



City of Needles
Housing Authority

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May 22, 2026

Via Email

Ms. Meena Bavan
Director
U.S. Department of Housing and Urban Development
300 North Los Angeles Street, Suite 4054
Los Angeles, CA 90012
Via Email (Meena.S.Bavan@hud.gov)

Re: Housing Authority of the City of Needles – PHAS Recovery Plan Response

Dear Ms. Bavan:

Thank you for your April 29, 2026 correspondence regarding the Housing Authority of the City of Needles's designation as Troubled and Capital Fund Troubled under the Public Housing Assessment System (PHAS). The Housing Authority appreciates the guidance and technical assistance provided by HUD staff and respectfully submits this Recovery Plan response together with the attached **Exhibit A – PHAS Recovery Action Plan**.

The Housing Authority has carefully reviewed the PHAS assessment results, including the Physical Assessment score of 22, Management Assessment score of 6, Capital Fund score of 0, and overall PHAS score of 53. Following receipt of HUD's determination, Housing Authority staff met with HUD representatives, reviewed the assessment findings, and developed a comprehensive strategy to improve performance and achieve sustained compliance with HUD requirements.

Physical Assessment (PASS)

The Housing Authority conducted a comprehensive review of NSPIRE Inspection INSP-21523 and all cited deficiencies. The inspection identified deficiencies primarily involving smoke alarm placement, carbon monoxide detector testing, electrical components, appliance repairs, plumbing deficiencies, damaged doors and windows, water heater discharge piping, and resident-created obstructions affecting emergency egress.

All deficiencies identified during the inspection have been corrected. Corrective measures included installation of required smoke alarms, replacement and testing of carbon monoxide detectors, correction of electrical hazards, repair of plumbing leaks, repair or replacement of damaged appliances, correction of window and door

deficiencies, repair of water heater discharge piping, and correction of all life-threatening and severe deficiencies identified during the inspection.

To ensure long-term compliance, the Housing Authority has implemented biannual unit inspections, annual NSPIRE-style inspections, preventive maintenance schedules, work-order tracking procedures, tenant maintenance request forms, staff training, and resident education initiatives focused on housekeeping standards, maintenance reporting, smoke detector awareness, and maintaining unobstructed emergency exits. These measures are intended to ensure year-round compliance rather than inspection-driven preparation and are consistent with HUD's recommendations regarding planning, maintenance, and staff training.

Management Assessment (MASS)

The Housing Authority recognizes that occupancy levels and unit turnaround performance during the assessment period contributed to the Management Assessment score. A significant factor affecting occupancy was the Housing Authority's ongoing effort to rehabilitate and modernize aging public housing units. During the assessment period, HACN submitted requests to HUD to designate multiple public housing units as **Vacant – Undergoing Modernization** due to substantial rehabilitation needs, including replacement of flooring, cabinetry, appliances, plumbing components, lighting, smoke detectors, drywall repairs, painting, and other improvements necessary to return the units to service.

The Housing Authority also experienced vacancy activity associated with transferring existing residents into units better suited to household composition and family needs. As modernization projects progressed, some vacancies remained in transition while units were rehabilitated and prepared for occupancy.

As of May 2026, HACN operates 52 public housing units, with only three units currently vacant. This reflects an occupancy rate of approximately 94 percent, demonstrating substantial improvement from the assessment period. All three vacant units are undergoing extensive rehabilitation and modernization. One family is currently awaiting transfer into an available unit and additional applicants have been identified from the Housing Authority's waiting list for occupancy consideration as units become available. HACN currently maintains an active public housing waiting list of 55 applicants, demonstrating continued demand for public housing assistance within the community.

Since the assessment period, the Housing Authority has implemented significant operational improvements, including appointment of a dedicated Housing Manager, adoption of updated Admissions and Continued Occupancy Policies (ACOP), adoption of an updated Administrative Plan, implementation of updated lease documents incorporating HOTMA requirements, enhanced vacancy tracking procedures, improved eligibility verification processes, routine occupancy monitoring, and periodic compliance reviews. The Housing Authority anticipates measurable improvement in occupancy performance and future Management Assessment scores as modernization activities are completed and rehabilitated units are returned to productive use.

Capital Fund Program

The Housing Authority acknowledges the Capital Fund Troubled designation resulting from untimely obligation requirements. The Housing Authority's review determined that personnel transitions, limited staffing resources, turnover in key administrative and financial positions, and insufficient tracking of Capital Fund obligation deadlines contributed to deficiencies in grant monitoring, procurement tracking, and Capital Fund administration.

