

orders were active during the assessed fiscal year is more than 7 days and less than or equal to 15 days.

(iii) Grade C: When a PHA is in one of the following categories:

(A) The average number of days non-emergency work orders were active during the assessed fiscal year is more than 15 days and less than or equal to 22 days; or

(B) The PHA has reduced the average number of days non-emergency work orders were active during the assessed fiscal year by at least 15 days during the past three fiscal years.

(iv) Grade D: When a PHA is in one of the following categories:

(A) The average number of days non-emergency work orders were active during the assessed fiscal year is more than 22 days and less than or equal to 30 days; or

(B) The PHA has reduced the average number of days non-emergency work orders were active during the assessed fiscal year by at least 10 days during the past three fiscal years.

(v) Grade F: When the average number of days non-emergency work orders were active during the assessed fiscal year is more than 30 days.

§ 902.44 Management operations sub-indicator #4—annual inspection of dwelling units and systems.

This sub-indicator examines the percentage of dwelling units and systems that a PHA inspects on an annual basis in order to determine short-term maintenance needs and long-term modernization needs. The PHA is required to conduct dwelling unit and systems inspections using the HUD Uniform Physical Condition Standards (UPCS) set forth in 24 CFR part 5, subpart G.

(a) *Adequacy of inspection program.* It is implicit in this sub-indicator that the PHA have an adequate inspection program in terms of tracking inspections, ensuring the thoroughness/quality of the PHA's inspections, and tracking needed repairs.

(b) *Units to be inspected.* All occupied units and/or units available for occupancy are required to be inspected. This includes units used for non-dwelling purposes, those occupied by an employee, and those used for resident services.

(c) *Units exempted.* Units in the following categories are exempted and not included in the calculation of the total number of units, and the number and percentage of units inspected for the assessed fiscal year.

(1) Occupied units for which a PHA has documented two attempts to inspect the unit during the assessed fiscal year,

but only if the PHA can document that it has initiated eviction proceedings, and is in the process of evicting the legal or illegal occupant(s) as provided under the lease to ensure that the unit can be subsequently inspected.

(2) Units vacant during the assessed fiscal year for the following reasons:

(i) Vacant units that are receiving section 9(d) Capital Funds; or

(ii) Vacant units that are documented to be uninhabitable for reasons beyond a PHA's control due to:

(A) High/unsafe levels of hazardous/toxic materials;

(B) An order of the local health department or state agency or a directive of the Environmental Protection Agency;

(C) Natural disasters; or

(D) Units that are kept vacant because they are structurally unsound and documented action has been initiated to rehabilitate or demolish the units.

(d) *Systems exempted.* Systems that are a part of individual dwelling units that are exempted, or a part of a building where all of the dwelling units in the building are exempted, are also exempted from the calculation of this sub-indicator.

(e) *Grades for annual inspection of dwelling units and systems.*

(1) Component #1. Annual inspection of dwelling units.

(i) Grade A: When a PHA inspected 100 percent of its units during the assessed fiscal year and, if repairs were necessary for compliance with 24 CFR part 5, subpart G:

(A) Completed the repairs during the inspection;

(B) Issued work orders for the repairs; or

(C) Referred similar work items to the current year's section 9(d) Capital Fund program, or to next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of a PHA's assessed fiscal year from the time the inspection was completed.

(ii) Grade B: When a PHA inspected less than 100 percent but at least 98 percent of the units during the assessed fiscal year and, if repairs were necessary for compliance with 24 CFR part 5, subpart G:

(A) Completed the repairs during the inspection;

(B) Issued work orders for the repairs; or

(C) Referred similar work items to the current year's section 9(d) Capital Fund program, or to next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of a PHA's assessed fiscal year from the time the inspection was completed.

(iii) Grade C: When a PHA inspected less than 98 percent but at least 97

percent of its units during the assessed fiscal year and, if repairs were necessary for compliance with 24 CFR part 5, subpart G:

(A) Completed the repairs during the inspection;

(B) Issued work orders for the repairs; or

(C) Referred similar work items to the current year's section 9(d) Capital Fund program, or to next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of a PHA's assessed fiscal year from the time the inspection was completed.

(iv) Grade D: When a PHA inspected less than 97 percent but at least 96 percent of its units during the assessed fiscal year and, if repairs were necessary for compliance with 24 CFR part 5, subpart G:

(A) Completed the repairs during the inspection;

(B) Issued work orders for the repairs; or

(C) Referred similar work items to the current year's section 9(d) Capital Fund program, or to next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of a PHA's assessed fiscal year from the time the inspection was completed.

(v) Grade F: When a PHA has failed to:

(A) Inspect at least 96 percent of its units during the assessed fiscal year for compliance with 24 CFR part 5, subpart G;

(B) Correct deficiencies during the inspection or issue work orders for the repairs; or

(C) Refer similar work items to the current year's section 9(d) Capital Fund program, or to next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of a PHA's assessed fiscal year from the time the inspection was completed.

(2) Component #2. Annual inspection of systems (including common areas and non-dwelling space).

(i) Grade A: When a PHA inspected all major systems during the assessed fiscal year at 100 percent of its buildings and sites, according to its maintenance plan. The inspection must include:

(A) Performing the required maintenance on structures and systems in accordance with 24 CFR part 5, subpart G, and manufacturers' specifications;

(B) Issuing work orders for maintenance/repairs; or

(C) Including identified deficiencies in the current year's section 9(d) Capital Fund program, or in next year's section 9(d) Capital Fund program if there are fewer than three months remaining before the end of the PHA's assessed