



SAN DIEGO  
HOUSING  
COMMISSION

# Moving Forward Moving To Work Program

## Amendment to Annual Plan Fiscal Year 2012

San Diego Housing Commission  
Rental Assistance Department  
1122 Broadway, Suite 300  
San Diego, CA 92101  
[www.sdhc.org](http://www.sdhc.org)



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- B. Public hearing notice and evidence of community and resident participation in developing MTW Plan Amendment



## SECTION V: PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

Proposed MTW Activities			
Proposed MTW Activity	Statutory Objective		
	Reduce Cost and Achieve Greater Cost Effectiveness	Encourage Self-Sufficiency	Increase Housing Choices
Fiscal Year 2012 (July 1, 2011 to June 30, 2012)			
1. Path to Success	X	X	
2. Biennial Reexamination Schedule	X		
3. Modify Full-Time Student Definition	X	X	
4. Project-Based Subsidy Program	X		X
5. Choice Communities Initiative			X
6. Local Interim Policy	X	X	

### 1. PATH TO SUCCESS

SDHC seeks authority to implement major rent reform in January 2013. The rent reform model is entitled Path to Success as this title captures the objective of the initiative. Path to Success has been crafted with significant consideration to our current program participants and considerable research and analysis of data pertaining to their current conditions. The initiative also fits the needs of the community served by SDHC and takes into account the high rental market inherent to residing in San Diego. SDHC is confident that Path to Success will result in a higher level of personal responsibility and greater accountability of program participants by encouraging self-sufficiency, while utilizing Federal expenditures in a more cost effective manner allowing for the acquisition/preservation of additional affordable housing units and assisting additional low-income families over the long-term.

The rent reform model proposed by SDHC utilizes two components working in tandem as one dynamic system: tiered rents and progressive minimum rents. For the tiered rent table, adjusted annual income is separated into bands of income. If a family's adjusted income falls in between income bands, the lower edge of the band is used to calculate the rent portion. The income amount at the lower edge of the band is multiplied by 30%, and the result is the family's rent portion. The tiered rent table is shown on page four. This table shows the rent portions for one work-able member families who receive the sewer/water utility allowance and whose gross rent is at or below the payment standard.

Minimum rents are based on the number of Work-Able adults residing in the household. Additional features of Path to Success include aligning the application of the utility allowance with the application of the payment standard by using the smaller of the voucher or unit size and the elimination of the utility reimbursement. All other deductions and allowances will be eliminated with the exception of the child care and medical expense deductions. The child care deduction will continue to be administered under current regulations while the medical expense deduction will be



streamlined into standard bands. Disability assistance expenses will fold into the standardized medical expense bands as a further streamlining measure. Households receiving the Earned Income Disallowance (EID) at implementation will continue to receive the deduction until the EID term is satisfied. No new families will be enrolled in EID upon implementation of Path to Success. Minimum rents were set using factors including the current California minimum wage rate, a minimum number of weekly work hours a household could reasonably expect to work, as well as the rates of other benefits most often received by program participants. The increases in minimum rent over time coincide with the expectation households will begin to work and/or increase work hours or income as a result of utilizing the features of the Achievement Academy. Most aspects of the model motivate self-sufficiency given that participants determined to be “Work-Able” will be expected to pay an increasing portion of rent over time while receiving the necessary supportive services to expand household income.

As part of Path to Success, the current Elderly/Disabled Triennial population will be revised to dictate the characteristics of the Work-Able populations. It is proposed the Triennial population will include families where 100 percent of adults are elderly and/or disabled, with elderly being defined as 55 or older for this purpose only. In short, the Work-Able population is comprised of all households not meeting the Triennial population criteria. SDHC recognizes there may be subpopulations within the Work-Able population who may have difficulty adhering to the requirements of Path to Success and has made provisions for these households in the form of hardship policies.

All households identified as Triennial will continue on the three-year reexamination schedule already in place. The elimination of allowances and deductions applies to Triennial households in the same manner the changes will be applied to Work-Able households. The Total Tenant Payment (TTP) may be dropped to 28.5 percent with a minimum rent of \$0 to ensure Triennial families are minimally impacted by the changes proposed under Path to Success. Please note that the HUD VASH program participants will not be included in the Path to Success model at this point. SDHC plans to collaborate with the Veteran’s Administration staff to create an initiative in a future MTW Plan that best serve the needs of this unique population.

SDHC recognizes significant efforts must be exercised in order to prepare the Work-Able households for the upcoming rent reform activities. Once SDHC receives approval to proceed with Path to Success, staff will begin the process of individually engaging participants to provide education about the immediate and future impact of Path to Success and connecting households with the necessary services to begin building the skills essential to obtaining employment and/or increasing income.

The Achievement Academy will play a pivotal role in readying households for the pending transition into Path to Success by providing ongoing resources through its ever-growing list of programs and partnerships. The Achievement Academy is a 9,600 square foot learning center dedicated solely for Rental Assistance participants that offers classroom-style workshops to assist participants with sharpening job skills, enhancing workforce marketability, increasing income levels, and beginning the journey towards obtaining self-sufficiency. SDHC currently has partnerships with the San Diego Workforce Partnership, the THRIVE initiative, and Juma Ventures who provide full-time staff and employment training and placement support at the Achievement Academy. Additionally, SDHC secured a contract with a full-time income support specialist that is dedicated to procuring employment opportunities for program participants. Recently conducted research predicts substantial job growth in San Diego to coincide with the implementation of Path

**PROPOSED MTW ACTIVITIES**



to Success, thus the contracted services of a job placement professional not only compliments the ambitions of Path to Success but generates confidence towards the ability of our participants to obtain viable, long-term employment.

