



# MOVING FORWARD

*MOVING TO WORK PROGRAM*

*ANNUAL PLAN*

*JULY 1, 2009 – JUNE 30, 2010*



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**San Diego Housing Commission  
Moving To Work Plan FY2010  
June 19, 2009**

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## SECTION I

### A. INTRODUCTION

This document serves as the San Diego Housing Commission's Moving to Work plan for FY2010, which begins July 1, 2009 and ends June 30, 2010. On January 14, 2009 the Department of Housing and Urban Development (HUD) signed an "Amended and Restated Moving to Work Agreement" which reinstated the Housing Commission's status as a Moving to Work agency. This document represents the first full year plan since the reinstatement of the Housing Commission as a Moving to Work agency. Every effort has been made to provide as much detailed information as possible. The initiatives set forth in this document will apply both to eligible Housing Choice Voucher and Public Housing units unless otherwise noted.

The San Diego Housing Commission, under new leadership, seeks to utilize the benefits of the Moving to Work initiative to move toward becoming the leading San Diego community organization providing new housing solutions for local low-income families. The Housing Commission seeks to accomplish this by creating a broad continuum of housing programs, including creative and pioneering uses of Project-Based Vouchers and Self-Sufficiency programs. The Housing Commission's "Moving Forward" MTW Plan provides the flexibility to develop local approaches to meet the jurisdiction's housing needs.

With thousands of homes in San Diego in foreclosure and newly constructed developments remaining vacant, the Housing Commission can serve not only individual families but also the community as a whole. The use of MTW flexibility and project-based vouchers increases housing opportunities in vacant properties that are otherwise in danger of becoming blight on the neighborhoods. By collaborating with local developers and non-profit advocacy groups, the Housing Commission will work to make these units available to families and individuals in need of housing, while improving other elements within our community, such as neighborhoods, non-profits and local developers.

With the opportunities MTW presents, the Housing Commission is confident it can transform the present public housing authority model from one that assists individual families, without respect to their particular needs and goals, to becoming a driving force for a more expansive vision; one of *community* development.

The Moving to Work demonstration allows public housing authorities (PHAs) to design and test various approaches for providing and administering housing assistance. The Department of Housing and Urban Development's (HUD) three main objectives of the program are to:

- Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job

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training, educational programs, or programs that assist people to obtain employment and become economically self sufficient; and

- Increase housing choices for low-income families.

## **B. GOALS**

The Housing Commission believes that it can accomplish the three statutory goals of MTW through the following activities:

- Increase housing choices for low-income families;
- Expand the range of housing choices for the Housing Commission's clients, including the implementation of homeownership programs and measures to make housing in low-poverty areas more available to low-income families;
- Administer the Housing Choice Voucher allocation and the public housing program under one set of rules/operating procedures;
- Implement administrative and rent simplification;
- Design processes and practices that achieve greater administrative efficiencies; and
- Help families to move toward self-sufficiency.

**PROPOSED MTW ACTIVITIES**

Proposed MTW Activity	Statutory Objective		
	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	Increase Housing Choices for low-income families
<b>FISCAL YEAR 2010 (July 1, 2009 – June 30, 2010)</b>			
1. Reduce number of required Inspections and allow owners to self-certify Housing Quality Standards for minor fail items	X		
2. Authorize the Housing Commission to inspect and determine rent reasonableness for Housing Commission-owned properties	X		
3. Conduct triennial recertifications of elderly and disabled on a fixed income	X		
4. Implement Choice Communities Initiative			X
5. Standardize Utility Allowances	X		
6. Simplify income, asset and allowances verifications	X		
7. Adopt a local Interim Recertification Policy	X	X	
8. Establish Housing Choice Voucher Homeownership Program and Use Block Grant Funds to Assist HCV Homeownership Participants		X	X
9. Expand the use of the Project-Based Voucher program			X
10. Undertake Public Housing Development with Public Housing or Voucher Funds			X

The following is a brief description of the Housing Commission's Moving Forward initiatives as further detailed in this Plan.

*1. Reduce the number of required inspections and allow owners to self-certify HQS for minor fail items*

Quality Control Inspections will be conducted on randomly selected units to ensure HQS standards are consistently upheld at all assisted properties. Data will be collected and compared to historical data to ensure inspections pass at similar rates.

*2. Inspect and determine rent reasonableness for Housing Commission-owned properties*

The Housing Commission will evaluate the cost reductions of assuming responsibility for in-house inspections and rent reasonableness of Housing Commission owned units by comparing staff costs for these activities to contractors cost per unit.

Quality Control Inspections will be conducted on randomly selected units to ensure HQS standards are being consistently upheld at all Housing Commission owned properties.

Rents for Housing Commission owned units will be randomly compared to the rents charged for other units assisted by the Commission. This internal rent reasonableness evaluation will be performed to evaluate the consistent treatment of unit quality and rents for all assisted units.

*3. Conduct triennial income and family composition recertifications for fixed-income elderly and disabled households*

Through measurement of the administrative cost to complete a reduced number of recertifications, the Housing Commission will evaluate whether this initiative results in cost savings.

*4. Choice Communities Initiatives*

A) Eliminate the 40% affordability cap for participants moving to low-poverty areas:

Record baseline data by mapping the location of housing choice voucher households by zip code. Annually, identify shifts in leasing by mapping current participants and comparing the maps against the baseline.

Evaluate the effectiveness of this initiative by determining whether an increased number of households lease in low-poverty neighborhoods at rents that exceed 40% of adjusted monthly income.

B) Create a Moving for Opportunity Program:

Using data maintained in Emphasys Elite, evaluate increase in access to affordable housing in non-impacted areas by comparing the number of

families leasing in impacted zip codes prior to and following the implementation of this initiative.

C) Create a revolving security deposit loan program:

Monitor the number of families able to relocate to areas of low-poverty utilizing the security deposit loan program.

D) Increase payment standards in low-poverty neighborhoods:

Compare the number of households historically leased in low-poverty neighborhoods to the number of households who are able lease in low-poverty neighborhoods after the implementing of higher payment standards.

*5. Standardize utility allowances by unit size*

Evaluate increased accuracy of utility allowances by comparing “pre-initiative” Quality Control data on utility allowance errors to “post-initiative” error rates.

*6. Simplify income, asset and allowances verification requirements*

Measure the time required to complete verifications before and after implementation of the simplified requirements to determine whether a decrease in administrative costs is realized.

*7. Adopt a local interim recertification policy*

Evaluate the success of the revised interim policy by determining the number of interims completed before and after the implementation of this initiative.

*8. Establish a homeownership voucher program and use block grant funds to assist Housing Choice Voucher participants.*

Evaluate the number of vouchers used to provide first time homebuyer options using data collected by assigned staff and ECS Elite housing software. Track number of families who received deferred second loan and down payment assistance grant, total dollars loaned, and average dollars loaned.

*9. Expand the use of the project-based voucher program*

Compare the number of Project-Based Voucher units leased before and after this initiative. Evaluate whether the expansion of the Project-Based Voucher program provides additional housing options to low-income persons.

*10. Undertake public housing development with public housing or voucher funds*

Track the successful development of additional public housing units.

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## The Housing Commission's PHAS and SEMAP Scores

The PHAS and SEMAP scores in the table below demonstrate the Housing Commission's ability to manage programs successfully. The Commission is ready to offer innovative ways to expand and improve housing opportunities and better meet local needs through conversion to the Moving to Work Program. The Housing Commission elects not to continue being scored on SEMAP and PHAS per Section II G. of the Agreement.

	FY2005	FY 2006	FY2007	FY2008
<b>PHAS Scores</b>	90	88	90	Not Available
<b>SEMAP Scores</b>	96	83	103	100

## SECTION II: GENERAL HOUSING COMMISSION OPERATING INFORMATION

### A. HOUSING STOCK INFORMATION

- Number of public housing units at the beginning of FY 2009: 36
- Following is a general description of any planned capital expenditures. They do not exceed 30% of capital expenditures.

Development Name	Development Location	Planned Expenditure Amount	Purpose of Expenditure
University Canyon	Via Las Cumbres, San Diego	\$200,000	Site and Building accessibility upgrades

- Description of any new public housing units to be added during the year: The Housing Commission plans to add approximately 33 units to its public housing stock.
- Number of public housing units to be removed from the inventory during the year: None
- Number of MTW Housing Choice Voucher units authorized: 13,748
- Number of non-MTW Housing Choice Voucher units authorized: 213
- Number of Housing Choice Vouchers to be project-based: The Housing Commission intends to project-base 400 units during the year. Of those, 200 are designated for projects that will provide services and assistance to the chronically homeless. The remaining 200 are designated to projects that will develop new affordable units in San Diego or preserve currently affordable units. All projects, with the exception of Housing Commission owned projects, will be identified through a competitive process that is expected to begin July 2009.

### B. LEASING INFORMATION, PLANNED

Planned Leasing by Program	(a) # leased at start of FY2010	(b) # leased at end of FY2010	(c) change (b – a)
Anticipated total number of MTW PH units leased in the Plan year	36	69	33
Anticipated total number of non-MTW PH units leased in the Plan year	0	0	0
Anticipated total number of MTW HCV units leased in the Plan year	13,748	13,748	0
Anticipated total number of non-MTW HCV units leased in the Plan year	213	288	75

The Housing Commission historically has maintained a near 100% lease rate of its programs. Due to the housing crisis in San Diego, it is not expected there will be any potential difficulties in leasing public housing or Housing Choice Voucher units.

### **C. WAITING LIST INFORMATION**

The Housing Commission intends to conduct an evaluation to determine the feasibility of establishing a waiting list preference for those applicants that are employed or in job training or education. This preference, if adopted by the Commission Board, will affect the Section 8 and public housing waiting lists.

The Housing Commission intends to allow project-based developments, including those for the chronically homeless, to maintain their own waiting lists.

At the beginning of FY2010, the Section 8 wait list is expected to have 39,795 applicants and an additional 6,500 families applying during the year. The public housing waiting list is expected to maintain approximately 16,200 families throughout FY2010. The waiting lists will remain open throughout the year.

## **SECTION III: NON-MTW RELATED HOUSING AUTHORITY INFORMATION (OPTIONAL) N/A**

## **SECTION IV: LONG TERM MTW PLAN (OPTIONAL) N/A**

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

Following is a description of each of the Housing Commission's proposed MTW activities planned for FY2010, including activities that will require waivers of statutory or regulatory authority. The benchmarks and goals outlined in the following initiatives may not all be realized during FY2010. Any discrepancies will be noted in the FY2010 Report.

The descriptions include:

- An explanation of the activity;
- How each activity relates to at least one of the three statutory initiatives;
- Description of baselines, proposed benchmarks and metrics to assess outcomes and anticipated schedules;

- Description of the data collection process and the proposed metrics that will be used to measure how this activity will achieve one or more the MTW statutory objectives;
- The authorization(s) that give the agency the flexibility to conduct the activity; and
- Appendix A is documentation of a Public Hearing on the Plan. See Appendix C for Board Approval of Policies, including hardship policies. An impact analysis, hardship criteria and transition periods are addressed in the appropriate initiatives regarding rent reform.

## 1. IMPLEMENT A REVISED INSPECTION PROTOCOL

A revised inspection protocol for housing choice voucher participants and public housing tenants will:

- Waive the requirement for certain well-maintained units to undergo yearly inspections; and
- Allow responsible property owners to self-certify the repair of minor fail items.

In general, the condition of the housing stock assisted by the San Diego Housing Commission is very good. In 2008, 74% of initial inspections passed on the first visit to the unit. This pass rate has consistently improved in recent years. This is attributable, in part, to the Housing Commission's marketing and education efforts to owners and tenants. Additionally, 54% of the units rented by voucher holders were built after 1978, reducing the Housing Commission's liability related to lead based paint issues.

The Housing Commission's goal is to encourage property owners to expand the opportunity for voucher holders by leasing high quality units, ultimately reducing the number of required inspections.

By using MTW flexibility to implement this initiative, approximately 1.5 full time equivalents (FTE) of staff time will be saved, allowing the Housing Commission to implement other MTW initiatives requiring additional staff persons such as authorizing the Housing Commission to inspect and determine rent reasonableness for Housing Commission-owned properties.

**Anticipated Impact:** The impact of this initiative will be the reduction of operational costs by saving 1.5 FTE, thereby allowing greater cost effectiveness in Federal expenditures. Some participants and owners will be required to attend fewer inspections.

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### ***Self-Certification of Repairs***

Owners, who have distinguished themselves (through consistent HQS pass rates) as responsible and responsive to the needs of their tenants and the HCV program, will be permitted to self-certify the repairs of minor (non-life threatening) Housing Quality Standards fail items. The following Housing Quality Standards violations may be classified as minor fail items:

- Presence of a cracked switch plate/outlet cover;
- Chipping/peeling/cracked paint when no child under 6 resides in the unit and the unit was built after 1978;
- Stove burners that do not work and/or knobs that are missing or broken;
- Fail items for which the owner has a receipt showing the repair item is on order or has been installed;
- A yard area surrounding the building that is overgrown with weeds; and

### ***Biennial HQS Inspections***

The Housing Commission's intent is to implement a protocol that does not require yearly inspections for units that have consistently passed inspection on the first visit. For units with excellent past Housing Quality Standards history (passing inspection on the first attempt for two consecutive inspections), inspections may be conducted every two years.

Units that qualify for an annual inspection waiver will be subject to random inspections in the "off" year to ensure that they are maintained to minimum standards and that this activity continues to be viable.

Participants will retain the right to request special inspections at any time.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

### **Baselines, Benchmarks and Metrics:**

Current baselines include:

- ✓ Ten Full time equivalents to complete all inspections for all public housing and Section 8 families.

<i>Calendar Year 2008</i>	<i>Units</i>	<i>Inspections</i>
Total number of inspections (Pass and Fail) completed	15,207	22,169
Total number of annuals completed	13,530	18,532
Total number passing inspections *	13,207	13,778
Total number of failed inspections	3,369	4,755
Number of minor violations	337	476
Number of major violations	3,032	4,279
Total number of units and inspections that pass the annual or initial inspection at least twice consecutively	6,682	6,945

*\*Reflects total number of passing inspections as a final result.*

Projected benchmarks include:

- ✓ Reduce total number inspections by 3,948 (18%), which will free up approximately 3,120 staff hours annually or 1.5 FTE (full time equivalent) by 6/30/2011.
- ✓ Increase the number of units that pass first inspection by 10% by 6/30/2011.
- ✓ Reduce number of failed inspections by 10% by 6/30/2011.

