

for placing the vacant unit under construction expired.

(d) *Supporting documents for vacancies beyond PHA's control.* A PHA shall maintain information to support its determination of vacancy days associated with units vacant due to circumstances and actions beyond the PHA's control under paragraph (b)(2) of this section. This supporting information is subject to review and may be requested for verification purposes at any time by HUD. The PHA shall, at a minimum, maintain:

(1) The date on which the unit met the conditions of being a unit vacant due to circumstances and actions beyond a PHA's control;

(2) Documentation identifying the specific conditions that distinguish the unit as a unit vacant due to circumstances and actions beyond a PHA's control;

(3) A description or list of the actions taken by a PHA to eliminate or mitigate these conditions; and

(4) The date on which the unit ceased to meet such conditions and became an available unit.

(e) *Ratings for vacant unit turnaround time.*

(1) Grade A: When the average number of days during the assessed fiscal year between the time a unit is vacated and a new lease takes effect for units reoccupied is less than or equal to 5 days.

(2) Grade B: When the average number of days during the assessed fiscal year between the time a unit is vacated and a new lease takes effect for units reoccupied is greater than 5 days and less than or equal to 10 days.

(3) Grade C: When the average number of days during the assessed fiscal year between the time a unit is vacated and a new lease takes effect for units reoccupied is greater than 10 days and less than or equal to 20 days.

(4) Grade D: When the average number of days during the assessed fiscal year between the time a unit is vacated and a new lease takes effect for units reoccupied is greater than 20 days and less than or equal to 30 days.

(5) Grade F: When the average number of days during the assessed fiscal year between the time a unit is vacated and a new lease takes effect for units reoccupied is greater than 30 days.

§ 902.42 Management operations sub-indicator #2—Capital Fund.

This sub-indicator grades the funds provided to a PHA from the Capital Fund under section 9(d) of the Act (42 U.S.C. 1437g(9)(d)) that during the assessed fiscal year remain unobligated by a PHA after two years beyond the

date on which the funds became available to a PHA for obligation in the case of modernization, or the date on which the agency accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction of units, and/or remain unexpended by a PHA after four years beyond the date on which the funds became available to a PHA for obligation. Funds from the Capital Fund under section 9(d) of the Act (42 U.S.C. 1437g(d)(2)) do not include HOPE VI program funds and Vacancy Reduction program funds.

(a) *Applicability.* This sub-indicator is not applicable for PHAs that choose not to receive Capital Funds under section 9(d) of the Act.

(b) *Components of Capital Fund sub-indicator.* The two components of the Capital Fund sub-indicator are:

(1) Unexpended funds over four years old; and

(2) Timeliness of fund obligation.

(c) *Grades for Capital Fund sub-indicator.*

(1) Component #1. Unexpended funds over four years old.

(i) Grade A: When a PHA has no unexpended funds during the assessed fiscal year that are over four years old beyond the date on which the funds became available to a PHA for expenditure, or when the Secretary has approved a time extension because of litigation, obtaining approvals of the federal, state, or local government, complying with environmental assessment or abatement requirements, relocating residents, or any other reason established by the Secretary by notice published in the **Federal Register**.

(ii) Grade F: When a PHA has unexpended funds during the assessed fiscal year over four years old beyond the date on which the funds became available to a PHA for expenditure and is unable to demonstrate any of the above conditions.

(2) Component #2. Timeliness of fund obligation.

(i) Grade A: When a PHA has no unobligated funds during the assessed fiscal year over two years old beyond the date on which the funds became available to a PHA for obligation, or the Secretary has approved a time extension because of litigation, obtaining approvals of the federal, state, or local government, complying with environmental assessment or abatement requirements, relocating residents or any other reason established by the Secretary by notice published in the **Federal Register**.

(ii) Grade F: When a PHA has unobligated funds during the assessed fiscal year over two years old beyond

the fiscal year in which funds were obligated by HUD to the PHA and is unable to demonstrate any of the above conditions.

§ 902.43 Management operations sub-indicator #3—work orders.

This sub-indicator examines the time it takes to complete or abate emergency work orders; the average number of days non-emergency work orders were active during the assessed fiscal year; and any progress a PHA has made during the preceding three fiscal years to reduce the period of time non-emergency work orders were active.

(a) *Adequacy of work order system.* It is implicit in this sub-indicator that the PHA have an adequate work order system in terms of how a PHA accounts for and controls its work orders, and its timeliness in preparing/issuing work orders.

(b) *Grades for work orders.*

(1) Component #1. Emergency work orders.

(i) Grade A: When at least 99 percent of emergency work orders during a PHA's assessed fiscal year were completed or the emergency was abated within 24 hours or less.

(ii) Grade B: When at least 98 percent of emergency work orders during a PHA's assessed fiscal year were completed or the emergency was abated within 24 hours or less.

(iii) Grade C: When at least 97 percent of emergency work orders during a PHA's assessed fiscal year were completed or the emergency was abated within 24 hours or less.

(iv) Grade D: When at least 96 percent of emergency work orders during a PHA's assessed fiscal year were completed or the emergency was abated within 24 hours or less.

(v) Grade F: When less than 96 percent of emergency work orders during a PHA's assessed fiscal year were completed or the emergency was abated within 24 hours or less.

(2) Component #2. Non-emergency work orders. The PHA shall track all non-emergency work orders that were active during the assessed fiscal year (including preventive maintenance work orders). A PHA is not required to track non-emergency work orders from the date they are deferred for the Capital Fund Program, issued to prepare a vacant unit for re-rental, or issued for the performance of cyclical maintenance.

(i) Grade A: When the average number of days non-emergency work orders were active during the assessed fiscal year is 7 days or less.

(ii) Grade B: When the average number of days non-emergency work