The proposed Work-Able rent reform model will contain the following elements:

<b>Key Concept Parameters</b>	<b>Years 1-2</b>	<b>Years 3+</b>
Tiered rent calculation TTP%	30.0%	30.0%
Minimum rent: 1 work-able member	\$200	\$300
Minimum rent: 2 work-able members	\$350	\$500
Comprehensive hardship policy	Yes	Yes
Remove utility reimbursement	Yes	Yes
Remove deductions	Yes	Yes
Medical deduction	Bands of \$2500	Bands of \$2500
Childcare deduction	No change	No change
Recertification schedule	Biennial	Biennial

The proposed Triennial model will contain the following elements:

<b>Key Concept Parameters</b>	<b>Years 1 +</b>
Standard rent calculation TTP%	28.5%
Minimum rent	\$0
Comprehensive hardship policy	Yes
Remove utility reimbursement	Yes
Remove deductions	Yes
Medical deduction	Bands of \$2500
Childcare deduction	No change
Recertification schedule	Triennial



Example of a Tiered Rent Table for the Work-Able Population:

Household Adjusted Income	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Less than \$1,000	\$200	\$200	\$200	\$200	\$200	\$200
\$1,000 - \$1,999	\$200	\$200	\$200	\$200	\$200	\$200
\$2,000 - \$2,999	\$200	\$200	\$200	\$200	\$200	\$200
\$3,000 - \$3,999	\$200	\$200	\$200	\$200	\$200	\$200
\$4,000 - \$4,999	\$200	\$200	\$200	\$200	\$200	\$200
\$5,000 - \$5,999	\$200	\$200	\$200	\$200	\$200	\$200
\$6,000 - \$6,999	\$200	\$200	\$200	\$200	\$200	\$200
\$7,000 - \$7,999	\$200	\$200	\$200	\$200	\$200	\$200
\$8,000 - \$8,999	\$200	\$200	\$200	\$200	\$200	\$200
\$9,000 - \$9,999	\$200	\$200	\$200	\$200	\$200	\$200
\$10,000 - \$12,499	\$201	\$201	\$200	\$200	\$200	\$200
\$12,500 - \$14,999	\$264	\$264	\$230	\$200	\$200	\$200
\$15,000 - \$17,499	\$326	\$326	\$292	\$262	\$221	\$200
\$17,500 - \$19,999	\$389	\$389	\$355	\$325	\$284	\$262
\$20,000 - \$24,999	\$451	\$451	\$417	\$387	\$346	\$324
\$25,000 - \$29,999	\$576	\$576	\$542	\$512	\$471	\$449
\$30,000 - \$34,999	\$701	\$701	\$667	\$637	\$596	\$574
\$35,000 - \$39,999	\$826	\$826	\$792	\$762	\$721	\$699
\$40,000 - \$44,999	\$951	\$951	\$917	\$887	\$846	\$824
\$45,000 - \$49,999	\$1,076	\$1,076	\$1,042	\$1,012	\$971	\$949

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures. Provide incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

**Anticipated Impact and Impact Analysis:** SDHC may increase the TTP in future years of Path to Success. Sixty-nine percent of Triennial families will see a rent portion decrease as the TTP drops to 28.5 percent. SDHC has further analyzed the household attributes for the families it projects will see a rent portion increase and used this information when constructing the Path to Success hardship policies, detailed later in this initiative.

SDHC anticipates long-term cost reductions related to the measures contained in the proposed Path to Success model. More specifically, adoption of a biennial reexamination schedule (a separate activity contained in this Plan) and hard minimum rents are expected to generate the majority of the savings. The long-term cost savings cannot be definitively predicted due to fluctuations in household income, changes in utility allowance and payment standard amounts, inflation, and HUD funding levels and all factors associated with agency funding. However, SDHC can predict a slight Housing Assistance Payments (HAP) decrease in the first phase of implementation with further HAP decreases projected for the remaining two phases of Path to Success. The cost savings are generated from higher minimum rents and have been designed to assist SDHC to maintain or increase the number of families served. The cost savings produced in the final phases of Path to Success will be measured by the additional number of families SDHC is able to serve by issuing additional vouchers beyond the agency’s allocation, creating local



housing programs, or housing low-income families in affordable units acquired in whole or in part with the HAP savings.

Path to Success is proposed to be implemented for both the HCV program participants and PH tenants beginning January 2013. Due to recent funding uncertainty, SDHC will be closely monitoring HCV and PH funding levels in relation to Path to Success over the course of the next several years. There are many moving parts in this rent reform initiative, and SDHC will perform ongoing analysis based on actual funding, costs, and participant impact. Should analysis show that aspects of the proposal are no longer feasible due to changes in funding levels, changes may be made, particularly in the TTP percentage section and implementation timeline. Moreover, SDHC may phase in some components prior to January 2013, such as the utility allowance logic, in order to ease the transition and reduce agency costs.