Metrics include:

- ✓ Inspections statistics, which include:
  - Annual number of inspections completed.
  - Annual number of annual inspections completed.
- ✓ Annual number of annual inspections that pass and fail. Of the failed inspections, the number of minor violations and number of major violations. This metric will assist us in monitoring the success of the self-certification of repairs aspect of the initiative. The Housing Commission hopes to see a decrease in the number of failed inspections as well as a decrease in major violations.
- ✓ Track units that are on the biennial inspection cycle that continue to pass HQS inspections. This will help the Housing Commission assess the success of this initiative. With inspections being conducted every two years on these units, a minimal increase in the fail rate is acceptable.
- ✓ Annual number of new property owners that enter the program.
- ✓ Full Time Equivalent (FTE) savings (also measures operational cost reduction).
- ✓ Annual number of self-certifications completed.

Undesirable Outcomes

- ✓ The Housing Commission anticipates that owners and tenants will be motivated to keep their units well maintained in order to qualify for the biennial inspection cycle, thus resulting in a higher passed first inspection rate and fewer failed inspections. It is acknowledged that the number of first annual or initial inspection fails may increase for units that are on the biennial inspection cycle as they will be inspected less frequently.

**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 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 us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

San Diego Housing Commission  
Revised Inspection Protocol

Metric	Baseline 2008		MTD		YTD		Benchmark		Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
	Units	Inspections	Units	Inspections	Units	Inspections	Units	Inspections		
Total No. of inspections	15,207	22,169					N/A	18,221	6/30/2011	
Total No. of annuals	13,530	18,532					N/A	N/A		
Total No. passing inspections	13,270	13,778								
Total No. of failed inspections	3,369	4,755					3,033	4,280	6/30/2011	
Full time equivalents to complete all inspections	10						8.5		6/30/2011	
Number of Section 8 owners	5,888		N/A	N/A	N/A	N/A				
Annual number of self certifications	N/A	N/A								
<b>Total No. of units that have 1 passing inspection and 0 failed inspections. The passing inspection is either the annual and or initials inspection for a 1 year period</b>	2253	2253					2478	2478	6/30/2011	
<b>Total No. of units that have 2 passing inspections and 0 failed inspections. The passing inspections are either annual and or initial inspections for a 2 year period</b>	6,682	6,945					6,682	6,682	6/30/2012	
<b>Potential Undesirable Outcome</b>										
No. failed 3rd year (2nd inspection on the biennial cycle)							0	0		

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D.5 and Attachment D. Waiver of certain provisions of Section 8(o)(8) of the U.S. Housing Act of 1937 and 24 CFR 982, Subpart I

## 2. AUTHORIZE THE HOUSING COMMISSION TO INSPECT AND DETERMINE RENT REASONABLENESS FOR HOUSING COMMISSION-OWNED PROPERTIES

HUD regulations require the Housing Commission to contract with a third party to perform annual inspections of the 1,582 Housing Commission-owned units. The Housing Commission will reduce administrative costs by utilizing its own staff to perform the required Housing Quality Standards inspections. The cost per unit was calculated by taking into consideration inspector time spent and the compensation, and mileage for SDHC inspectors. The contracted inspectors charge a set amount per inspection; this amount was used as the cost per unit for the contracted inspections. These inspections will be conducted in conformance with the Housing Quality Standard criteria, and will include a system of random quality control inspections to ensure compliance.

### San Diego Housing Commission-Owned Units

DESCRIPTION	NUMBER
Former Public Housing Converted to Affordable Units	1,366
Market Units-80% of AMI	216
<b>TOTAL UNITS</b>	<b>1,582</b>

As vacancies occur within the Housing Commission-owned properties, the Rental Assistance Department will conduct rent reasonableness determinations using the standard currently used to perform all other HCV rent reasonableness determinations.

Rent reasonableness determinations for the Housing Commission-owned properties will be completed using a database of comparable units and maintained by an independent contractor, GoSection8.com. GoSection8.com, a software tool developed, populated and maintained by an independent contractor, holds an extensive database of current (within the previous 12 months); open market rent comparable data. The rent reasonableness valuation system utilizes three unassisted comparables from the GoSection8.com database and a thorough market analysis of rentals within the market area to determine an approved rent.

MTW flexibility is needed for this initiative to allow the Housing Commission to inspect its own units.

**Anticipated Impact:** The anticipated impact to the Housing Commission will be a cost reduction of \$21,000 per year, thereby allowing greater cost effectiveness in Federal expenditures.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

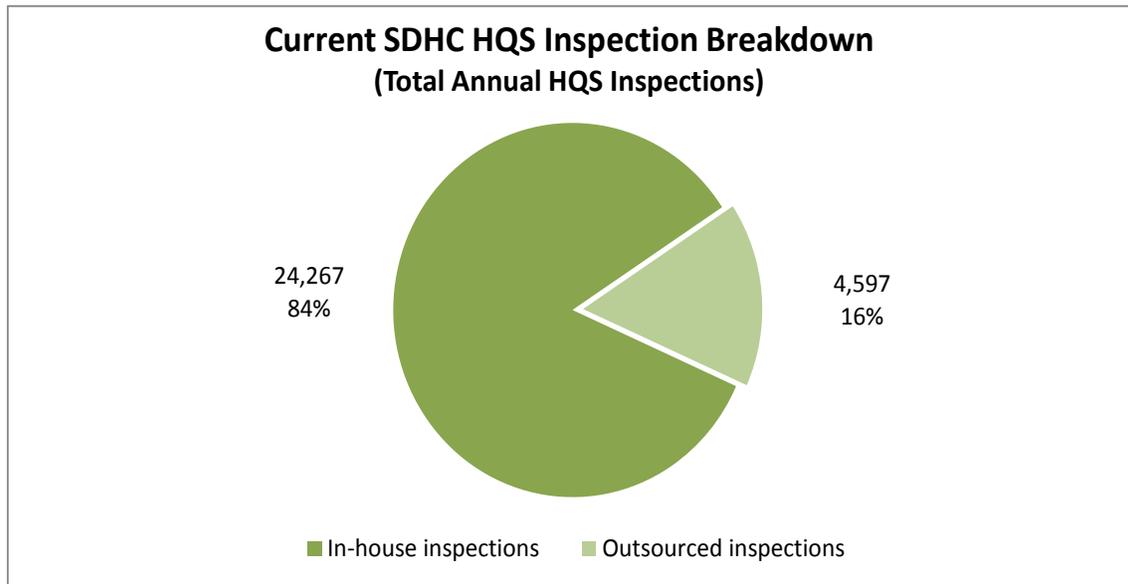
**Baselines, Benchmarks and Metrics:**

Current baselines include:

- ✓ 4,597 HQS inspections\* and 2,775 rent reasonableness reviews being conducted by a third-party company on approximately 1,600 SDHC-owned units during calendar year 2008.

*\*including no-shows and specials*

- ✓ \$128,000 spent annually with third party company to inspect approximately 1,600 SDHC-owned units.



<b>Move Inspections In-House for SDHC-Owned Units Cost Savings Analysis</b>								
	<b>Total (incl. Contractor)</b>	<b>Contractor</b>	<b>SDHC unit cost</b>	<b>Contractor unit cost</b>	<b>Unit savings</b>	<b>Total current Contractor</b>	<b>Proposed cost</b>	<b>Total savings</b>
Initial	2,408	225	\$23	\$36	\$13	\$8,100	\$5,218	\$2,882
Annual	14,404	2,617	\$23	\$28	\$5	\$73,265	\$60,679	\$12,586
Reinspection	9,441	1,121	\$23	\$22	-\$1	\$24,671	\$26,005	-\$1,334
No show	2,216	614	\$23	\$22	-\$1	\$13,508	\$14,239	-\$731
Other (specials)	395	20	\$23	\$22	-\$1	\$440	\$464	-\$24
<b>TOTAL</b>	<b>28,864</b>	<b>4,597</b>						
Rent reasonableness		2,775	0	3	3	8,325	0	8,325
						<b>\$128,309</b>	<b>\$106,604</b>	<b>\$21,704</b>
							<b>Cost savings</b>	<b>16.9%</b>

Projected benchmarks include:

- ✓ Move 100% of inspections in-house for SDHC-owned properties by 6/30/2010.
- ✓ Reduce annual inspection costs related to SDHC-owned units by 15% (approximately \$20,000) by 6/30/2010.

Metrics include:

- ✓ Annual number and percentage of inspections being conducted in-house for SDHC-owned properties.
- ✓ Annual cost to inspect SDHC-owned units.

Undesirable Outcomes may include:

- ✓ Annual number and percentage of SDHC-owned units requiring special inspections. Tracking this metric will allow the Housing Commission to ensure that inspection bias is not occurring (assuming similar percentages of special inspections for non-SDHC-owned and SDHC-owned properties).
- ✓ Annual number and percentage of tenant complaints related to inspections on SDHC-owned units. Tracking this metric will allow the Housing Commission to assess relative tenant satisfaction related to unit and inspection quality (assuming similar percentages of complaints for non-SDHC-owned and SDHC-owned properties).

### 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 annual 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:

#### Move HQS Inspections and Rent Reasonableness Reviews In-House

Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number and percentage of inspections being conducted in-house for SDHC-owned properties	0					4,597	6/30/2010	
Annual cost to inspect SDHC-owned units	\$128,000					\$108,800	6/30/2010	
<b>Potential Undesirable Outcomes</b>								
Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Acceptable Level	Action items	
Annual number and percentage of SDHC-owned units requiring special inspections	N/A					TBD 2011 Plan	TBD	
Annual number and percentage of tenant complaints related to inspections on SDHC-owned units	N/A					TBD 2011 Plan	TBD	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Sections D.2.c. and D.5, and Attachment D. Waiver of certain provisions of Section 8(o)(8), 8(o)(10) and 8(o)(11) of the U.S. Housing Act of 1937 and 24 CFR 982, Subpart I and Subpart K and 982.352(b).

### 3. IMPLEMENT TRIENNIAL INCOME RECERTIFICATIONS FOR ELDERLY AND DISABLED CLIENTS

Currently, 5,105 of the 13,816 housing choice voucher and public housing participant households meet HUD's definition of elderly/disabled household (head, spouse, or co-head is elderly and/or disabled). These families generally receive a fixed income with only nominal increases in income each year. The Housing Commission will use MTW authority to recertify these households on a three-year cycle, allowing families to build assets and achieve greater independence, as well as reducing administrative costs. Elderly and disabled families who lose a source of income will be eligible for an interim recertification to reduce their portion of the rent.

Triennial income reviews for housing choice voucher and public housing elderly and disabled program participants will begin in the first year of MTW. Each year, one third of the elderly and disabled participants will be scheduled for a full

recertification. This change will result in an anticipated impact to participants of 66% fewer scheduled full recertifications of elderly and disabled households annually.

**Anticipated Impact:** It is anticipated that this initiative will realize significant staff savings (approximately 2.25 FTE), thereby allowing greater cost effectiveness in Federal expenditures. This will enable the Housing Commission to implement other MTW initiatives requiring additional staff persons, such as the HCV Homeownership Option Program. No impact analysis is required as this initiative is not a rent reform activity, rather it is an administrative streamlining mechanism.

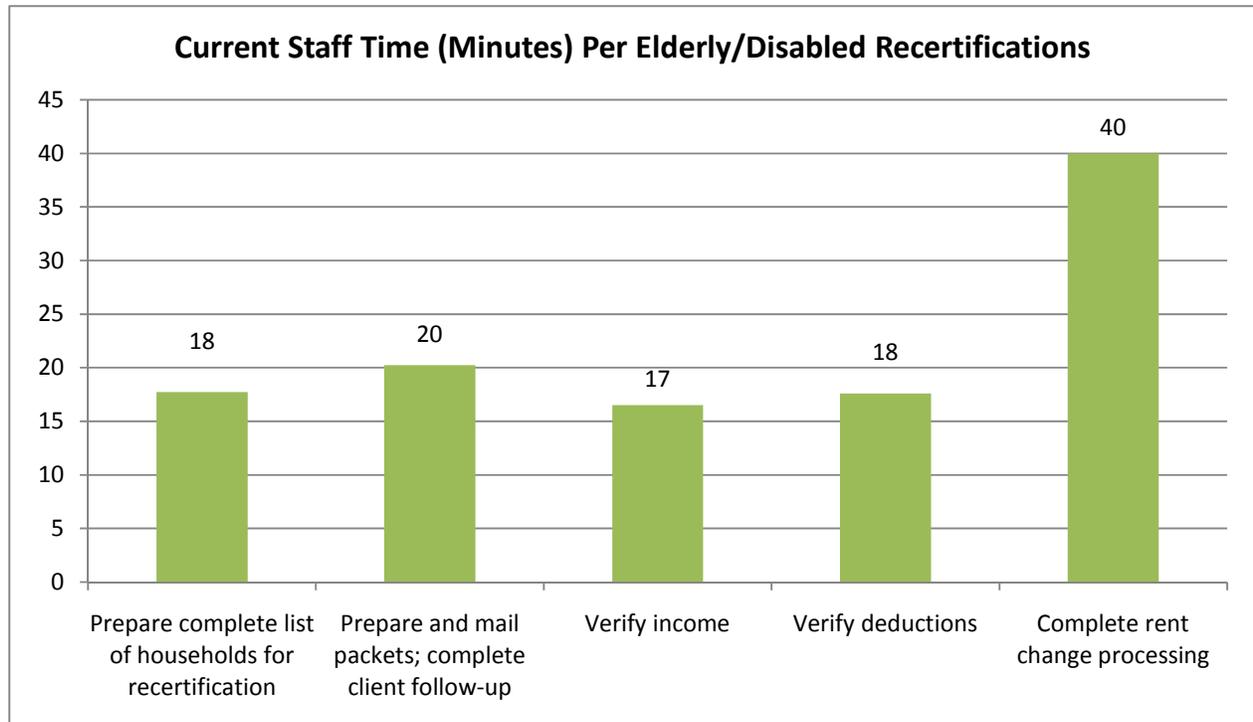
**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

