



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC)

Moving Forward

Fiscal Year (FY) 2025 Moving to Work (MTW) Annual Plan

Presentation to the SDHC Board of Commissioners

January 19, 2024

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Executive Vice President of Rental Assistance and
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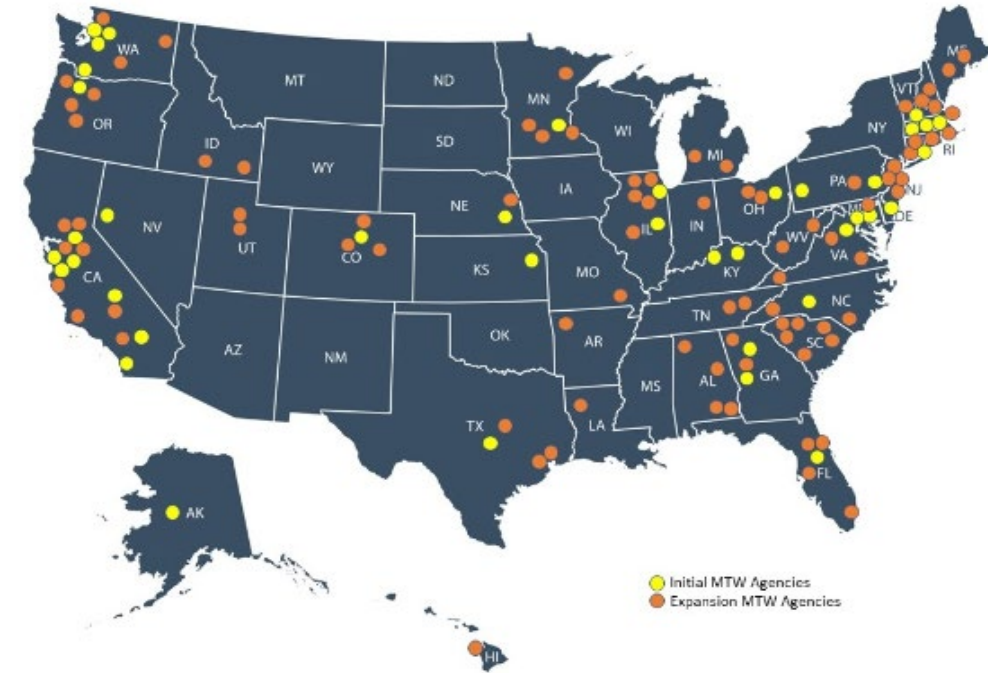
Nancy Sa
Strategic Programs Manager



SDHC – FY 2025 MTW Annual Plan

What is MTW?

- MTW allows SDHC to design innovative, cost-effective ways of providing housing assistance to families with low income.
- SDHC is one of 39 original MTW agencies out of approximately 3,200 public housing authorities nationwide.
- A total of 126 agencies now have MTW status either under the original agreement or as an expansion cohort.
- Three statutory MTW objectives:
 - Reduce costs (increase efficiency) in federal expenditures.
 - Help families to become economically self-sufficient.
 - Improve housing choices for families.



SDHC – FY 2025 MTW Annual Plan

Investing in Our Community

- **Addressing Homelessness:** Innovative solutions, including several programs of HOUSING FIRST – SAN DIEGO, SDHC’s Homelessness Action Plan
- **SDHC Achievement Academy:** Opportunities for families to become more financially self-reliant
- **Affordable Housing:** Create and preserve affordable rental housing



*SDHC Achievement Academy
Power of One Graduation
July 21, 2023*



SDHC – FY 2025 MTW Annual Plan

Re-Proposed Initiative: Establishment of Reasonable Cost Limits

- SDHC utilizes MTW funds to build and preserve affordable housing.
- The Establishment of Alternative Reasonable Cost Limits Activity allows SDHC to set alternative cost limits for Total Development Costs (TDC) and Hard Construction Costs (HCC) on development and rehabilitation activities that utilize MTW funds.

Proposed Update to Activity

- Update the methodology SDHC uses to determine TDC and HCC limits.
- SDHC will be able to increase its ability to ensure that more affordable units are developed or rehabilitated within the City of San Diego, which in turn will increase housing choice for families with low income.



SDHC – FY 2025 MTW Annual Plan

Re-Proposed Initiative: Establishment of Alternative Reasonable Cost Limits (Continued)

SDHC REASONABLE COST LIMITS FOR MTW FUNDS (PROPOSED)								
DEVELOPMENT TYPE	0 BEDROOM 500 Sq. Ft.		1 BEDROOM 700 Sq. Ft.		2 BEDROOM 900 Sq. Ft.		3 BEDROOM 1200 Sq. Ft.	
	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
	WALKUP	261,930	365,307	366,702	511,430	471,474	657,552	628,632
ELEVATOR	197,768	305,820	276,876	428,147	355,983	550,475	474,644	733,967

SDHC REASONABLE COST LIMITS FOR MTW FUNDS (APPROVED METHODOLOGY)								
DEVELOPMENT TYPE	0 BEDROOM 500 Sq. Ft.		1 BEDROOM 700 Sq. Ft.		2 BEDROOM 900 Sq. Ft.		3 BEDROOM 1200 Sq. Ft.	
	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
	WALKUP	125,550	236,657	175,771	331,319	225,991	425,982	301,321
ELEVATOR	169,878	269,000	237,829	376,600	305,780	484,199	407,707	645,599



- SDHC received approval in FY 2013 to use its MTW flexibilities to implement policies to ease administration and provide benefits to VASH participants.

Proposed Updates to VASH

- Remove minimum rent requirement so minimum rent for VASH participants would be zero dollars for the duration of their time in the program.
- This will have a positive impact on VASH households.
 - 4 percent of all VASH households are currently subject to minimum rent.



*Todd
VASH Participant*



SDHC – FY 2025 MTW Annual Plan

New Activity Proposal: 2025-1. Rental Assistance Rent Reasonableness

- Rent reasonableness ensures the contract rent for units rented by Housing Choice Voucher households are comparable to similar market-rate units.

Proposed Updates to Rent Reasonableness

- SDHC proposes to modify the regulatory definition of Rent Reasonableness to limit Housing Choice Voucher rent increases to the lower of 5% plus the Consumer Price Index (CPI) or 10% within a 12-month period.
- By limiting the rent increases to a reasonableness percentage in this manner, SDHC, will approve rent increases according to the rent increase trends for similar unassisted units in the rental industry.
- The proposed activity will further enhance participants' ability to maintain stability in their housing and may prevent terminations or evictions, and facilitate a more constant and predictable tenant rent.
- The policies and procedures related to this activity will be detailed in SDHC's Section 8 Administrative Plan and will include ability of a landlord to appeal if this activity would create a hardship for that landlord.



Questions & Comments