The summary impact analysis is illustrated in the chart below:

<b>WORK-ABLE POPULATION</b>	<b>7,216</b>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
% HHs Rent Decrease	44%	44%	36%
% HHs Rent Increase	53%	53%	62%
Average HH Shelter Burden	30%	30%	33%
<b>TRIENNIAL POPULATION</b>	<b>6,679</b>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
% HHs Rent Decrease	79%	79%	79%
% HHs Rent Increase	20%	20%	20%
HH Shelter Burden* Change	28%	28%	28%

**Baselines, Benchmarks, and Metrics:**

*Baselines:*

- Annual number of Work-Able families is 7,216
- Annual number of Work-Able families with earned wages is 4,763 or 66% of total Work-Able households
- Annual number of families paying the progressive minimum rents is 0
- Average annual income of Work-Able families is \$18,971
- Annual number of families served by SDHC’s MTW HCV program is 13,895
- Total number of affordable units owned by SDHC or SDHC’s LLCs, purchased wholly or in part with MTW funds after implementation of Path to Success is 0
- Annual number of Path to Success hardship exceptions granted is 0
- Annual number of participants exiting the Path to Success program due to achieving self-sufficiency is 0
- Number of families participating in Path to Success terminated from the program due to lease violations involving the failure to pay rent is 0
- Average monthly HAP amount for Work-Able families is \$967



*Benchmarks:*

- Average annual income of Work-Able families will increase to \$20,868 (by 10 percent) by June 30, 2017
- Annual number of Work-Able families with earned wages will increase to 70 percent by June 30, 2017
- Annual number of families paying the progressive minimum rents will be less than 10 percent by June 30, 2015
- Annual number of families served by SDHC's MTW HCV program will be 13,995 by June 30, 2017
- Total number of affordable units owned by SDHC or SDHC's LLCs, purchased wholly or in part with MTW funds after implementation of Path to Success will be 20 by June 30, 2017
- Annual number of participants exiting the Path to Success program due to achieving self-sufficiency will be 120 by June 30, 2017
- Annual number of Path to Success hardship exceptions granted will be less than 150 by June 30, 2015
- Number of families participating in Path to Success terminated from the program due to lease violations involving the failure to pay rent will be less than 50 by June 30, 2017
- Average monthly HAP amount for Work-Able families will be \$938 by June 30, 2017

*Metrics:*

- Annual number of Work-Able families
- Annual number of Work-Able families with earned wages
- Annual number of families paying the progressive minimum rents
- Average annual income of Work-Able families
- Annual number of participants exiting the Path to Success program due to achieving self-sufficiency
- Annual number of families served by SDHC's MTW HCV program
- Total number of affordable units owned by SDHC or SDHC's LLCs, purchased wholly or in part with MTW funds after implementation of Path to Success
- Annual number of Path to Success hardship exceptions granted
- Number of families participating in Path to Success terminated from the program due to lease violations involving the failure to pay rent
- Average monthly HAP amount for Work-Able families

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:





Path to Success								
Metric	Baseline 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of Work-Able families	7,216					N/A		
Annual number of Work-Able families with earned wages	4,763					Increase to 5,051 (70% of Work-Able families)	June 30, 2017	
Annual number of families paying the progressive minimum rents	0					<10%	June 30, 2017	
Average annual income of Work-Able families	\$18,971					Increase to \$20,868 (10% increase)	June 30, 2017	
Annual number of families exiting the Path to Success program due to achieving self-sufficiency	0					120	June 30, 2017	
Annual number of families served by SDHC's MTW HCV program	13,895					13,995	June 30, 2017	
Total number of affordable units owned by SDHC or SDHC's LLCs, purchased wholly or in part with MTW funds after implementation of Path to Success	0					20	June 30, 2017	
Annual number of Path to Success hardship exceptions granted	0					<150 annually	June 30, 2015	
Average monthly HAP amount for Work-Able Families	\$967					\$938	June 30, 2017	



Potential Undesirable Outcomes

Metric	Baseline 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Acceptable Level	Action Items
Number of families participating in Path to Success terminated from the program due to lease violations involving the failure to pay rent	0					N/A	<50	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section C (4) containing waivers of Section 3 (a) (1) and 3 (a) (2) of the U.S. Housing Act of 1937 and 24 CFR 966.4 and 960.257; Section C (11) containing waivers of Section 3 (a) (2), 3 (a) (3) (A), and 6 (l) of the U.S. Housing Act of 1937 and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634, 960.255, and 966 Subpart A; Section D (1) (c) containing waivers of Section 8 (o) (5) of the U.S. Housing Act of 1937 and 24 CFR 982.516; Section D (2) (a) containing waivers of Sections 8 (o) (1), 8 (o) (2), 8 (o) (3), 8 (o) (10), and 8 (o) (13) (H-I) of the U.S. Housing Act of 1937 and 24 CFR 982.508, 982.503, and 982.518.

*Potential Undesirable Outcomes*

SDHC identified subpopulations that may fit the description of a Work-Able household, but due to other factors may have difficulty increasing income accordingly in order to pay the rent. Hardship policies are available for these households. SDHC does anticipate a small number of households not contained in the subpopulations will have lease violations due to failure to pay rent and may be terminated from the program. SDHC will make every attempt to provide the necessary resources and education about Path to Success prior to implementation to prevent terminations due to inability to pay rent.

*Hardship Policy*

SDHC constructed hardship policies for subpopulations identified as requiring consideration of their respective situations which may prohibit growing income to match the Path to Success requirement to pay a higher rent portion over time to encourage self-sufficiency. The hardship policies will be applied on a case-by-case basis. The appropriate language surrounding the hardship policy will be contained in the Administrative Plan, and procedures will be drafted to ensure consistent application of the hardship policies. As an additional safety net, SDHC is also considering extending the time period a family remains at zero HAP before the voucher is terminated.

As part of the undesirable outcomes, SDHC recognizes that instituting progressive minimum rents may impact some families to a greater degree than others. In response, the following hardship policies have been developed.