#### **Baselines, Benchmarks and Metrics:**

*Note: Cost of Living Adjustments will be made to fixed income in the off years and a rent change letter will be sent to clients. As part of the process, other off-year activities will include updating of the Emphasys database and generation of form MTW 50058. The Housing Commission is looking into the possibility of automating the off-year rent adjustment process, but for the purposes of this plan, it is assumed that Housing Assistants will be making the adjustments manually.*

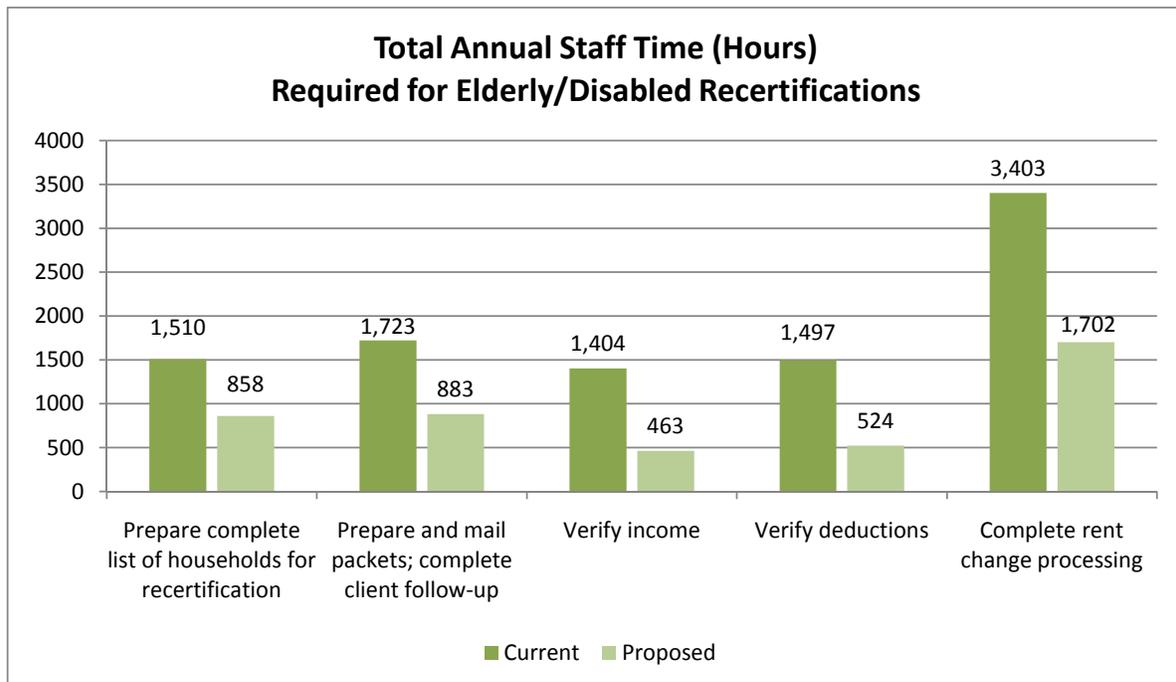
Current baseline estimates include:

- ✓ 5,105 households meet current SDHC elderly/disabled definition (head, co-head, or spouse is elderly and/or disabled), and have 100% of their gross income (excluding asset income) comprised of a fixed source (SSA, SSI, pensions).
- ✓ 9,500 hours (4.5 FTE) are currently spent annually to process elderly/disabled recertifications (excluding time spent performing inspections and Information Systems time to schedule inspections).
- ✓ \$10K spent annually on printing, copying, and postage to process elderly/disabled recertifications.
- ✓ In calendar year 2008, 2,674 interims were completed due to changes in family composition or decreases in income.



Projected benchmarks include:

- ✓ Reduce annual staff time used to process elderly/disabled recertifications by 50% by 12/31/2010.
- ✓ Reduce annual printing, copying, and postage costs required to process elderly/disabled recertifications and off-year rent adjustments by 50% by 12/31/2010.



**Metrics include:**

- ✓ Annual staff time required to process elderly/disabled triennial recertifications and the off year rent adjustments.
- ✓ Annual costs for printing, copying, and mailing recertification and off-year documents related to elderly/disabled rent adjustments.

**Undesirable Outcomes may include:**

- ✓ Annual number of interims being completed for elderly/disabled households in COLA years. There may be an increased number of interims completed due to tenants not undergoing a full recertification annually.

**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 annual 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 us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

**Implement Triennial Recertifications for Elderly/Disabled Households**

Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual staff time in hours required to process elderly/disabled recertifications and off-year rent adjustments	9,500					4,750	12/31/2010	
Annual costs for printing, copying, and mailing recertification and off-year documents related to elderly/disabled rent adjustments	\$10,000					\$5,000	12/31/2010	
<b>Potential Undesirable Outcomes</b>								
Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Acceptable Level	Action items	
Annual number of interims being completed for elderly/disabled households in COLA years.	N/A					TBD 2011 Plan	TBD	

**Authorization(s) to Conduct the Activity:** Public Housing - MTW Agreement Attachment C, Section C.4. Waiver of certain provisions of Section 3(a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257; HCV - MTW Agreement Attachment C, Section D.1.c. Waiver of certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516.

**4. 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 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, 15% 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 housing choice voucher participants.

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 Housing Choice Voucher 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. The Housing Commission intends to use MTW flexibility when determining adjusted payment standards, as analyses may support increases to more than 120% of the FMR.

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. 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. No hardship policy is necessary as no detrimental effect on participants is anticipated.

The transition period will be determined by the implementation date. Once the implementation date is chosen, participants will be given advance notice.

**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.

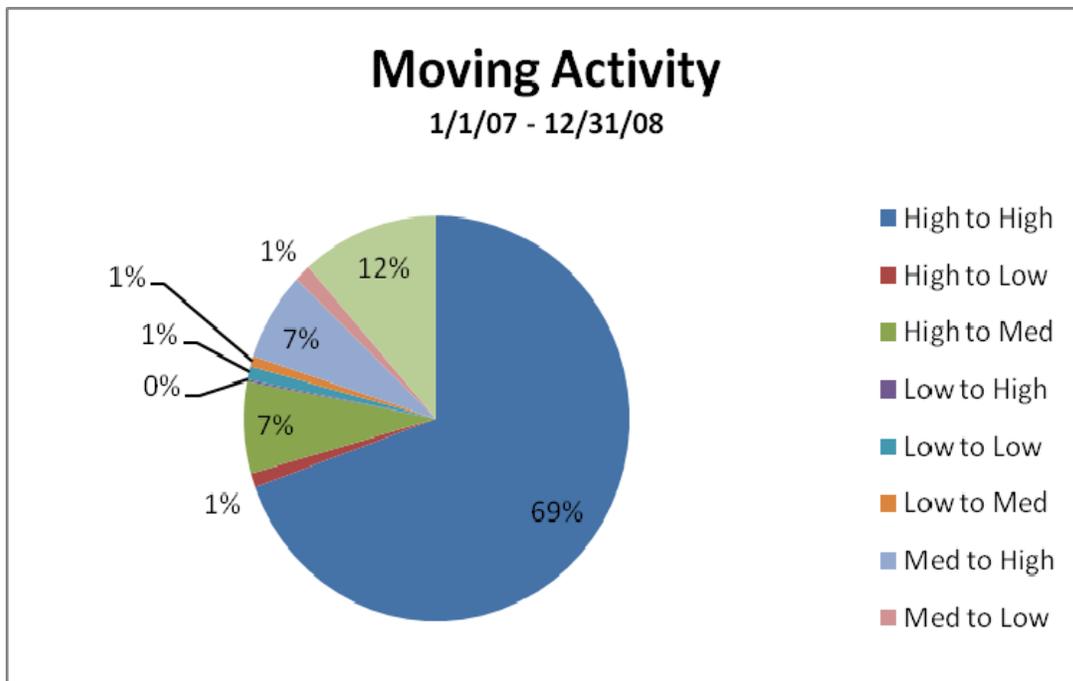
MTW flexibility allows staff savings from other initiatives, enabling the Housing Commission to devote a staff person to the Moving for Opportunity Program and Security Deposit Loan Program who would otherwise be assigned to another function (such as annual recertifications or inspections). It also allows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

Current 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.



Projected benchmarks include:

- ✓ 10% of moving participants will move from a high poverty area to a low poverty area by 6/30/2011.
- ✓ Average dollars loaned not to exceed \$1,450 per participant. This is the average security deposit in low-poverty areas.
- ✓ 80% of moving participants will stay in new unit at least one year, by 6/30/2011.

Metrics include:

- ✓ Total number and percentage of participants who move from a high-poverty area to a low-poverty area and participate in the security loan program, receive an increase in payment standards, or participate in the Moving for Opportunity program. Monitoring each of the initiative separately will assist the agency in quantifying the success of each component.
- ✓ Total number and percentage of participants who move from high poverty-areas and low-poverty areas. This metric directly measures the key performance indicator for this initiative.
- ✓ Total dollars security deposits loaned and average dollars loaned.
- ✓ Total number and percentage of participants who move from high-poverty areas to low-poverty areas and whose rent as a percentage of adjusted income exceeds 40% (up to new cap of 50%). This metric measures the number of participants taking advantage of the increased cap.
- ✓ Total number and percentage of participants who move from high-poverty areas to low-poverty areas, whose rent at move-in exceeds 40% of adjusted income (up to new cap of 50%) and who stay in the unit one year. This metric measures the implied success of the increased cap assuming people

have not chosen to move due to budgetary constraints and have not been evicted over the course of their first year in the new unit.

- ✓ Track the number of moves from high-poverty areas to medium-poverty areas. This will be tracked to determine whether the Payment Standard portion of this initiative has an effect on the participants moving from high-poverty areas to medium-poverty areas. A benchmark is not set for this metric in the FY2010 Plan. It is the Housing Commissions intent to analyze FY2010 data to determine benchmarks for future plans.
- ✓ Average HAP cost per unit for both designated high and low poverty areas. These costs are heavily influenced by market conditions and HUD funding availability.

**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:

**San Diego Housing Commission  
Neighborhoods of Choice**

Metric	Baseline 2008 (No.)	Baseline 2008 (%)	MTD (No.)	MTD (%)	YTD (No.)	YTD (%)	Benchmark	Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
Total No. of Participants Moving from High to Low areas of Poverty from 1/1/2007 to 12/31/2008	15	1%					10%	6/30/2011	
a) No. Participate in Security Deposit	N/A	N/A					TBD 2011 Plan		
b) No. receive increase payment standard	N/A	N/A					TBD 2011 Plan		
c) No. Participate in Mobility Counseling	N/A	N/A					TBD 2011 Plan		
Total No. of Participants Moving from High to Medium areas of Poverty from 1/1/2007 to 12/31/2008	96	7%					N/A		
No. of Participants exceeding the 40% affordability cap at move-in	0	0%							
No. of Participants exceeding the 40% affordability cap at move-in who stay in unit for 1 year	N/A	N/A					80%	6/30/2011	
No. of Loans	N/A	N/A					TBD 2011 Plan		
Dollars Loaned	N/A	N/A					TBD 2011 Plan		
Average Dollars Loaned	N/A	N/A					Not to exceed \$1450		
Average HAP cost per unit in low poverty areas	\$854	N/A							
Average HAP cost per unit in high poverty areas	\$824	N/A							

**Authorization(s) to Conduct the Activity-Eliminate the 40% Affordability Cap:** MTW Agreement Attachment C, Section D.2.a. Requires waivers of certain provisions of Section 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.

**Authorization(s) to Conduct the Activity-Create a Choice Communities**

**Program:** MTW Agreement Attachment C, Section B.1.b.iii. Waive certain provisions of Sections 8 and 9 of the 1937 Housing Act and 24 C.F.R. 982 and 990.

**Authorization(s) to Conduct the Activity-Create a Revolving Security**

**Deposit Program:** MTW Agreement Attachment C, Section B.1.b.iii. and B.1.b.viii. Waiver of certain provisions of Sections 8 and 9 of the U.S. Housing Act of 1937 and 24 CFR 982 and 990.

**Authorization(s) to Conduct the Activity-Increase the Payment Standard:**

MTW Agreement Attachment C, Section D.2.a. Waiver of certain provisions 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.

## 5. STANDARDIZE UTILITY ALLOWANCES BY UNIT SIZE

The Housing Commission proposes to simplify and streamline the utility allowance credit given to housing choice voucher and public housing clients. Utility allowances currently vary by building type, bedroom size and type of fuel/energy used. These variables result in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in frustration when the methodology is misunderstood. In addition, HUD has determined that incorrectly calculated utility allowances are one of the most common rent calculation errors in the country.

The Housing Commission has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision will provide each household responsible for tenant supplied utilities with the average allowance based upon the unit bedroom size. Households will receive a greatly simplified explanation of utility allowance benefits and Housing Commission staff will be able to select an allowance based only on unit size instead of determining individual allowances for every unit leased.

**Anticipated Impact:** The anticipated impact is to reduce administrative cost by saving approximately .4 FTE by 12/31/2010, thereby allowing greater cost effectiveness in Federal Expenditures. This measure is also intended to reduce administrative errors.

Standardized utility allowances will only apply to those households that are currently receiving a utility allowance. Below are the standard utility allowances for households that have sewer/water included in the utility allowance and those that do not have sewer/water included. Calculations will be re-run prior to implementation in order to reflect the most up-to-date data.