Since that time, the Housing Authority has reviewed Capital Fund Program requirements with HUD staff and implemented corrective measures to strengthen compliance. Corrective actions include review of all open Capital Fund grants and obligation deadlines, establishment of internal tracking procedures for obligations and expenditures, enhanced procurement planning and contract administration procedures, monthly monitoring of Capital Fund deadlines and eLOCCS reporting requirements, increased coordination among Housing staff, Finance staff, and executive management, and expanded staff training regarding HUD grant administration and compliance requirements.

The Housing Authority has also strengthened management oversight to ensure contract awards, procurement actions, obligation deadlines, and reporting requirements are reviewed and monitored on a regular basis. These measures are intended to ensure timely obligation and expenditure of Capital Fund resources and prevent future scoring deficiencies.

Conclusion

The Housing Authority of the City of Needles remains fully committed to providing safe, decent, and affordable housing while improving organizational performance and compliance. The Housing Authority currently maintains occupancy of approximately 94 percent of its public housing inventory, with the remaining vacant units undergoing modernization and rehabilitation activities and qualified applicants available on the waiting list for future occupancy.

The corrective actions already completed, combined with the ongoing monitoring and management practices outlined in the attached Recovery Action Plan, position the Housing Authority to achieve substantial improvement in future PHAS assessments and meet HUD's recovery benchmarks. The Housing Authority appreciates HUD's continued partnership, technical assistance, and support and looks forward to working collaboratively toward successful recovery and long-term program sustainability. Should you require any additional information, please do not hesitate to contact me.

Sincerely,



Patrick J. Martinez

Executive Director

Housing Authority of the City of Needles

Attachment: Exhibit A – PHAS Recovery Action Plan

EXHIBIT A

PHAS Recovery Action Plan Physical Assessment (PASS)

Item	Response
Deficiency	Physical Assessment Score: 22/40
Cause	Deferred maintenance, health and safety deficiencies, and lack of routine NSPIRE-style inspections
Corrective Action Completed	All deficiencies identified in NSPIRE Inspection INSP-21523 have been corrected
Ongoing Actions	Biannual inspections, annual NSPIRE inspections, preventive maintenance schedules, resident education, staff training
Performance Measure	100% completion of unit inspections and timely correction of health and safety deficiencies
Responsible Party	Housing Manager
Target Date	Ongoing

Management Assessment (MASS)

Item	Response
Deficiency	Management Assessment Score: 6/25
Cause	Units undergoing modernization, temporary vacancy cycles caused by rehabilitation projects and transfers, staffing transitions
Corrective Action Completed	Updated ACOP, Administrative Plan, lease documents, vacancy tracking, occupancy monitoring
Ongoing Actions	Lease rehabilitated units promptly, monitor occupancy monthly, quarterly file reviews, waiting list management
Performance Measure	Maintain occupancy above 95%; reduce vacancy turnaround time; maintain active waiting list utilization
Responsible Party	Housing Manager
Target Date	Ongoing

Capital Fund Program

Item	Response
Deficiency	Capital Fund Score: 0/10
Cause	Untimely obligation of Capital Fund resources resulting from staffing transitions and insufficient deadline tracking
Corrective Action Completed	Established obligation tracking procedures, reviewed grants, enhanced procurement monitoring
Ongoing Actions	Monthly review of obligation deadlines, eLOCCS monitoring, contract tracking, staff training
Performance Measure	Timely obligation and expenditure of all Capital Fund grants
Responsible Parties	Housing Manager, Finance Director, Executive Director
Target Date	Ongoing

Recovery Monitoring

The Executive Director, Housing Manager, and Finance Director shall review implementation of this Recovery Plan on a monthly basis. Progress shall be reported periodically to the Board of Commissioners, and corrective actions shall be updated as necessary to ensure continued compliance with HUD requirements and achievement of PHAS recovery benchmarks established by HUD.

Recovery Commitment

The Housing Authority of the City of Needles is committed to restoring and maintaining compliance with HUD requirements, improving PHAS performance, maintaining safe and sanitary housing conditions, maximizing occupancy, and ensuring timely administration of Capital Fund resources. The Housing Authority believes the corrective actions already completed, together with the ongoing actions identified herein, provide a clear path toward achieving and sustaining a passing PHAS score.