Shelter Burden Exemption: The family, whether Work-Able or Triennial, must request the hardship exemption in writing. Requirements for consideration are as follows:

- Family’s shelter burden must be greater than the acceptable level as calculated by SDHC.
- The family must either be Triennial or consist of a single caregiver with one or more dependents.
- Gross income before exclusions will be considered.
- Family must sign a document consenting to participate in required self-sufficiency activities, which may include classes/workshops, applying for benefits, etcetera.

SDHC will appoint an internal Hardship Review Committee which will review and make determinations on all hardship requests. Hardship exemptions will be temporary. During the hardship exemption period, the family’s monthly rent portion will be reduced to an acceptable rent burden percentage, such as 45 percent of monthly income for Work-Able families and 40 percent for Triennial families. All families who are approved for the hardship exemption will be transferred to a designated caseworker who will work with them and serve as the nexus between the families and the Achievement Academy services. The purpose of this caseworker will be to assist the families in regaining employment and/or receiving benefits for which they qualify.

**Hardship Rent Table**

<b>Annual Income</b>	<b>Hardship Rent</b>
\$0 - \$2499	<b>\$0</b>
\$2,500 - \$4,999	<b>\$55</b>
\$5,000 - \$7,499	<b>\$150</b>
\$7,500 - \$9,999	<b>\$245</b>

Hardship for zero income: Any family, regardless of group or make up, when income is reduced to zero will have a zero rent portion with no utility reimbursement if the loss is through no fault of their own. The exemption will have a duration of six months maximum (eligible to reapply after two years), after which time their rent portion will default to the applicable minimum rent. Work-Able zero income families will be required to sign a document consenting to participate in required self-sufficiency activities, which may include classes/workshops, applying for benefits, etcetera and will be transferred to a designated caseworker who will work with them and serve as the nexus between the families and the Achievement Academy services. The purpose of this caseworker will be to assist the families in regaining employment and/or receiving benefits for which they qualify. At this point the exemption ceases and the family will be responsible to pay their true rent portion or the minimum rent for the household, whichever is higher.

Hardship for medical expenses: In order to accommodate elderly/disabled families with extremely high medical expenses, a fourth medical band has been established. Families with medical expenses of \$10,000 or more will receive a medical deduction in the actual amount of qualified medical expenses.

As a final hardship policy, SDHC will consider special situations on a case-by-case basis for admission to the Triennial population. The Hardship Review Committee will make a



recommendation to the Vice President of Rental Assistance, or designee, who will have final approval in such extraordinary circumstances.

SDHC is in the process of continuing to vet Path to Success, including hardship policies, with various stakeholders and community groups. There are other variables that are difficult to predict, such as future economic conditions, administration costs, and funding levels. As implementation will not occur until January 2013, changes may be made to the structure or policies based on feedback and/or other mitigating factors. Though not anticipated, if significant changes are made to policy, additional impact analysis will be conducted and included in future MTW Annual Plans and Reports.

## 5. CHOICE COMMUNITIES INITIATIVE

This initiative contains several components that collaboratively will work to provide families with tools to assist them to move from high-poverty neighborhoods to low-poverty neighborhoods. The ultimate goal of this initiative is to enhance opportunities for employment and education and to increase housing choices for low-income San Diegans.

### ***Eliminate the 40% Affordability Cap on Family Share at the Time of Initial Unit Leasing in Low-Poverty Neighborhoods***

In support of the objective to encourage more Housing Choice Voucher (HCV) assisted families to move into low-poverty areas and deconcentrate poverty within the Housing Commission's jurisdiction, the 40% rental cap will be eliminated for participating families who move into low-poverty neighborhoods and be raised to a 50% cap. In order to qualify for this benefit, the family must demonstrate that it has the ability to pay the higher rent burden and may be required to enroll and participate in a budgeting workshop at the Economic Development Academy.

Currently, 12.7% of the Housing Commission's voucher families pay greater than 40% of their adjusted income towards their housing costs. With each of these families, this occurred because their rent increased subsequent to moving into the unit. The success of these families demonstrates that paying more than 40% of adjusted monthly income can be a viable option for some HCV participants.

The elimination of the 40% affordability cap is a participant choice. It is anticipated that 60 participants per year will take advantage of this option. In order to qualify, the families must demonstrate they are able to pay a larger family share. Therefore, the impact on participants will be positive by increasing housing choices for these families. The implementation of this change will be an additional incentive, among others detailed in this initiative, to encourage low-income families to move into areas of low-poverty.

### ***Create a Moving for Opportunity Program***

The Housing Commission will develop a Moving for Opportunity program that will provide resources, information and guidance to new participants and movers who express an interest in moving to low-poverty neighborhoods. Assistance will include helping the family locate potential property owners, appropriate schools, shopping, and places of worship. Participants will be directed to other agencies to help families transition successfully into new neighborhoods.



The Housing Commission intends to outreach and advertise to property owners in the community that are not currently participating in the program. The Housing Commission will also publicize the Moving for Opportunity program and develop resource packets for families interested in relocating to low-poverty areas.

***Create a Revolving Security Deposit Loan Fund for Families Moving From Areas of High-Poverty to Areas of Low-Poverty***

Prior to implementing this policy, the Housing Commission will determine the low-poverty areas in the Housing Commission’s jurisdiction that have an underrepresentation of the agency’s clients. For families moving into these designated areas, which generally have a higher average security deposit requirement for rental units, the Housing Commission will provide assistance with security deposits. The assistance will be in the form of a no-interest loan with low monthly repayments.