Bedrooms	MTW Standard Utility Allowance - Sewer/Water Included	MTW Standard Utility Allowance - Sewer/Water Not Included
0	\$49	\$18
1	\$49	\$25
2	\$83	\$36
3	\$113	\$49
4	\$154	\$68
5	\$176	\$72
6	\$192	\$94

\*excluding \$0 UA households

#HHs w/UA decrease >\$50	34
#HHs w/rent increase >\$50	25
Year 1 HAP impact (no hardship)	\$14,688
Year 1 hardship cost	\$5,136
<b>Total year 1 HAP change</b>	<b>\$19,824</b>

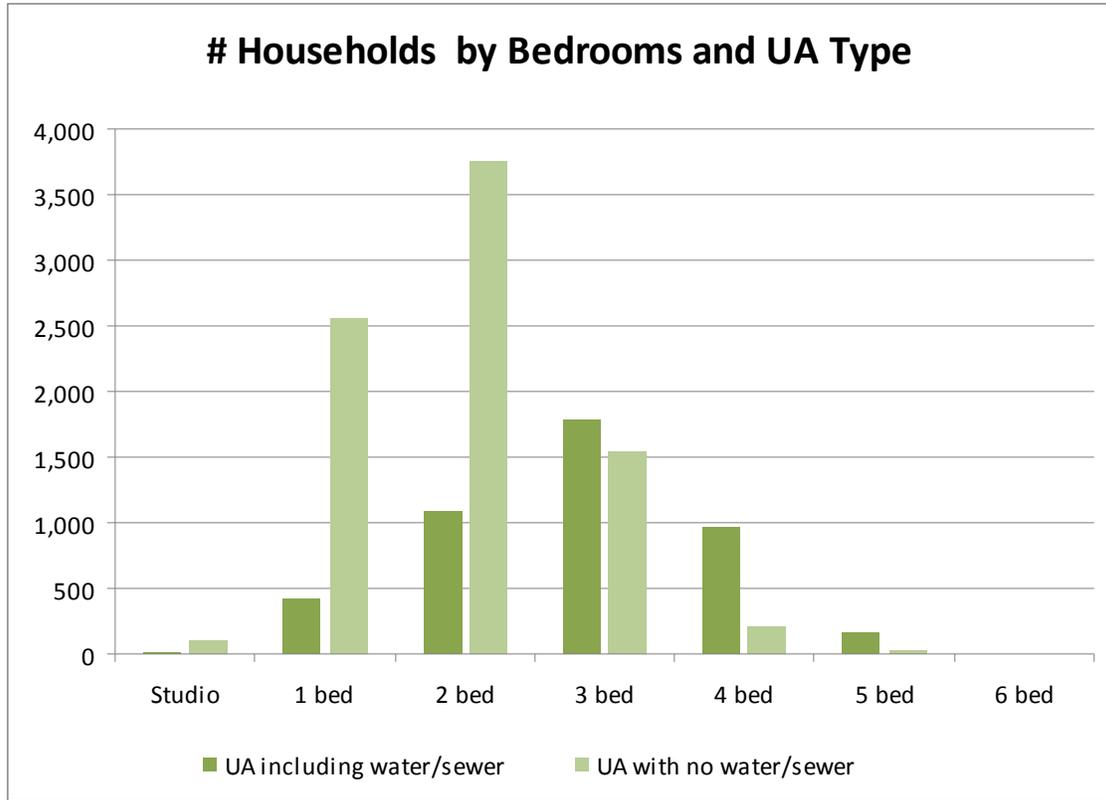
MTW flexibility allows the Housing Commission to set an average utility allowance schedule rather than follow the process mandated by HUD and the federal regulations. It is anticipated that this initiative will simplify the calculation of the utility allowance for the Housing Commission, thereby reducing calculation error rate, as well as making the allowance easier for owners and participants to understand.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal Expenditures.

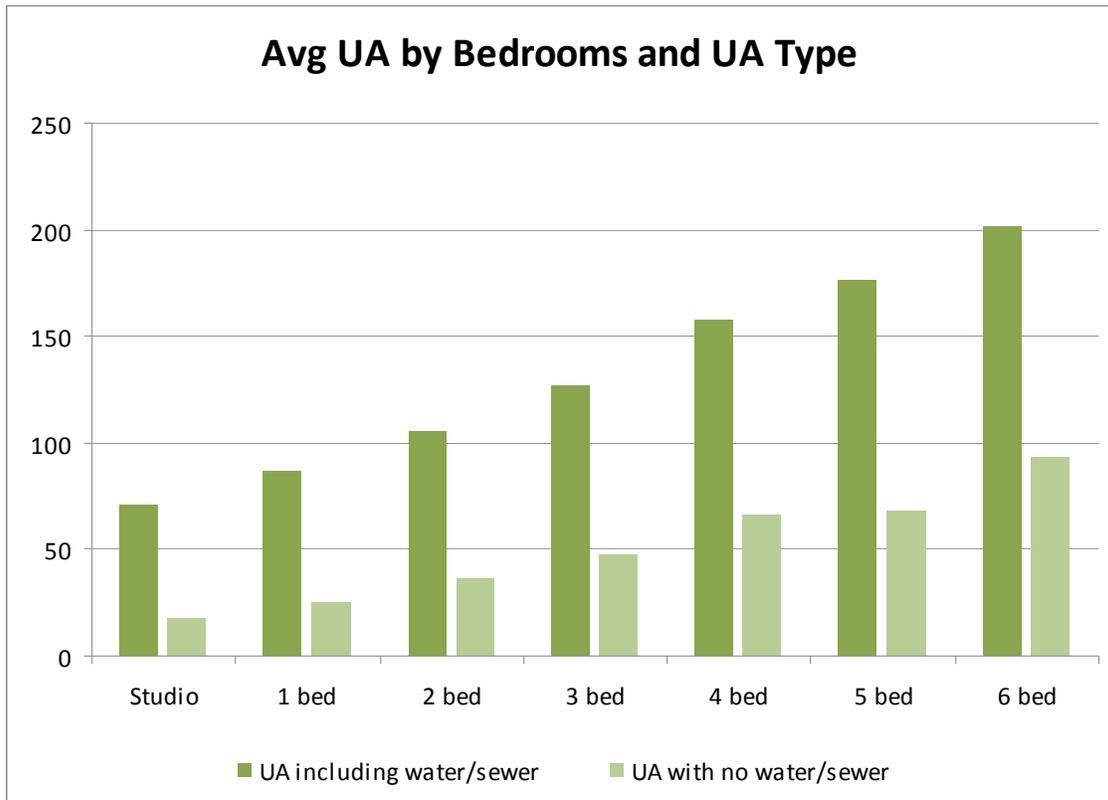
**Current baselines include:**

- ✓ 1,057 staff hours required annually to determine utility allowance as part of recertification process.
- ✓ 11% error rate in calculating utility allowances.

Following is a breakdown of the current number of households receiving utility allowances, shown for those households that have sewer/water included in the allowance and those whose allowance excludes sewer/water.



Below is a graphical representation of the average utility allowances by type.



Bedrooms	Number Water/Sewer	% Water/Sewer		Number of other* Non-		Average Other	Total UA Household
		Total	Average	Zero	Total		
0	9	8%	\$55.56	105	92%	\$18.27	114
1	411	14%	\$49.23	2622	86%	\$25.18	3033
2	1077	22%	\$83.16	3915	78%	\$36.27	4992
3	1823	52%	\$112.76	1671	48%	\$48.60	3494
4	1000	81%	\$154.37	236	19%	\$68.47	1236
5	164	88%	\$175.65	23	12%	\$72.13	187
6	7	54%	\$192.29	6	46%	\$93.50	13
<b>TOTAL</b>	<b>4491</b>			<b>8578</b>			<b>13069</b>

\*Other = households having utility allowances without sewer/water

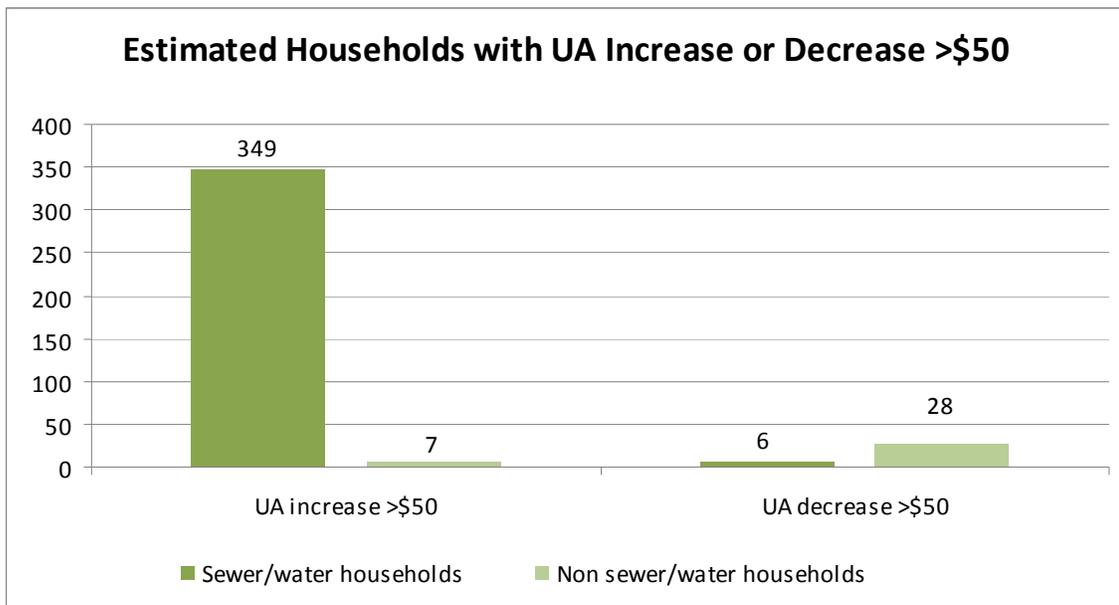
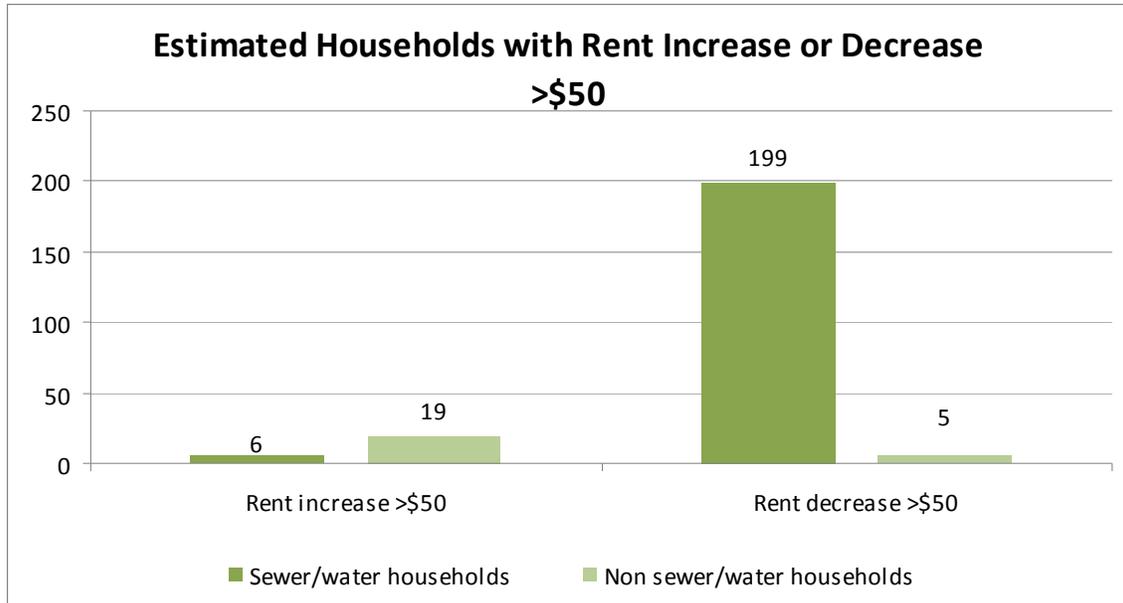
Projected benchmarks include:

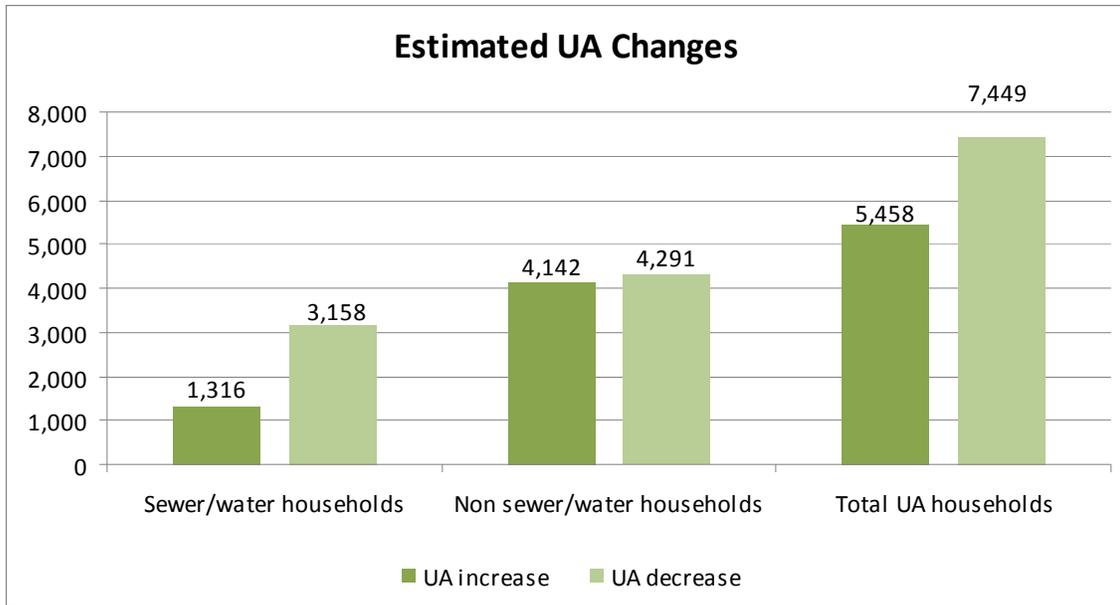
- ✓ Reduce annual staff time required to determine utility allowances by 80%, approximately .4 FTE, to 211 hours, by 12/31/10,.
- ✓ Reduce utility allowance calculation error rate by 50% by 6/30/2010.

An impact analysis was completed and demonstrates very few households, approximately 25 families, are anticipated to see an increase of \$50 or more per month in their family share due to the revised utility allowance structure. .

