance items

Service contracts (e.g., snow removal)

Furniture, electronics, supplies

No reimbursement for work over 1 year old

# Approval Flow Summary



Submit with full documentation



Reviewed by Tech Rep



Reviewed by Financial Analyst



Submission to accounting for disbursement



Approved = pre-approval letter or payment



Denied = property funded

# Helpful Tips

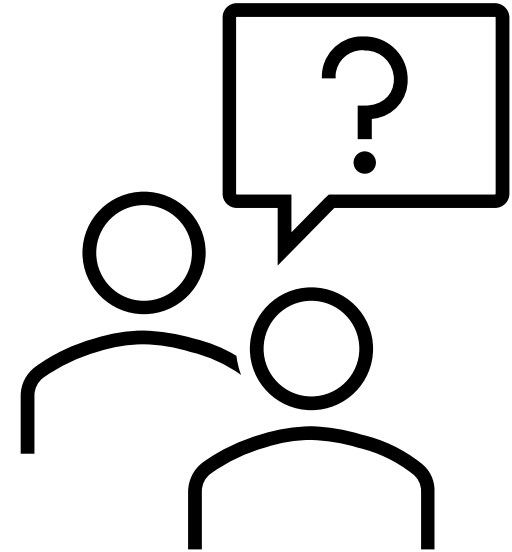
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Use proper format and breakdown.

Submit every 30 to 90 days.

Plan ahead for year-end delays.

Contact PHFA with Questions, not frequent status checks.



# Utility Allowances

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- Must be submitted to PHFA for review/approval.
  - Procedure:
    - **New projects:** Due when the project reaches 90% occupancy for 90 days **OR** 1 year from the date of initial occupancy, whichever comes first.
    - **After year one:** Due annually, one year from either of the above; whichever is applicable.
- How to submit:
  - Mail or email to:
    - Sherry Alleman
    - PHFA Technical Services Department
    - 211 N Front St
    - Harrisburg, PA 17101
    - [salleman@phfa.org](mailto:salleman@phfa.org)

# Best Practices: Utility Allowances

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- It is important to utilize the correct utility allowance methodology to ensure compliance with all funding sources.
- If using multiple methods depending on the unit, all Utility Allowances must be submitted for approval prior to use.
- If using the HUD Model:
  - Make sure the correct utility rates are being used.
  - Tariffs change frequently.
  - Check the [Pennsylvania Public Utilities Commission](#) to see most recent tariffs for utility companies.
  - Go to the [HUD User Utility Allowances](#) to access HUD Model.



Questions? Contact PHFA's Technical Services Department at **717-780-4342**.

Questions?