***Increase the Payment Standards in Low-Poverty Neighborhoods***

The Housing Commission’s HCV participants are primarily concentrated in eight of the 35 zip code areas in the agency’s jurisdiction. Each of these eight zip codes is considered a high-poverty area. See Appendix B for list of zip codes and the number of current subsidized participants. The HAP cost per unit in the low poverty areas is \$854 per month and for high-poverty areas, the HAP cost per unit is \$824 per month.

The Housing Commission will analyze the concentrations of low-income participants and conduct analysis to determine where payment standards can be adjusted to provide incentives for participants to move out of high-poverty areas and into low-poverty areas. After the analysis is complete, the Housing Commission will adjust payment standards by census tract or zip code providing higher levels of assistance in low-poverty areas and lower levels of assistance in medium and/or high poverty neighborhoods. The Housing Commission intends to use MTW flexibility when determining adjusted payment standards, as analyses may support decreases to less than 90% and/or increases to more than 120% of the FMR. The Housing Commission will monitor the lease up success rate to ensure it remains above 80%.

An impact analysis was completed and it demonstrated that raising the payment standard in low-poverty areas would only reduce family share, which has a positive impact on participants by increasing housing choices. For those areas in which the payment standard moves below 90% of the FMRs, the Housing Commission will monitor the number and percentage of families who are paying more than 40% of their adjusted annual income towards rent and will make adjustments to the payment standard levels as necessary.

**Anticipated Impact:** The anticipated impact of the Choice Communities initiative will be creating opportunities for more participants to move into low-poverty areas, thereby increasing housing choices for low-income families.

MTW flexibility allows staff savings from other initiatives, enabling the Housing Commission to devote a staff person to the Moving for Opportunity Program and Security Deposit Loan Program who would otherwise be assigned to another function (such as annual recertifications or inspections). It also allows the Housing Commission to raise payment standards above 120% of



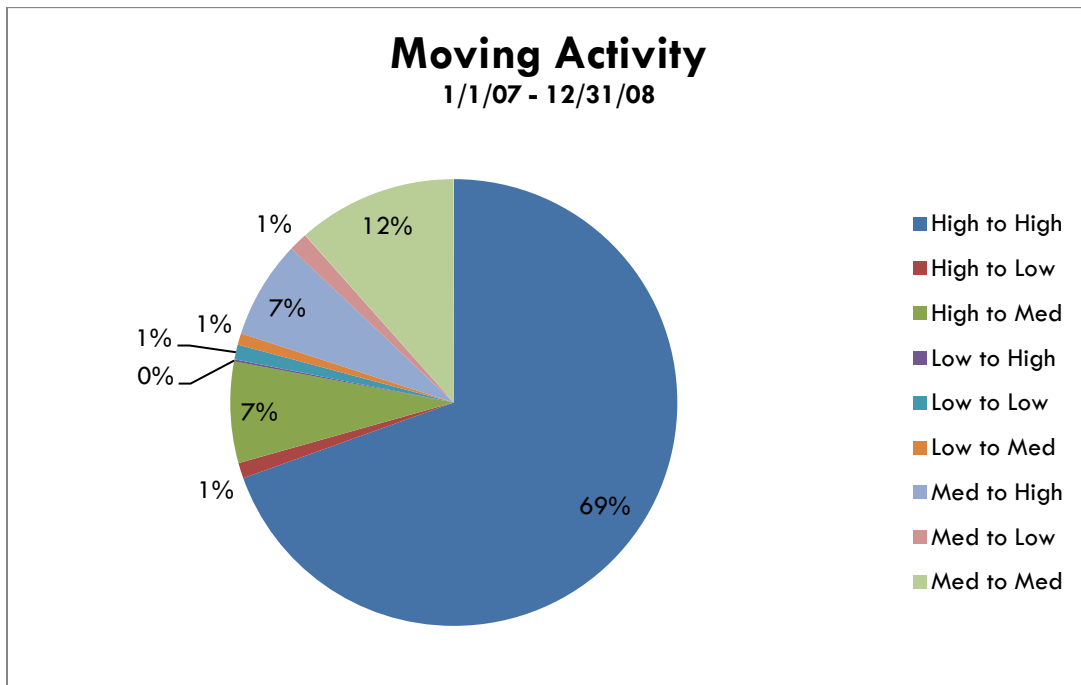
the fair market rents without seeking HUD approval and eliminates the 40% affordability cap for participants who move to designated low poverty areas.

**Relation to Statutory Objectives:** Increase housing choices for low-income families.

**Baselines, Benchmarks and Metrics:**

Baselines include:

- From January 1, 2007 through December 31, 2008, 1% (15) of the moving participants moved from high-poverty areas to low-poverty areas
- From January 1, 2007 through December 31, 2008, 7% (96) of the moving participants moved from high-poverty areas to medium-poverty areas
- Currently, zero (0) participants exceed the 40% affordability cap at move-in
- The current leasing success rate is 94%



Benchmarks include:

- 10% of moving participants will move from a high-poverty area to a low-poverty area by June 30, 2012
- Percentage of participants moving to Choice Communities participating in the Security Deposit program will be greater than 90% by June 30, 2012
- Percentage of participants receiving Choice Communities payment standards will be 100% by June 30, 2012
- Percentage of participants moving to a new unit receiving Moving for Opportunities counseling will be 25% by June 30, 2012
- Percentage of Choice Communities tenants exceeding the 40% affordability cap at move-in will be 25% by June 30, 2012
- Number of security deposit loans issued will be 50 by June 30, 2012
- Total dollars loaned under the Security Deposit program will be \$50,000 by June 30, 2012