***Hardship Policy for Standardized Utility Allowance Structure***

The hardship policy allows families that experience a monthly \$50 increase or greater in their family share due to the revised utility allowance structure to request and qualify for exemption from a monthly increase beyond \$50.





Metrics include:

- ✓ Annual staff time in hours to determine utility allowances in recertifications.
- ✓ Utility allowance calculation error rate.
- ✓ Annual number of households approved for hardship exemption for monthly rent increase of greater than \$50 due to new utility allowance structure.

Undesirable Outcomes may include:

- ✓ Some households may experience a hardship due to an increase in family share caused by the new standardized utility allowance schedule.

The transition will occur at move-in or the next recertification after participants have been given adequate notice and an implementation date has been established.

**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 month 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:

**Standardize Utility Allowances by Unit Size**

Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual staff time in hours to determine utility allowances in recertifications	1,057					211	12/31/2010	
Utility allowance calculation error rate	11.0%	n/a		n/a		5.5%	6/30/2010	
<b>Potential Undesirable Outcomes</b>								
Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Acceptable Level	Action items	
Annual number of households approved for hardship exemption for monthly rent increases >\$50 due to changes in utility allowance structure						TBD 2011 Plan	TBD	

**Authorization(s) to Conduct the Activity:** Public Housing – MTW Agreement Attachment C, Section C.11. Waiver of certain provisions of Sections 3(a)(2), 3(a)3(A) and Section 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 and 960.255 and 966 Subpart A; HCV. – MTW Agreement Attachment C, Section D.2.a. Waiver of certain provisions of Section 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.

**6. SIMPLIFY INCOME AND ASSET VERIFICATION SYSTEMS TO REDUCE ADMINISTRATIVE COSTS**

The Housing Commission plans to simplify the requirements to verify income and assets for housing choice voucher participants and public housing tenants in order to reduce administrative time spent verifying income and assets and to reduce the rate of income calculation errors. Quality control reviews will continue to measure the rate of calculation errors; it is anticipated that the error rate will be reduced when the calculations are simplified.

The following are three verification requirements that the Housing Commission intends to adopt:

- Over 97% of Housing Commission clients report assets of less than \$10,000. Assets below \$10,000 have a marginal effect on the families’ rental portion. Therefore, the Housing Commission will no longer require documentation when a client self-declares that the value of their combined assets is less than \$10,000;
- For income verifications, the Housing Commission intends to expand the documentation timeframe to accept income verifications to no older than 180 days for both participants and applicants; and
- Additionally, the Housing Commission will accept certain documents provided by applicants and participants without requiring “third party”

verification: These documents include credible and convincing pay statements from established employers, and asset statements (e.g., bank statements) and verification of allowances from credible and established sources (e.g. copies of day care invoices).

**Anticipated Impact:** It is anticipated that this initiative will positively impact program participants by simplifying the reexamination process. It is also anticipated that this initiative will impact the Housing Commission by realizing significant staff savings (approximately 2.25 FTE), thereby allowing greater cost effectiveness in Federal Expenditures.

An impact analysis was completed and over 97% of households report less than \$10,000 in assets.

This will enable the Housing Commission to implement other MTW initiatives requiring additional staff persons, such as the Choice Communities Program. It will also utilize MTW flexibility in setting aside federal regulation regarding the income and asset verification hierarchy and required documentation, which will simplify the verification process for both the Housing Commission and participants and reduce asset and income verification administrative errors.

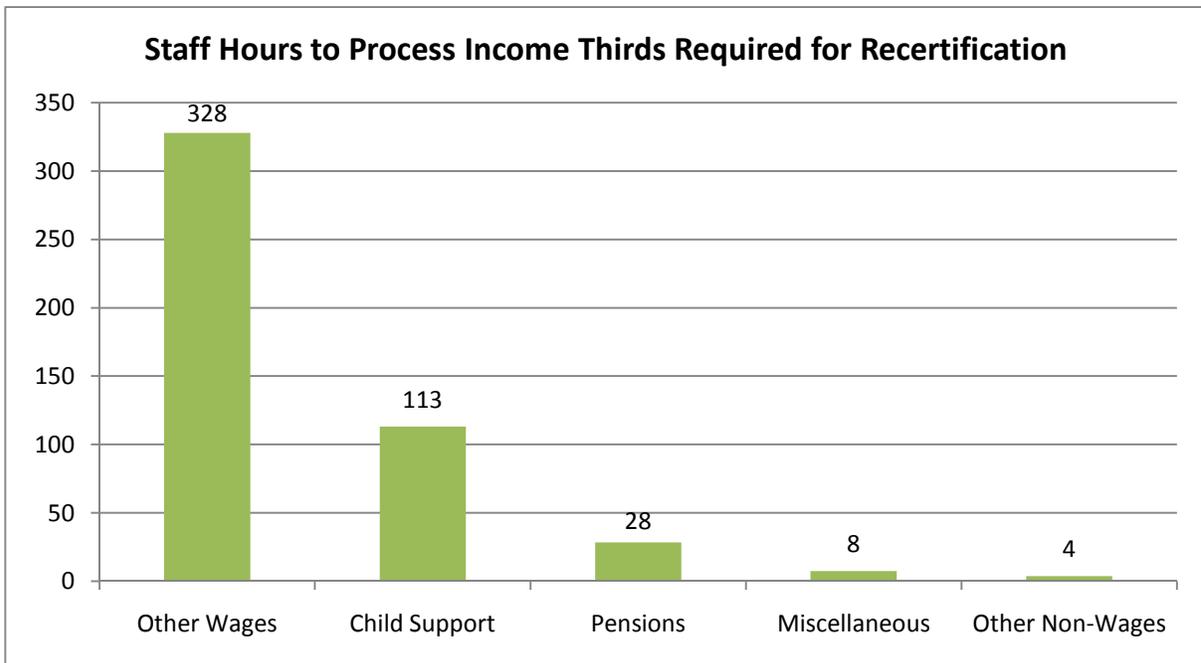
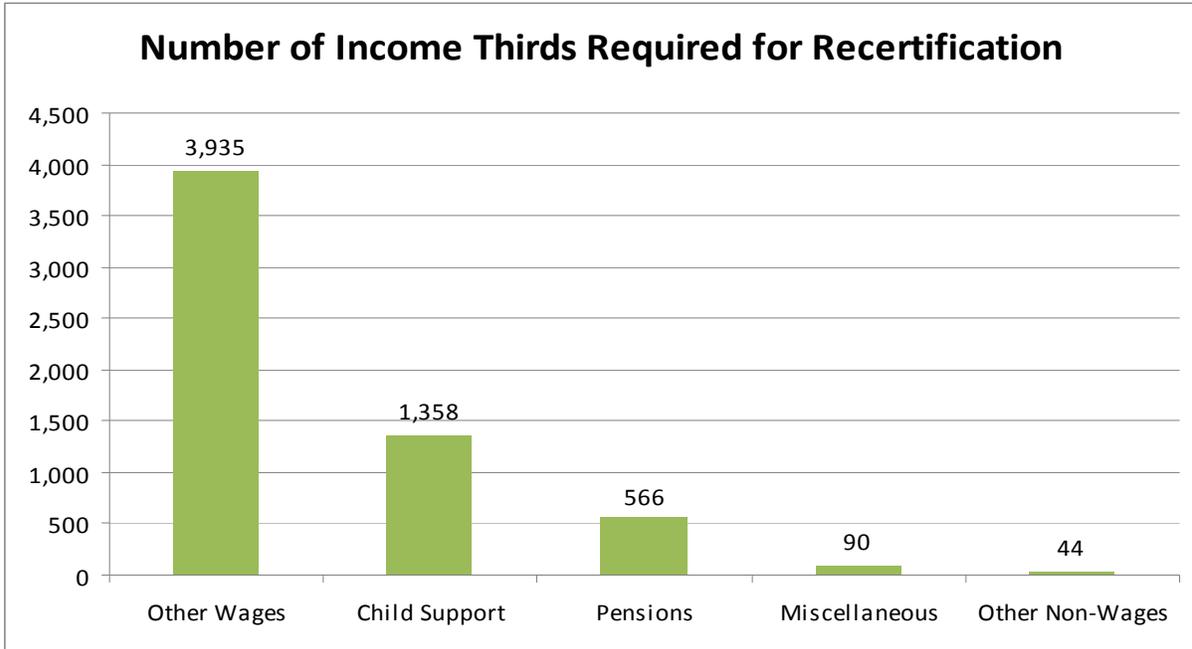
**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

### **Baselines, Benchmarks and Metrics:**

#### Income Verifications (excluding assets)

Current baselines include:

- ✓ 13,246 reviews of income documents (excluding asset income) being conducted as part of annual recertifications.
- ✓ 5,993 third party income verifications (excluding asset income) being conducted as part of annual recertifications.
- ✓ 2,783 hours required to process review of documents for income verifications (excluding asset income) during annual recertifications.
- ✓ 481 staff hours required to process third party income verifications (excluding asset income) during annual recertifications.



Projected benchmarks include:

- ✓ Reduce number of annual income-related (excluding assets) third party verifications by 100% by 6/30/2011.
- ✓ Reduce annual staff time required to conduct third party income (excluding assets) verifications by 100% (481 hours, equating to approximately .25 FTE) by 6/30/2011.

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Metrics include:

- ✓ Annual number of income-related (non-assets) third party verifications conducted during recertifications.
- ✓ Annual staff time required to conduct income (non-assets) review of documents in recertifications.

Undesirable Outcomes may include:

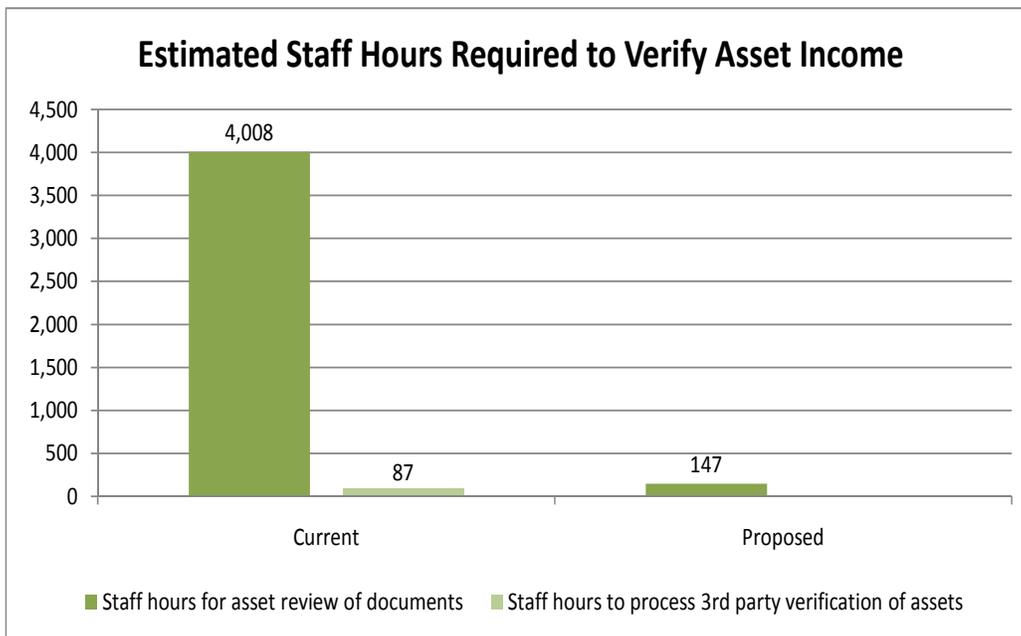
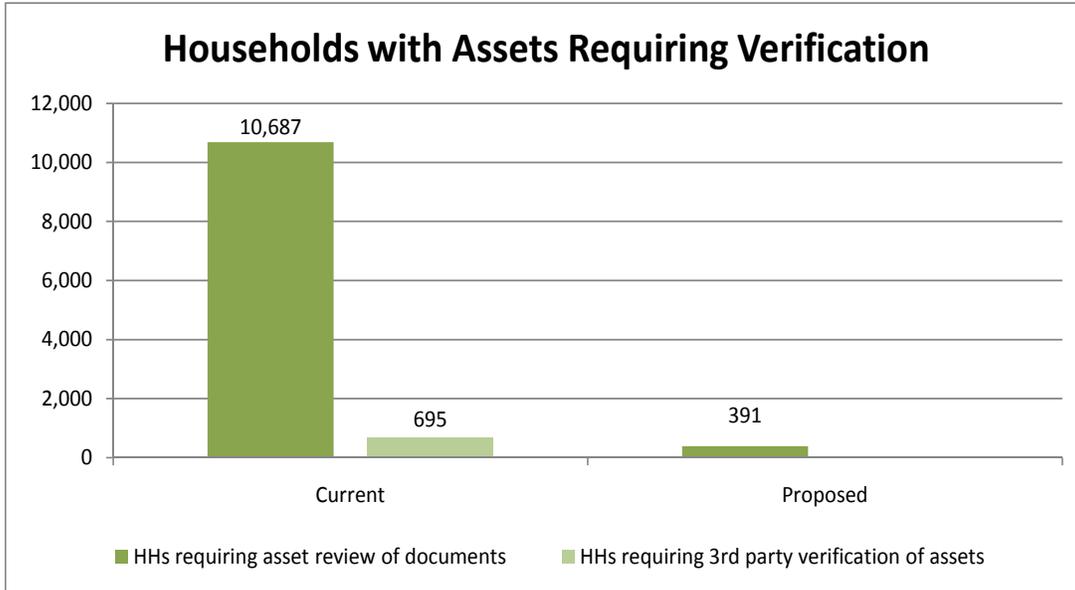
- ✓ Annual staff time required to conduct third party verification of income (non-assets) in recertifications. There will be some income sources that will require more review of documents when third party verifications are eliminated (e.g., other non-wages) and the time required to conduct these will be monitored.

Verification of Assets

Current baselines include:

- ✓ 410 households (3%) report assets of more than \$10,000.
- ✓ 10,687 households (79%) report some assets and require review of documents during annual recertifications.
- ✓ 2,320 households (17%) report asset income.
- ✓ 695 households (5%) report assets over \$5,000 (the current threshold for requiring third party verification) and require third party verification of assets during annual recertifications.
- ✓ 4,008 staff hours required to process review of documents for asset verification during annual recertifications.
- ✓ 87 staff hours required to process third party verification of assets during annual recertifications.
- ✓ 13% error rate in calculating asset income.

