



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA HACN Regular Special

Meeting Date: January 27, 2026

Title: Approving a proposal and agreement with Sequoia Concepts, Inc., dba Sequoia Financial Services to provide third-party collection services for delinquent Housing Authority accounts receivable.

Background: The Housing Authority currently has outstanding tenant accounts receivable related to unpaid rent, tenant-caused damages, and other obligations owed to the Housing Authority. These debts represent public housing funds that should be recovered when reasonable and lawful to do so. While staff continues to pursue voluntary repayment where feasible, collection activity can require extensive follow-up, documentation, and ongoing monitoring, placing an administrative burden on Housing Authority operations. For this reason, staff is recommending the use of a professional collection agency as a standard accounts receivable tool to improve recovery of delinquent accounts while allowing staff to remain focused on core Housing Authority operations.

In 2024, the Housing Authority adopted Admissions and Continued Occupancy Plan (ACOP) Policy 16-III.B (Repayment Policy – Family Debts to the PHA), which requires that any amount owed to the Housing Authority must be repaid and authorizes enforcement action when a family refuses repayment, fails to enter into a repayment agreement, or breaches a repayment agreement. Policy 16-III.B further provides that, in addition to termination of assistance when warranted, the Housing Authority may pursue other available collection alternatives, including collection agencies, small claims court, civil lawsuit, and the state income tax set-off program. This existing policy provides the Housing Authority with the authority to utilize a professional collection agency for delinquent accounts.

The proposed agreement would retain Sequoia Concepts, Inc., dba Sequoia Financial Services to provide third-party collection services for qualifying delinquent Housing Authority accounts receivable. Sequoia will pursue lawful collection efforts consistent with applicable requirements, including the Fair Debt Collection Practices Act. The agreement is performance-based with no upfront cost, and Sequoia is compensated through a commission only on amounts successfully collected. Staff is recommending Sequoia Financial Services because in 2023, the City of Needles implemented advanced collections for administrative and parking citations utilizing Sequoia Financial Services and the program has been successful.

Approving this agreement will provide the Housing Authority with an additional enforcement mechanism to support financial accountability and protect public resources while maintaining appropriate oversight and control of escalation.

Fiscal Impact: Approval of the agreement does not require a direct appropriation of Housing Authority funds. Collection costs are performance-based and paid only from amounts recovered, which may increase repayment of delinquent accounts to the Housing Authority.

Recommendation: Waive the formal bid requirement for collection services and approve the proposal and agreement with Sequoia Concepts, Inc., dba Sequoia Financial Services to provide third-party collection services for delinquent Housing Authority accounts receivable. Authorize the Executive Director to execute the agreement and make minor administrative modifications as needed, provided such changes do not affect the agreement's intended purpose.

Submitted By: Angelica Deermer, Housing Manager
Patrick Martinez, Executive Director

Attachments:

- 1. Sequoia Contract Debt Collections Agreement
- 2. Housing Authority Admissions and Continued Occupancy Plan Policy (ACOP)

City Manager Approval: Patrick J. Martinez Date: 1/22/2026

Other Department Approval (when required): _____ Date: _____