## PROPOSED MTW ACTIVITIES



- Average dollars loaned will be at least \$700 per participant by June 30, 2012
- 80% of moving participants will stay in the new unit at least one year by June 30, 2012
- The leasing success rate will remain above 80%

### Metrics include:

- Total number and percentage of participants moving from high/medium to low areas of poverty
- Number and percentage of participants moving to Choice Communities participating in Security Deposit program
- Number and percentage of participants moving to Choice Communities receiving increased payment standards
- Number and percentage of participants moving to a new unit received Moving for Opportunities counseling
- Number and percentage of Choice Communities tenants exceeding the 40% affordability cap at move-in
- Total number of security deposit loans, total dollars loaned, and average dollars loaned
- Percent of participants moving into Choice Communities who remain in unit at least 1 year
- The annual average leasing success rate

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a monthly or basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist the Housing Commission in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

**PROPOSED MTW ACTIVITIES**



<b>Choice Communities</b>									
<b>Metric</b>	<b>Baseline # 2008</b>	<b>Baseline % 2008</b>	<b>QTD (#)</b>	<b>QTD (%)</b>	<b>YTD (#)</b>	<b>YTD (%)</b>	<b>Benchmark</b>	<b>Anticipated Benchmark Reached Date</b>	<b>On Track to Reach Goal (Y or N)</b>
Total number and percentage of participants moving from high/medium to low areas of poverty	33	3%					10%	June 30, 2012	
Number and percentage of participants moving to Choice Communities participating in Security Deposit program	0	0%					>90%	June 30, 2012	
Number and percentage of participants moving to Choice Communities receiving increased payment standards	0	0%					100%	June 30, 2012	
Number and percentage of participants moving to a new unit received Moving for Opportunities counseling	0	0%					25%	June 30, 2012	
Number and percentage of Choice Communities tenants exceeding the 40% affordability cap at move-in	0	0%					25%	June 30, 2012	
Total number of security deposit loans, total dollars loaned, and average dollars loaned	\$0						At least \$700 average dollars loaned	June 30, 2012	
Percent of participants moving into Choice Communities who remain in unit at least 1 year	0						80%	June 30, 2012	



**PROPOSED MTW ACTIVITIES**



Metric	Baseline # 2011	Baseline % 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual leasing success rate		94%					>80%	June 30, 2012	

**Description of Authorization or Regulation Waived:** MTW Agreement Attachment C, Section D(2)(a) containing waivers of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

**6. ADOPT A LOCAL INTERIM RECERTIFICATION POLICY**

The Housing Commission will design a new local interim reporting policy, limiting the number of interims that are performed for HCV participants and public housing tenants.

**Anticipated Impact:** The anticipated impact to the Housing Commission will be creating HAP savings due to fewer “decrease in income” interims being processed, thereby allowing greater cost effectiveness in Federal Expenditures. It is anticipated that this initiative will impact program participants by promoting self-sufficiency which is measured by the number of “decrease in income” interims processed. This impact relates to the statutory objective of providing incentives to families with children whose head of household are either working, seeking work, or participating in job training, educational or other programs leading toward economic self-sufficiency.

**Rent Portion Increases**

The Housing Commission will not perform interim increases in the rent portion between regularly scheduled recertifications, except for:

- Family Self-Sufficiency clients who wish to have their escrow payments increased;
- Families who have previously had an interim reduction in rent since their last recertification; and
- “Zero income” families reporting new income.

This “no increase” policy will encourage participants to maintain or increase earnings and save the amount that would have been charged due to an increase in rent.

**Rent Portion Reductions**

Interim reductions in the rent portion will be made, but limited to reduce administrative costs to the Housing Commission and to provide incentives to employed families to remain employed. For households who are not elderly or disabled, interim adjustments will be limited as follows and require MTW flexibility:

- Households may only request an interim reduction once between regularly scheduled recertification periods. However, see the Hardship Policy below for exceptions to this limitation;
- Interim requests for decreases in income will only be processed if the household’s loss/decrease of income was through no fault of their own;
- The rent reduction will only be implemented if the household rent will decrease by more than 20%;



- No reduction based upon loss of job will be processed until the Housing Commission receives documentation of eligibility or ineligibility for unemployment benefits;
- Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.

The following policies do not require MTW flexibility:

- In calculating the reduction, all household income, including previously unreported income, will be counted;
- The household's loss of income must be expected to last longer than 90 days;
- All interim rent reductions will be temporary. After receiving a rent decrease, a family becomes obligated to report any new income within ten business days. A follow-up interim will be conducted to include new income, and the resultant increase will be implemented after providing the family with 30 days notice of the increase.

An impact analysis was completed and approximately 10% of families may be impacted. The restrictions on "decrease in income" interims will increase and fewer families will qualify. There were approximately 1,111 contract rent increase and 1,193 household composition change interims conducted in fiscal year 2011; this initiative is not intended or expected to impact these other interim types.

The current HCV interim policy will continue to apply to elderly and disabled households. These households may report income decreases as they occur and receive a reduction in their rent portion to be effective the first of the following month after reporting the change.

MTW flexibility will be utilized by placing a limit on the number of, and creating other restrictions for, reduced income interims.