An impact analysis was completed and over 97% of households report less than \$10,000 in assets. The \$10,000 asset verification threshold was chosen to eliminate nearly all (97%) of the review of documents currently being conducted as part of the recertification process while maintaining some scrutiny of households that may have significant assets that could impact their ability to pay increased rents. The analysis shows that for households whose assets total less than \$10,000 and are no longer included in the rent calculation, the family share will decrease as asset income will not be used to calculate Total Tenant Payment. The Housing Commission realizes that as a result of the new asset threshold, HAP costs may increase by approximately \$25,000 per year. However, the staff time savings benefit of two FTEs realized by this initiative will more than compensate for this cost increase. Due to the number of components that go into the HAP cost calculation, there are too many variables to isolate the effect the lost asset income will have in subsequent years. A hardship policy is not required as the impact to participants is a lower family share of rent.



**Asset Verification Analysis: Section 8**

Total number units	13,565
Total proposed number not requiring review of docs	13,174
Fixed Income Units	5,105

	<u>Current</u>	<u>% Current</u>	<u>Proposed</u>	<u>% Total</u>	<u>Current Fixed Income</u>
HHS requiring asset review of documents	10,687	79%	391	3%	797
HHS requiring 3rd party verification of assets	695	5%	0	0%	164
Number units with assets between \$5k and \$10k	304				45
Number units with assets > \$10k	391				119
TOTAL OVER \$5K	695	5%			164

Total Assets for units with assets between \$5k and \$10K	\$2,137,198				\$318,533
Total Assets for units with assets > \$10K	\$14,281,410				\$6,800,375
Total Asset income for units with assets between \$5k and \$10k	\$62,673				\$12,903
Total Asset income for units with assets > \$10k	\$556,361				\$314,945

**Mins per recert**

Time to process general asset verifications	22.5
Time to process high assets requiring "thirds"	7.5

	<u>Current</u>	<u>Proposed</u>
Time to process general asset verifications	240,458	8,798
Time to process high assets requiring "thirds"	5,213	0
Total time (mins)	245,670	8,798

	<u>Current</u>	<u>Proposed</u>
Staff hours for asset review of documents	4,008	147
Staff hours to process 3rd party verification of assets	87	0
Total time (hrs)	4,095	147

Projected benchmarks include:

- ✓ Reduce annual number of asset-related review of documents by 96% by 6/30/2011.
- ✓ Reduce annual number of asset-related third party verifications by 100% by 6/30/2011.
- ✓ Reduce annual staff time required to conduct review of documents related to asset verification by 96% (equating to approximately two FTEs) by 6/30/2011.
- ✓ Reduce annual staff time required to conduct third party asset verifications by 100% by 6/30/2011.
- ✓ Reduce asset income calculation error rate by 50% by 6/30/2010.

Metrics include:

- ✓ Annual number of recertifications requiring asset review of documents.
- ✓ Annual number of recertifications requiring third party verification of assets.
- ✓ Annual staff time required to conduct asset review of documents in recertifications.
- ✓ Annual asset income calculation error rate. This metric will allow the Housing Commission to focus on errors related to households with the largest amount of assets, since asset income from households with assets less than \$10,000 will no longer be documented and included in the rent calculation.

Undesirable Outcomes may include:

- ✓ Annual staff time required to conduct third party verification of assets in recertifications. A limited number of third party verifications of assets will still be required which may hinder the Housing Commission from meeting benchmarks. The number of third party verifications sent for assets will be tracked in order to monitor this issue.

**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 month to date and year to date basis. Analyzing data on a frequent basis will assist in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

**Simplify Income and Asset Verification Systems**

Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of income-related (non-assets) third party verifications conducted during recertifications	5,993					0	6/30/2011	
Annual staff time in hours required to conduct third party verification of income in recertifications	481					0	6/30/2011	
Annual number of recertifications requiring asset review of documents	10,687					427	6/30/2011	
Annual staff time in hours required to conduct asset review of documents in recertifications	4,008					160	6/30/2011	
Annual staff time in hours required to conduct third party verification of assets in recertifications	87					0	6/30/2011	
Asset income calculation error rate	13.0%					6.5%	6/30/2010	
<b>Potential Undesirable Outcomes</b>								
Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Acceptable Level	Action items	
Annual staff time in hours required to conduct income (non-assets) review of documents in recertifications	2,783					3,061		
Annual number of recertifications requiring third party verification of assets	695					TBD		

**Authorization(s) to Conduct the Activity:** Public Housing – MTW Agreement Attachment C, Section C.4. Waivers of certain provisions of sections 3(a)(1) and 3(a)(2) of the U.S. Housing Act of 1937 and 24 CFR 966.4 and 960.257; HCV – MTW Agreement Attachment C, Section D.3.b. Waivers of certain provisions of 24 CFR 982.516 and 982 Subpart E.

**7. 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 housing choice voucher 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 Increases***

The Housing Commission will not perform interim increases in rent 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 Reductions***

Interim reductions in rent 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;
- The rent reduction will only be implemented if the household rent will decrease by 10% or more;
- 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.

The current Housing Choice Voucher 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 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 housing choice voucher 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:

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

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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.

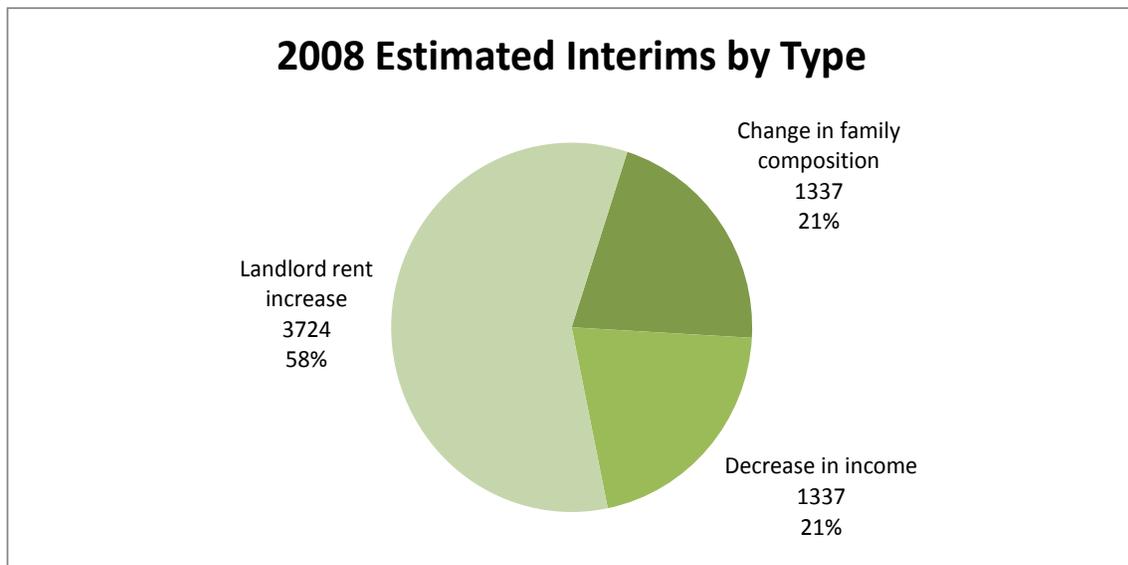
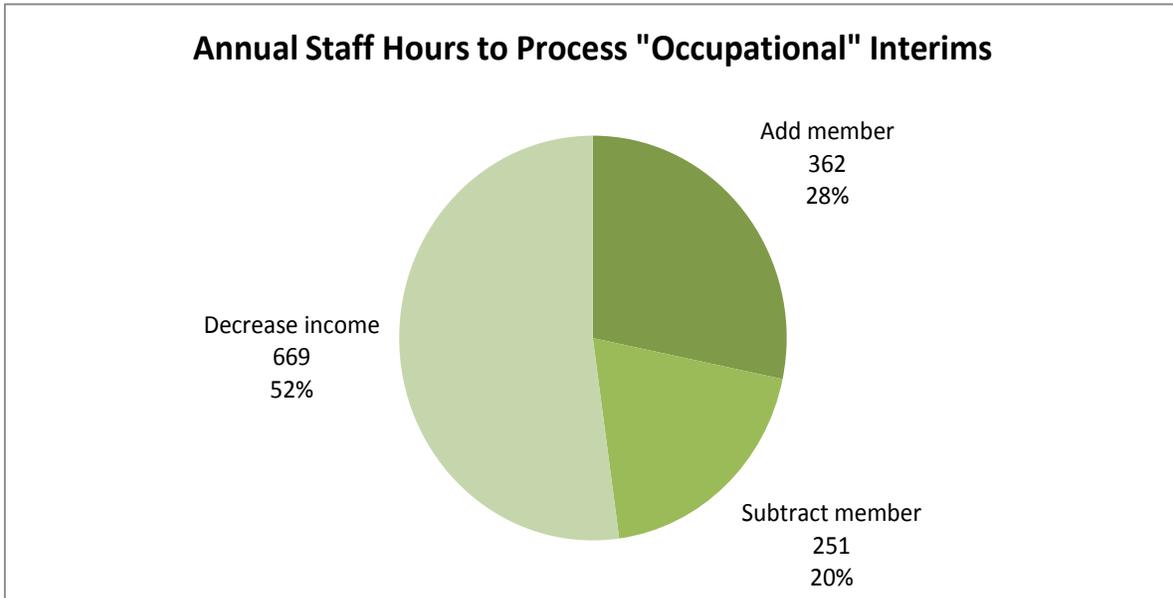
**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal Expenditures; Provide incentives to families with children whose head of household are either working, seeking work, or participating in job training, educational or other programs leading toward economic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

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

Current baselines include:

- ✓ 6,397 total interim recertifications conducted in 2008.
- ✓ 3,724 (58% of total) interims related to rent increases (conducted by Senior Housing Assistants). These interims are not expected to be impacted by these proposed MTW changes.
- ✓ 1,337 (21% of total) interims related to changes in family composition (add or subtract members).
- ✓ 1,337 (21% of total) interims related to loss of income (vast majority for families vs. elderly/disabled).
- ✓ 1,282 total staff hours to process decrease in income, add member, and subtract member interims.

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



Projected benchmarks include:

- ✓ Annual number of interim recertifications will not increase.
- ✓ Annual number of “decrease in income” interims will decline by 5% by 6/30/2011.

Metrics include:

- ✓ Annual number of “decrease in income” interims conducted. This metric will allow us to understand if the policy changes are limiting the number of interims due to loss of jobs and thereby indicating possible improvement in job retention.

- ✓ Annual staff time required to process “decrease in income” interims. This metric will allow us to understand if these policies are providing a net time savings or an increase in staff time required to process interims given the increased scrutiny of household income and enhanced reporting policies.
- ✓ Annual number of families who request “decrease in income” interims and are required to apply for unemployment. This new requirement will cause clients to apply for benefits within the interim timeframe, allowing income to be used in rent calculation.

Undesirable Outcomes may include:

- ✓ Annual number of hardships requested for income-related interims. This metric will allow us to understand if the policy change is driving more hardships that could measure the impact on tenant well-being. The number of households requesting hardships under the revised policy may increase more than anticipated, thus eliminating overall expected benefits of this initiative

The transition period will be determined by the implementation date. Once the implementation date is chosen, participants will be given advance notice.

**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:

**Adopt a Local Interim Recertification Policy**

Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of “decrease in income” interims conducted	1,337					1,270	6/30/2011	
Annual staff time in hours required to process “decrease in income” interims	669					TBD 2011 Plan	6/30/2011	
Annual number of families who apply for unemployment while requesting “decrease in income” interims	N/A					TBD 2011 Plan	6/30/2011	
<b>Potential Undesirable Outcomes</b>								
Metric	Baseline 2008	QTD	QTD (%)	YTD (#)	YTD (%)	Acceptable Level	Action items	
Annual number of hardships requested related to “decrease in income” interims	N/A					TBD 2011 Plan	TBD	

**Authorization(s) to Conduct the Activity:** Public Housing – MTW Agreement Attachment C, Section C.4. Waiver of certain provisions 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; HCV – MTW Agreement Attachment C, Section D.2.a. Waiver of certain provisions of Section 8(o)(5) of the U.S. Housing Act of 1937 and 24 CFR 982.516.

## **8. ESTABLISH HOUSING CHOICE VOUCHER (HCV) HOMEOWNERSHIP PROGRAM AND USE BLOCK GRANT FUNDS TO ASSIST HCV HOMEOWNERSHIP PARTICIPANTS**

The Housing Commission does not currently operate a Housing Choice Voucher Homeownership Program. For this new program, the use of a two-mortgage model may be used to assist eligible housing choice voucher families to purchase a home using their voucher. The Housing Commission will utilize MTW flexibility in designing the program by establishing a reduced voucher assistance time limit for eligible families that purchase foreclosed homes while ensuring continued success for voucher homeownership families; and design the program targeting foreclosed properties in the community by offering incentives to families who purchase foreclosures:

- An amount equal to 24 months of initial HAP may be used as down payment assistance for nonelderly/nondisabled families purchasing foreclosed homes, subject to funding availability. For families using the HAP as down payment assistance, the period of assistance will also be shortened by two (2) years for a nonelderly/nondisabled family. These foreclosures incentives will be funded using block grant funds utilizing MTW flexibility.
- The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (average of no less than 35 hours per week) within 30 days will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

A hardship policy, including a provision for participants on leave from work due to maternity leave, FMLA or Worker's Compensation will be included.

The softened housing market creates additional opportunities for the Housing Commission to undertake initiatives to help low-income HCV families attain homeownership. Accordingly, the Commission may use public housing and/or voucher (Block Grant) funds to provide "soft second" mortgages, down payment assistance or similar assistance to assist low-income families in this manner. Such an initiative, which would be an eligible use of Block Grant funds, may be undertaken in conjunction with the HCV Homeownership Program.

**Anticipated Impact:** The anticipated impact of this initiative will be increased housing choices in the form of homeownership for qualified low-income families and provide an incentive for working families.