***Hardship Policy for Interim Recertifications***

The Housing Commission will adopt a policy that may limit the ability of a participating family to request an interim recertification between normally scheduled annual recertifications. This restriction applies to all households who are not defined as elderly or disabled households. However, a household will be exempted from the limit of one rent decrease each year if it qualifies for a hardship exemption. To be considered for a hardship exemption the participant household must demonstrate that it is experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

At any time between required annual recertifications and after one interim reduction in rent, a family residing in public housing or participating on the HCV program may submit a written request for an exemption to the interim rent reduction policy.

A household must meet the following two requirements in order to receive a hardship exemption; all cases will be reviewed on a case-by-case basis:

1. The participant household must provide proof it is unable to continue to pay the current rent share because of a financial hardship, including:



- The family's income has decreased because of loss of employment through no fault of the family and the family demonstrates efforts towards regaining employment;
- A death has occurred in the family which eliminates a prior source of income; or
- Other circumstances determined to warrant an exemption by the Housing Commission.

2. The qualifying financial hardship must be long-term (a minimum of 4 months).

Until the request for a hardship exemption is reviewed and approved by the Housing Commission the participating household is expected to continue to pay its portion of rent and utilities as previously determined by the Commission.

The family is required to abide by all other requirements of the program and failure to do so is grounds for termination.

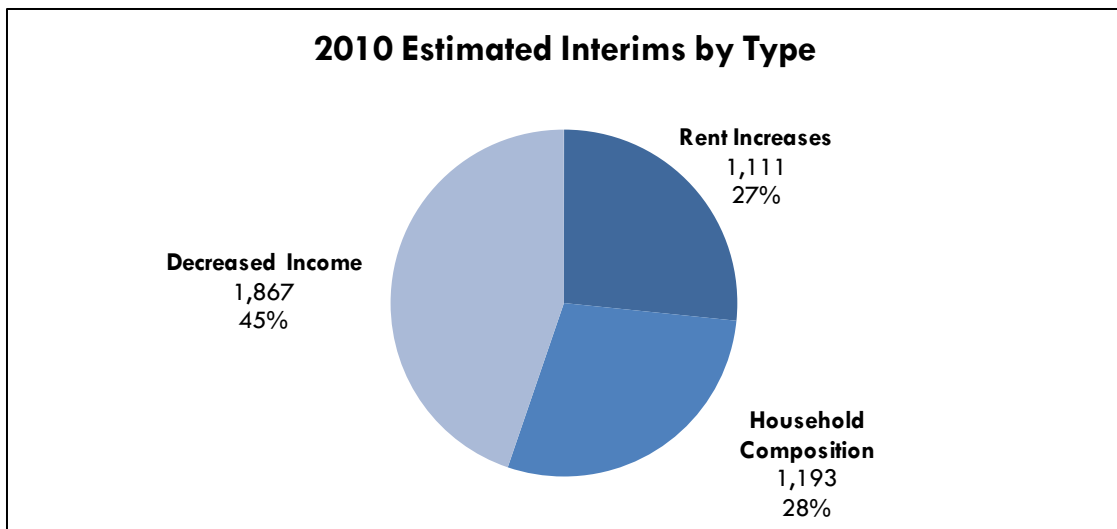
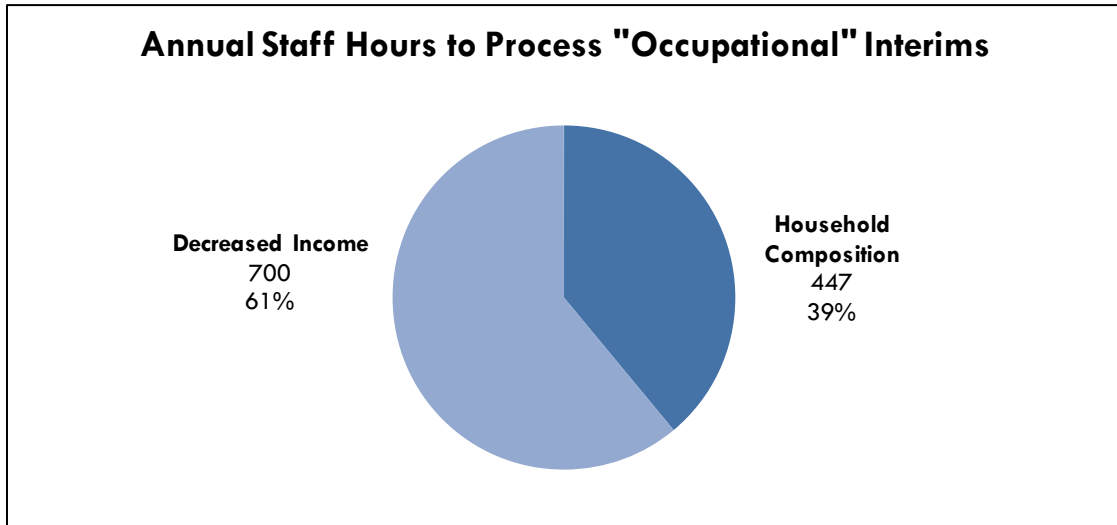
**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal Expenditures; Provide incentives to families with children whose head of household are either working, seeking work, or participating in job training, educational or other programs leading toward economic self-sufficiency.

**Baselines, Benchmarks, Metrics, and Undesirable Outcomes**

Baselines include:

- 1,111 (27% of total) interims related to rent increases \*These interims are not expected to be impacted by these proposed MTW changes
- 1,193 (29% of total) interims related to changes in family composition (add or subtract members) \*These interims are not expected to be impacted by these proposed MTW changes
- 1,867 (45% of total) interims related to decrease in income (vast majority for families vs. elderly/disabled)
- 700 total staff hours to process decrease in income interims

The chart below describes the type of interims that are processed on an annual basis other than owner rent request increases.