MTW flexibility allows staff savings from other initiatives, enabling the Housing Commission to devote a staff person to the HCV Homeownership Program who would otherwise be assigned to another function (such as annual recertifications or inspections). It also allows the Housing Commission to disregard certain federal regulations regarding types of assistance available to homebuyers and to encourage the purchase of foreclosed homes. The Block Grant funding under MTW makes assisting low-income families purchase homes by providing additional down payment assistance, foreclosure incentives, and deferred loans possible as HCV funds can be used to increase housing choices for low-income families.

**Relation to Statutory Objectives:** 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; Increase Housing Choices for low-income families.

**Baselines, Benchmarks and Metrics:** SDHC has not operated a traditional HCV homeownership program, nor has it offered financial home buying assistance to HCV voucher participants. Since it is a new initiative, the baseline is a nonentity.

Projected benchmarks include:

- ✓ 10 participants by 6/30/2010. Based on surveys of other Public Housing Authorities, 5 to 10 participants in the first year is typical.
- ✓ 10 HCV Homeownership Program participants will be assisted with a deferred second loan and/or down payment assistance grant, using Block Grant funds by 6/30/2010.
- ✓ 70% of the homes purchased by 6/30/2010 will be foreclosed properties.
- ✓ All participants will be able to maintain mortgage payments for the duration of their homeownership assistance.

The metrics that will be used to quantify the MTW activity include:

- ✓ The annual number and the percentage of families participating in the homeownership voucher program that purchased foreclosed homes and open market homes. This will quantify if this initiative has the positive affect of increased housing choices for low-income families.
- ✓ Track monthly HAP expenditures for the participants of the homeownership program versus what the prior HAP expenditures were during the time the client participated in the Section 8 program. This metric will provide us with a per-unit cost and further insight on the success of the program and where to set the benchmark for subsequent years. Additionally, this metric

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will provide financial monitoring/reporting to indicate an increase or decrease in HAP expenses for the agency.

- ✓ Annual number of participants who become income ineligible while on the program. This metric will help us gauge the success of the initiative to assist our clients to become economically self-sufficient.
- ✓ Annual number of households receiving a deferred second loan and down payment assistance grant.
- ✓ Annual dollars loaned/granted
- ✓ Annual average dollars loaned/granted

#### Undesirable Outcome

- ✓ Annual number participants who are not able to maintain mortgage payments. Despite strict qualification requirements, there is a chance that participants that purchase a home using this program may fall behind on their mortgage payments.

**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 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:

**San Diego Housing Commission  
HCV Homeownership Option Program and Funds to Assist HCV Participants**

Metric	Benchmark 2008	MTD	YTD	Benchmark	Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
Annual No. Purchased Foreclosed Homes	0			7	6/30/2010	
Annual No. Purchased Regular Market Homes	0			3	6/30/2010	
% Purchased Foreclosed Homes	0			70%	6/30/2010	
% Purchased Regular Market Homes	0			30%	6/30/2010	
Current HAP Expenditures	N/A					
Previous HAP Expenditures	N/A					
% Difference	N/A					
Annual No. Ineligible due to becoming economically self sufficient	N/A			No benchmark for 1st year		
Annual No. Deferred Second Loan	0			TBD 2011 Plan		
Annual No. Down Payment Assistance Grant	0			TBD 2011 Plan		
Annual Total (some participate in both programs)	0			10	6/30/2010	
Annual Dollars Deferred Second Loan	0			TBD 2011 Plan		
Annual Avg. Deferred Second Loan (Dollars)	0			TBD 2011 Plan		
Dollars Down Payment Assistance Grant	0			TBD 2011 Plan		
Annual Avg. Down Payment Assistance Grant (Dollars)	0			TBD 2011 Plan		
<b>Potential Undesirable Outcome</b>						
Annual No. Participants who are not able to maintain mortgage payments	N/A			0	6/30/2010	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D.8. Waiver of certain provisions of Section 8(o)(15) and 8(y) of the U.S. Housing Act of 1937 and 24 CFR 982.625 through 982.643 inclusive, as necessary.

## 9. EXPAND THE PROJECT-BASED VOUCHER PROGRAM

The Housing Commission currently operates a very small Project-Based Voucher Program. Taking advantage of the flexibility of the MTW program, the Housing Commission intends to expand the Project-Based Voucher (PBV) program. The agency will accomplish this by establishing a Transitional Housing Assistance Program that serves the needs of San Diego's low-income residents who are in need of enriched supportive service housing.

**Anticipated Impact:** The anticipated impact of this initiative is that 200 of the City of San Diego's homeless citizens will be given the opportunity to have a permanent residence, thus increasing their housing choices. Further, 200 additional project-based vouchers will be utilized to assist other low-income families, increasing their housing choices.

The Housing Commission will further utilize the PBV program to increase the range of options available to low-income households and offer more housing opportunities for needy households. Project-based vouchers will be allocated for a range of different populations and purposes. Local non-profits and developers will compete for the opportunity to receive a project-based allocation of vouchers to provide long-term subsidy in exchange for providing affordable and transitional housing. Under MTW the Housing Commission intends to:

1. Collaborate with local developers and non-profit housing providers by creating long-term subsidies by means of project-based vouchers, in exchange for the creation of affordable housing for low-income families and individuals and transitional housing for homeless families and individuals.
2. Increase the range of options available to low-income households living in high-poverty areas.
3. Designate up to 3% of vouchers to project-based developments
4. Expand the use of project-based vouchers by increasing the permissible percentage of subsidized units in a single development. The Housing Commission will allow more than 25% of the units in a development to be project-based when this will result in the preservation and/or development of affordable housing and does not result in an increased concentration of low-income families.
5. Utilize project-based vouchers within Housing Commission-owned properties.
6. In conjunction with HUD's Neighborhood Stabilization Program, the Housing Commission may apply creative measures utilizing Project-based vouchers to increase housing opportunities in vacant and foreclosed properties in impacted areas of the community.
7. Allow for project-specific waiting lists maintained by the owners or non-profit providers in compliance with agency standards.

The selected partners will conduct preliminary on-site initial and on-going eligibility appointments, assisting the residents in filling out paperwork and gathering verification documents. These will be forwarded to the Housing Commission for review, quality control, final determination, certification processing, and HUD 50058 submission. This will reduce Housing Commission administrative staff time needed to process Project-Based Vouchers. Certain confidential verification sources, such as EIV, will not be accessible by the partners, and will continue to be generated and utilized by the Housing Commission.

The partners will also maintain site-based waiting lists and offer supportive services to chronically homeless families. Tenants will be responsible for paying their rent portion, as calculated by the Housing Commission, to the partner. Rent calculation for PBV participants will be conducted the same as for tenant-based voucher participants.

**Relation to Statutory Objectives:** Increase Housing Choices for low-income families.

**Baselines, Benchmarks and Metrics:**

Current baselines include:

- ✓ Currently, SDHC administers 39 project-based vouchers.
- ✓ Current administration time is estimated at 0.30 FTE.

Projected benchmarks include:

- ✓ Increase project-based vouchers by 926% (from 39 to 439) by 6/30/2010.
- ✓ Administer 200 vouchers to chronically homeless by 6/30/2010.
- ✓ Administer an additional 200 vouchers to low income families by 6/30/2010.
- ✓ Currently 39 project-based vouchers require 0.30 FTE to administer. The projected increase to 439 project-based vouchers would require three FTE for administration based on the current project-based model. The reduction in staff will be achieved by transferring a portion of the administration of the project-based vouchers from the agency to the chosen partners. Two Housing Commission staff will be required to complete certifications, conduct on-site training, and perform quality assurance.

Metrics include:

- ✓ Number and percentage of the 200 vouchers designated for low-income PBV units that are allocated to formerly vacant/foreclosed properties. This metric will provide further insight on the overall goal to increase housing opportunities in vacant properties that are otherwise in danger of blighting the neighborhoods. Additionally, this metric will provide knowledge on where to set the benchmark for subsequent years.
- ✓ Number and percentage of the 200 vouchers designated for low-income PBV units that are allocated to Housing Commission-owned properties.
- ✓ Number of chronically homeless leased up. The benchmark is to lease up 200 or 50% of the project based vouchers for chronically homeless.
- ✓ Number of low-income families leased up. The benchmark is to lease up 200 or 50% of the project based vouchers for low-income families.
- ✓ List of developments detailing total number of units, total number of project based units, percentage of project-based units.

**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 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:

**San Diego Housing Commission  
Project-Based Voucher Program**

	Baseline	Vouchers used for chronically homeless		Vouchers used for low income families		Benchmark	Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
	2008	MTD (No.)	MTD (%)	YTD (No.)	YTD (%)			
Vouchers used for chronically homeless	0					200	6/30/2010	
Vouchers used for low income families	39					239	6/30/2010	
Total vouchers	39					439	6/30/2010	
Administration time required to administer 400 project-based vouchers	3					2	6/30/2010	
<b>Voucher Subtotal for low income families</b>								
Vouchers used for former vacant/foreclosed properties						N/A		
Vouchers used for regular market properties						N/A		
Number and percentage allocated to Housing Commission-owned properties						N/A		
Total vouchers						200	6/30/2010	

Development Name	Total No. of Units	Total No. of Project Based Units	% Project based Units

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Sections B.1.b.vi., D.2.d. and D.7. Waiver of certain provisions of Sections 8 and 9 of the U.S. Housing Act of 1937 and 24 CFR 982, 983, and 990.

**10. UNDERTAKE PUBLIC HOUSING DEVELOPMENT WITH PUBLIC HOUSING OR VOUCHER FUNDS**

To the extent the Housing Commission is constrained from expanding the voucher program under MTW, the Commission may use public housing and/or voucher funds to undertake additional public housing development. The cost per unit is anticipated to be approximately \$300,000. These funds would be used for the capital to acquire, rehabilitate or produce housing units that will comply with

public housing development requirements. The units then could receive operating subsidy as replacement housing.

The Block Grant funding flexibility under MTW makes this initiative possible as HCV funds can be used to acquire and/or develop additional public housing units.

**Anticipated Impact:** The anticipated impact of this initiative will be that additional public housing units will be created, thereby increasing housing choices for low-income families.

**Relation to Statutory Objectives:** Increase Housing Choices for low-income families.

**Baselines, Benchmarks and Metrics:**

Current baselines include:

- ✓ Current number of Public Housing Units is 36

Projected benchmarks include:

- ✓ Increase the number of Public Housing Units by 33 for a total of 69 units agency-wide by the end of FY2010.

Metrics include:

- ✓ Number of Public Housing Units created

**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 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 us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

**San Diego Housing Commission  
New Public Housing Units**

Metric	Baseline 2008	MTD	YTD	Benchmark	Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
No. of New Public Housing Units	36			69	6/30/2010	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section B.1.b.ii., vii and viii and Section C.13. Waiver of certain provisions of sections 8 and 9 of the U.S. Housing Act of 1937 and 24 CFR 941, 982 and 990.

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

### **Establish an Economic Development Academy in a Centralized, Highly Accessible Location to Support Self-Sufficiency, Housing Choice, Homeownership, and Greater Use of Technology by Families.**

- A. The Economic Development Academy initiative was identified and implemented in FY09.
- B. The office space for the Economic Development Academy is currently being designed by an architect and the Academy is scheduled to open in September 2009.
- C. No changes, modifications, or additions to Attachment C authorizations are anticipated.
- D. The Housing Commission is not using outside evaluators.

### **American Reinvestment and Recovery Act of 2009**

- A. The American Reinvestment and Recover Act of 2009 initiative was identified and implemented in FY09.
- B. The Housing Commission is currently searching for appropriate acquisition sites. The Housing Commission intends to continue to search and acquire these sites in 2010 to begin converting them into Public Housing units.
- C. No changes, modifications, or additions to Attachment C authorizations are anticipated.
- D. The Housing Commission is not using outside evaluators.

## SECTION VII. SOURCES AND USES OF FUNDING

A. Below is a table detailing the sources and uses of funding:

FY 2010 PLANNED SOURCES			
	Public Housing	Section 8 - MTW	MTW Consolidated
Rental Revenue	298,676		298,676
Section 8 Subsidy		170,587,391	170,587,391
Operating Subsidy	28,256		28,256
Operating Subsidy-Repositioning Fees	4,305,966		4,305,966
HUD Grants	613,333		613,333
Other Revenue-Public Housing Reserves	7,601,103		7,601,103
Other Revenue	443,207		443,207
<b>Total Sources</b>	<b>13,290,541</b>	<b>170,587,391</b>	<b>183,877,932</b>
FY 2010 PLANNED USES			
	Public Housing	Section 8 - MTW	MTW Consolidated
Administrative & Operations	115,091	11,388,941	11,504,032
Housing Assistance Payments		153,822,931	153,822,931
Housing Dev/Site Acquisition	10,040,506		10,040,506
MTW Choice Neighborhoods		50,000	50,000
MTW Economic Development Academy (Operations & Admin)		2,614,255	2,614,255
MTW Economic Development Academy (Tenant Improvements)		1,322,500	1,322,500
MTW Foreclosure Initiatives		250,000	250,000
MTW Security Deposit Assistance Program		50,000	50,000
Property Mgmt & Routine Maintenance Expenses	78,884		78,884
Relocation	275,000	18,000	293,000
Site Improvement	39,950		39,950
Reserve	2,741,110	1,070,764	3,811,874
<b>Total Expenditures</b>	<b>13,290,541</b>	<b>170,587,391</b>	<b>183,877,932</b>

**Key:**

Rental Revenue: Income generated from the 36 unit public housing program  
 Section 8 Subsidy: Housing assistance and administrative fee subsidy for the Section 8 program  
 Operating Subsidy: Operating subsidy for the 36 unit public housing program  
 Operating Subsidy-Repositioning Fees: Repositioning fees received for relocation and other expenses due to the disposition of 1,366 Public Housing units  
 HUD Grants: Prior and current Capital Fund awards  
 Other Revenue-Public Housing Reserves: Prior year reserves from public housing operations  
 Other Revenue: Sale of easement rights of two Public Housing sites

ARRA Funds	
Sources	Total
Capital Fund FY10 5 01-09-ARRA	2,173,051
Uses	
Public Housing Development-ARRA	2,173,051

The Housing Commission plans to continue to search for appropriate acquisition sites for Public Housing using Public Housing capital funds provided under the ARRA Act during FY 2010. It is also anticipated that sites will be identified and acquired during FY 2010, to begin conversion into Public Housing units.