The estimated interims by type data was extrapolated from interim logs kept by staff, in conjunction with a report generated from the housing management database showing the total number of interims processed.

**Benchmarks include:**

- Average annual income of a work-able family will be at least \$20,868 by June 30, 2017.
- Annual staff time required to process “decrease in income” interims will decline by 10% to less than 630 hours by June 30, 2012.
- Annual staff time required to evaluate hardship requests will be less than 42 hours by June 30, 2012.

**Metrics include:**

- Annual percentage of “decrease in income” interim requests denied due to new policy.
- Annual staff time required to process “decrease in income” interims
- Annual staff time required to evaluate hardship requests



Undesirable Outcomes may include:

- Annual number of hardships requested for income-related interims

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Local Interim Recertification Policy								
Metric	Baseline # 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Average income of work-able family	\$18,971					\$20,868	June 30, 2017	
Annual staff time required to process "decrease in income" interims	700					<630	June 30, 2012	
Annual staff time required to evaluate hardship requests	0					<42 hours	June 30, 2012	
Potential Undesirable Outcomes								
Metric	Baseline 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Acceptable Level	Action Items
Annual number of hardships requested for income-related interims	0					24	24	

**Description of Authorization or Regulation Waived:** MTW Agreement Attachment C, Section D(8)(a) containing waivers of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 CFR 982.625 through 982.643 inclusive as necessary.



## SECTION VI: ONGOING ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

**Ongoing MTW Activities Matrix**

#	Initiative Description	Statutory Objective	Plan Year Approved	Status Update/Implementation Date	Attachment C Revisions	Outside Evaluators
1	Allow SDHC to charge lower rents for non-assisted units in SDHC-owned developments	Increase housing choices	2011	Implemented October 1, 2010	N/A	N/A
2	Authorize commitment of PBV to SDHC-owned units	Reduce cost and achieve greater cost effectiveness; increase housing choices	2011	Implemented July 1, 2010	N/A	N/A
3	Two year occupancy term for PBV tenants before eligible for a voucher	Reduce cost and achieve greater cost effectiveness	2011	Implemented July 1, 2010	N/A	N/A
4	Acquisition of additional affordable housing units in the City of San Diego	Increase housing choices	2011	Implemented July 1, 2010. SDHC would like to clarify that it will use this authority to preserve as well as acquire affordable housing in the City of San Diego.	N/A	N/A
5	Disregard retirement accounts	Reduce cost and achieve greater cost effectiveness	2011	Implemented August 1, 2010	N/A	N/A
6	Modify EIV Income Report Review Schedule	Reduce cost and achieve greater cost effectiveness	2011	Implemented August 1, 2010	N/A	N/A
7	Development of public housing units using a combination of funds	Increase housing choices	2011	SDHC may continue to develop additional public housing in FY2012, please see initiative 20 in this chart.	N/A	N/A
8	Sponsor-Based Vouchers for the Homeless	Reduce cost and achieve greater cost effectiveness; increase housing choices	2011	Program in development	N/A	N/A
9	Enhance FSS Program	Encourage self sufficiency; increase housing choices	2011	Implemented November 1, 2010	N/A	N/A
10	Broader Uses of Funds for IDAs	Encourage self sufficiency; increase housing choices	2011	Implemented January 1, 2011	N/A	N/A
11	Implement a revised inspection protocol	Reduce costs and achieve greater cost effectiveness	2010	Implemented June 1, 2010	N/A	N/A
12	Authorize the SDHC to inspect and determine rent reasonableness for SDHC owned properties	Reduce costs and achieve greater cost effectiveness	2010	Implemented July 13, 2009	N/A	N/A

**ONGOING ACTIVITIES**



<b>13</b>	Implement triennial income certifications for elderly and disabled clients	Reduce costs and achieve greater cost effectiveness	2010	Implemented October 1, 2009	N/A	N/A
<b>14</b>	Choice Communities Components <ul style="list-style-type: none"> <li>▪ Eliminate 40% Affordability Cap</li> <li>▪ Moving for Opportunity Program</li> <li>▪ Revolving Security Deposit Loan fund</li> <li>▪ Increase payment standards in low-poverty areas</li> </ul>	Increase housing choices	2010	Please see Section V, activity has been amended and is being re-proposed.	N/A	N/A
<b>15</b>	Standardize utility allowances by unit size	Reduce costs and achieve greater cost effectiveness	2010	Implemented April 1, 2010	N/A	N/A
<b>16</b>	Simplify income and asset verification systems to reduce administrative costs	Reduce costs and achieve greater cost effectiveness	2010	Implemented October 1, 2009	N/A	N/A
<b>17</b>	Adopt a local interim certification policy	Increase housing choices; encourage self-sufficiency	2010	Please see Section V, activity has been amended and is being re-proposed.	N/A	N/A
<b>18</b>	Establish an HCV homeownership program	Increase housing choices; encourage self-sufficiency	2010	Implemented October 1, 2009	N/A	N/A
<b>19</b>	Expand the PBV program	Increase housing choices	2010	Implemented September 1, 2009	N/A	N/A
<b>20</b>	Undertake public housing development	Increase housing choices	2010	Acquired 39 additional public housing units in FY2011. SDHC may continue this activity in FY2012, as part of the process for developing 113 units on state-aided sites as public housing.	N/A	N/A
<b>21</b>	Achievement Academy (formerly called the Economic Development Academy)	Encourage self-sufficiency	2009	Implemented October 1, 2010	N/A	N/A