HOME Funds	
<b>Sources</b>	Total
HOME Program	575,343
<b>Uses</b>	
MTW Homeownership Program	575,343

- B. The Housing Commission does not plan to use any State or local funds for the MTW program.
- C. No central office cost center has been established because the agency owns and manages only 36 Public Housing units.
- D. The Housing Commission is using a cost allocation approach that meets HUD's requirements.
- E. The Housing Commission will use single-fund flexibility in support of MTW activities rather than creating numerous budgets. The Housing Commission requests to combine funds from public housing operating and capital fund assistance (authorized by section 9 of the United States Housing Act of 1937 (the Act)) and voucher funds (authorized by section 8(o) of the Act) to implement a block grant/single fund budget approach to budgeting and accounting. The Housing Commission will consolidate public housing and housing choice voucher program funds to implement the approved Moving to Work initiatives described in this Plan, and in future updated Plans.

Funds that originated as voucher funds may be used for all of these activities, a homeownership program for low-income families and capital for public housing development.

The Commission may use public housing and/or voucher funds to undertake additional public housing developments. These funds would be used for the capital to acquire, rehabilitate or produce housing units that will comply with public housing development requirements. The units then could receive operating subsidy as replacement housing.

### **Plan for Use of Replacement Housing Factor (RHF) Funds**

On April 6, 2009, the Commission's President and Chief Executive Officer wrote HUD to reaffirm the intention of the Commission to accept and use RHF funding available to the Commission as a result of the disposition of 1366 public housing units in November 2007. The Commission's formula Capital Fund share for fiscal 2008, \$1,716,738, is an approximation of the annual funding. The first year of the First Increment would be federal fiscal 2009.

The Commission intends to accumulate these funds for the maximum allowable time period – through federal fiscal 2013, to provide the greatest possible flexibility to carry out its plans. The Commission intends to use these funds to acquire additional public housing units. HUD's 2008 Total Development Cost limit for a 2-bedroom walk-up unit is \$178,845. Thus, using rough estimates of

\$8.5 million available and a cost of \$200,000 per unit, the Commission could add approximately 42 public housing units with the five years of First Increment RHF funding.

Depending upon market opportunities, the Commission may acquire single-family units, units in condominiums, or small apartment complexes. While the Commission is proposing to accumulate funds throughout the 5-year increment, the Commission may expend funds and acquire units earlier than the 2015 obligation deadline if outstanding opportunities present themselves.

## **SECTION VIII. ADMINISTRATIVE INFORMATION**

- A. Copy of Board Resolution – Board approved on December 2, 2008 (See Appendix C)
- B. Describe Any Planned or Ongoing Evaluations:  
The Housing Commission intends to evaluate the effect of the MTW initiatives on the provision of increased housing choices for low-income families, incentives to families to move toward economic self-sufficiency and a reduction in program administrative costs. The Commission will develop and perform internal evaluations of each of the stated Moving Forward Program initiatives. Evaluations will also help the Commission determine whether the quality of the program administration and customer satisfaction has increased. Evaluations will be prepared at least annually, using data that has been collected throughout the year.
- C. Evidence of Community and Resident Participation in Developing the MTW Plan

The following documents providing the evidence of community and resident participation in the development of this MTW Plan are included in the attached Appendix A:

- ◆ Affidavit of Publication
- ◆ Public Comments

## APPENDICES

- A. Public Hearing Notice and evidence of community and resident participation in developing MTW plan
- B. Locations of subsidized households by zip code
- C. Board Resolutions:
- D. Explanation of how the Housing Commission took into account public comments

P.O. Box 120191, San Diego, CA 92112-0191

AFFIDAVIT OF PUBLICATION

PUBLIC NOTICE

SAN DIEGO HOUSING COMMISSION

1122 BROADWAY #300

ATTN: VICTORIA JOES

SAN DIEGO, CA 92105

STATE OF CALIFORNIA } ss.  
County of San Diego }

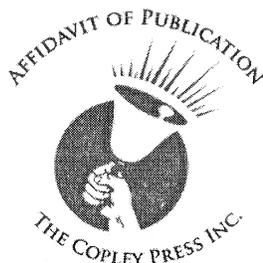
The Undersigned, declares under penalty of perjury under the laws of the State of California: That she is a resident of the County of San Diego. That she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that she is not a party to, nor interested in the above entitled matter; that she is Chief Clerk for the publisher of

**The San Diego Union-Tribune,**

a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following date, to-wit

OCTOBER 10, 17, 2008

*Marsi Bowers*  
Chief Clerk for the Publisher



Affidavit of Publication of

Legal Advertisement  
Ad # 0010129604

Ordered by: VICTORIA JOES

The San Diego Housing Commission ('SDHC') announces its intent to pursue reactivation of its Moving To Work status effective January 1, 2009. The MTW program is a Department of Housing and Urban Development (HUD) program that allows high-performing housing authorities to make program and policy changes to (1) increase the housing choices of low-income families, (2) help residents achieve self-sufficiency, and (3) increase the cost-effectiveness of federal housing programs. As an MTW participant, SDHC is required to develop an MTW Annual Plan that outlines and identifies policies that the housing authority plans to change and programs that may be implemented during the coming year. The Commission is soliciting public comment on the program and policy changes being considered for the balance of Fiscal Year 2009 (through June 30, 2009) and the Fiscal Year 2010 (July 1, 2009 through June 30, 2010). An example of the program and policy changes being considered includes: Receiving HUD funding as a block grant/single fund; assisting more families than the number currently allowed by Federal regulation; creating a deduction for 'working families'; standardizing deductions; simplifying the inspection and verification process. Interested persons are invited to view the proposal on the SDHC website:

(www.sdhc.org) beginning October 10, 2009. SDHC will hold a Public Hearing to receive and review comment regarding the draft MTW proposal on Wednesday, November 12, 2009 from 2 p.m. until 4 p.m. at the SDHC office located at 1122 Broadway, Fourth Floor Conference Room. Written comments regarding the MTW policy/ program proposals can be submitted by mail prior to November 14, 2009 to the following address: SDHC/ MTW, 1122 Broadway, San Diego, California 92101, Attention: Craig Velte. Comments may also be emailed to: Craig Velte, Project Coordinator at: craigv@sdhc.org  
MTW Contact: Craig Velte at 619.578.7534.

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## Appendix A - Continued

A Public Hearing was held on November 12, 2008 at the Housing Commission's central office to give the public an opportunity to view and discuss the proposed Moving to Work Plan. There were 21 attendees.

The Plan was distributed to the attendees and a PowerPoint presentation was given. Afterwards, questions and comments were addressed by staff.

Public Comments were as follows:

- There was a question about what a "safety net" would be for those households who gain self-sufficiency and surrender their voucher. The proposed policy was explained to the residents' satisfaction.
- One resident asked that staff elaborate more fully on the process and requirements to move from a high-poverty neighborhood to a low-poverty neighborhood. The resident was satisfied and very enthusiastic about the MTW proposals relating to assisting families move from areas of high-poverty.
- Two residents wanted more details about using the voucher towards a homeownership program. Staff outlined the proposal as presented in the Plan.
- The security deposit program to assist households moving from high-poverty to low-poverty neighborhoods garnered enthusiastic comments by a number of the attendees.

The proposed Moving to Work Plan was positively acknowledged by all attendees with no negative comments.

### Appendix B – Subsidized Families by Zip Code

The following chart shows the locations of all subsidized households by Zip Code. The eight (8) Zip Codes that are shown in **BOLD** are high poverty areas.

Zip Code	# Families
92037	7
92101	266
92102	585
92103	297
<b>92104</b>	<b>1098</b>
<b>92105</b>	<b>2059</b>
92106	37
92107	78
92108	29
92109	87
92110	279
<b>92111</b>	<b>931</b>
<b>92113</b>	<b>854</b>
<b>92114</b>	<b>1047</b>
<b>92115</b>	<b>1197</b>
92116	588
92117	235
92119	117
92120	85
92121	3
92122	89
92123	173
92124	25
92126	460
92127	81
92128	40
92129	326
92130	95
92131	20
92139	457
<b>92154</b>	<b>1146</b>
<b>92173</b>	<b>946</b>

HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1403

DATE OF FINAL PASSAGE DEC 2 2008

WHEREAS, the U.S. Department of Housing and Urban Development [HUD] issued a notice to the San Diego Housing Commission to reinstate it as a Moving to Work agency; and

WHEREAS, on November 21, 2008, the San Diego Housing Commission recommended the Housing Authority authorize the application to HUD for participation in the Moving to Work Program, which provides local flexibility to design and test various approaches for providing and administering housing assistance, including the combining of Section 8 and Public Housing funds; a focus on rent reform and simplification, design processes and practices that achieve greater administrative efficiencies; and

WHEREAS, locally the program will be known as "Moving Forward" to better reflect the agency's intent and broader purpose of the program; and

WHEREAS, HUD requires that the Housing Authority authorize the submission of the application as well as providing certain assurances regarding the elements of the San Diego Moving to Work project; NOW, THEREFORE,

BE IT RESOLVED, that the Housing Authority of the City of San Diego [Authority] does hereby approve for submittal an application to the Department of Housing and Urban Development [HUD], based upon the information described in Housing Authority Report HAR 08-44.

BE IT FURTHER RESOLVED, that the Authority provides the following assurances to HUD regarding the Moving to Work program, to be known in San Diego as "Moving Forward":

1. At least 75% of the families initially assisted under MTW by the Housing Commission will be very low-income families (i.e. families with incomes of less than 50% of area median income).
2. The program establishes a reasonable rent policy that is designed to encourage employment and self-sufficiency on the part of participating families, such as excluding all or a portion of a family's earned (or newly earned) income for purposes of determining rent.
3. That the Commission will continue to assist substantially the same total number of low-income families under the MTW program as would have been served if the HUD funding sources had not been combined.
4. That under the program, the Commission will maintain a comparable mix of families, by family size, as would have been assisted if the HUD funding sources had not been combined.
5. That housing units assisted under MTW meets the housing quality standards established or approved by the Department.
6. That the program complies with Fair Housing and Equal Opportunity Requirements, as listed in 24 CFR Part 5, as well as the Americans with Disabilities Act of 1990.
7. That the Commission will provide HUD with any documentation that the Department needs to carry out its review under the National Environmental Policy Act (NEPA) and other related authorities and otherwise will assist the Department in complying the 24 CFR Part 50 environmental review procedures. The San Diego Housing Commission agrees (i) to

carry out any mitigating measures required by the Department, or select an alternate eligible property, if permitted by the Department, and (ii) not to acquire, rehabilitate, convert, lease, repair, or construct property until the Department approval under 24 CFR is received.

BE IT FURTHER RESOLVED, that the Executive Director of the San Diego Housing Commission or his designee is hereby authorized to execute all necessary documents required to receive such approval.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By   
\_\_\_\_\_  
Alex W. Sachs  
Deputy General Counsel

AWS:mm  
11/14/08  
Or.Dept: San Diego Housing Comm.  
HA-2009-16  
MMS#7064

Passed and adopted by the Housing Authority of the City of San Diego on December 2, 2008 by the following vote:

	<b>Yeas</b>	<b>Nays</b>	<b>Excused</b>	<b>Not Present</b>
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**AUTHENTICATED BY:**

**Scott Peters**

\_\_\_\_\_  
Chair of the Housing Authority  
of the City of San Diego, California

[SEAL]

**Richard C. Gentry**

\_\_\_\_\_  
Executive Director of the Housing Authority of the  
City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 1403 passed and adopted by the Housing Authority of the City of San Diego, California on December 2, 2008.

By:



**Angie Risotti**

\_\_\_\_\_  
Deputy Secretary of the Housing Authority  
of the City of San Diego, California

SAN DIEGO HOUSING COMMISSION

RESOLUTION NO. 1404

ADOPTED ON DECEMBER 8, 2008

WHEREAS, the San Diego Housing Commission has been authorized by the San Diego Housing Authority to submit a Moving to Work application for status reactivation; and

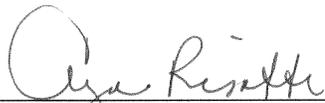
WHEREAS, on December 8, 2008 the San Diego Housing Commission Board of Commissioners authorized the President and Chief Executive Officer (CEO) to execute the Amended and Restated Moving to Work Agreement; and

WHEREAS, on December 8, 2008 the San Diego Housing Commission Board of Commissioners approved the submission of the proposed Annual Moving to Work Plans for January 1, 2009 through June 30, 2009 and July 1, 2009 through June 30, 2010 and additional Department of Housing and Urban Development (HUD) requested information to HUD; and

BE IT FURTHER RESOLVED, that the CEO of the San Diego Housing Commission or his designee is hereby authorized to execute all necessary Moving to Work documents, including the MTW agreement, required to implement and operate the Moving to Work program.

I HEREBY CERTIFY that the abovementioned is true and correct as passed and adopted by the San Diego Housing Commission, of the City of San Diego, California on December 8, 2008.

Vote:           Yeas - 5  
                  Nays - 0  
                  Absent - 0

By:   
Deputy Secretary

**Annual Moving to Work Plan  
Certifications of Compliance**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2009 hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

~~17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and~~  
will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

San Diego Housing Commission  
PHA Name

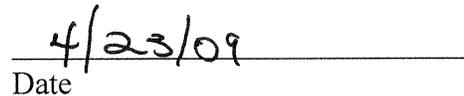
CA063  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Carrol Vaughan  
Name of Authorized Official

Executive V.P. and Chief Operating Officer  
Title

  
Signature

  
Date

## Appendix D

### **Explanation of How the Housing Commission Took into Account Public Comments**

As noted in Appendix A, all public comments were positive and the residents were very receptive to the initiatives. The Housing Commission will ensure, upon implementation of the program, that residents and property owners are sufficiently noticed of any impending programmatic changes. Additionally, information and explanation will be given in order that residents are fully aware of new resources of which they are eligible to avail themselves.