



SAN DIEGO  
HOUSING  
COMMISSION

## HOUSING AUTHORITY REPORT

**DATE ISSUED:** February 10, 2011

**REPORT NO:** HAR 11-006

**ATTENTION:** Members of the Housing Authority  
For the Agenda of March 29, 2011

**SUBJECT:** Performance Management System and Revised Classification Plan

**REQUESTED ACTION:**

Recommend approval of the new Performance Management System and Revised Classification Plan.

**STAFF RECOMMENDATION:**

That the Housing Authority grant final approval of: (1) a new online Performance Management System that utilizes measurable performance goals; and (2) a Revised Classification Plan that provides updated job descriptions and re-titles positions to more accurately reflect current knowledge, skills and abilities required by the Housing Commission.

**SUMMARY:**

**Performance Management System**

The Housing Commission and Housing Authority approved the Housing Commission's FY2010-2011 Business Plan on April 16, 2010 and May 11, 2010, respectively. Strategy 39 of the Business Plan is the development of a pay for performance system to address specific items outlined in the City of San Diego's Performance Audit of the Housing Commission. In addition, the Housing Commission has been planning to move to a more private sector evaluation approach that uses measurable goals to evaluate performance levels. There is no fiscal impact or adjustment to any employee compensation as a result of the proposed approvals in this report.

Recommendations from the Performance Audit included the following:

Audit Recommendation: San Diego Housing Commission (SDHC) should review employee job descriptions and identify quantifiable and generally applicable criteria for all employees, such as performance evaluation completion, timing and compliance.

Action: An essential component of the new performance management system is the establishment and maintenance of specific core and technical competencies for every position using standardized evaluation templates.

Audit Recommendation: SDHC should develop uniform and quantifiable **management** performance evaluation criteria as an objective measure to aid in the performance evaluations.

Action: All supervisory staff is now evaluated on its management of staff performance evaluations. A monthly performance evaluation report is published that tracks upcoming and late performance evaluations by employee and responsible supervisor.

Additional goals of the new performance management system are to fully align employee behavior with organizational goals and objectives; recognize efforts and reward top performers effectively; provide timely exchange of information between employees and supervisors throughout the year; utilize a

standardized tool to evaluate employees fairly and equitably; create a compensation model to focus on Pay-for-Performance for unrepresented staff; and provide easy online access to employee information and performance appraisal documentation throughout the year. The successful implementation of this system will ensure that job responsibilities and expectations are clear with more frequent feedback and effective coaching, resulting in increased productivity and employee performance information tied more directly to compensation. In addition, these system tools will better support promotional and employee development decisions.

In preparation for the new Performance Management system, the Commission conducted extensive research and collaborated with organizations that implemented similar performance systems (San Diego Zoo, Airport Authority, WD-40, and SANDAG). The Commission retained the services of Barney & Barney to provide professional consultation for the project and coordinated communication efforts agency-wide during the year, with all employees receiving extensive performance management training.

The Commission proposes to use a competency model that includes the knowledge, skills, abilities and characteristics most important in achieving organizational goals. The competencies include behavioral performance standards and identify the expectations associated with those behaviors. In addition, the performance management system will include individual performance goals tied directly to the organizational goals. A new five point rating scale will be used to determine appropriate levels of performance. The ratings are: Excellent Performer, Strong Performer, Solid Performer, Needs Improvement and Unacceptable. The overall rating will be based on the combination of Core Competencies, Technical Competencies and Individual goals; the highest weighting will be for individual goals that support achievement of the organizational goals included in the approved Business Plan.

The Halogen software, selected through a solicitation process, includes the following modules: E-appraisal, an on-line product which allows staff to submit self-appraisals, maintain performance journals and allows supervisors to more efficiently generate on-line performance evaluations and keep track of the evaluation process; E-360 Multi rater, which allows feedback from other managers, subordinates and peers; and E-Compensation, which incorporates pay for performance calculations.

The six month performance pilot process began on January 3, 2011 and will run through June 30, 2011. If approved, the new Performance Management process will be effective (go-live) July 1, 2011. Instead of non-represented staff receiving performance evaluations on the anniversary of their start date, they will receive the evaluation in the first quarter of the fiscal year. Represented staff (union) will remain on the anniversary date process in accordance with the provisions of the Memorandum of Understanding (MOU) between San Diego Housing Commission and Service Employees International Union, Local 221.

### **Classification Study**

During the January 18, 2011, Housing Authority meeting, the Independent Budget Analyst office noted the number of reclassifications included in the FY2011 original budget and the FY2011 budget revision, which was on the Housing Authority's agenda that day for review and approval. The IBA recommended the Housing Commission present the new classification plan, without compensation changes, to the Housing Authority for review and approval so that job descriptions and appropriate titles can be enacted without the need for additional reclassification.

In 2008 the Housing Commission contracted with Koff & Associates, a consulting firm located in the San Francisco area, to perform a Classification and Compensation study of all SDHC positions. Prior to the 2008 study, the last classification and compensation study was conducted in 1998. The goals and objective of the 2008 study were to assess the relevancy of the agency's classification and compensation program; create a comprehensive and objective approach for classification analysis; assist in the creation of career development ladders; and identify internal/external salary inequity issues. Additionally, the study supports the plan to create and promote a comprehensive pay-for performance model and philosophy that distinguishes and rewards individual levels of performance.

As a result of the recommendations from the IBA, the implementation of the classification and title changes for non-represented staff are proposed. The changes will reflect up-to-date titles and classification descriptions that are more closely aligned with the Commission's business needs and the new performance management model. The represented staff titles will not change in accordance to the provisions of the union contract that expires June 30, 2011. The attachment 1 includes a summary of current position titles at the Housing Commission and proposed changes to those position titles and job descriptions.

**FISCAL CONSIDERATIONS:**

Funding for consulting services and the purchase of software were included in FY2011 approved Housing Commission budget. This action does not include any adjustments to any employee's compensation.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

The Housing Commission and Housing Authority approved the Housing Commission's FY2010-2011 Business Plan on April 16, 2010 and May 11, 2010 respectively. The Housing Commission approved the implementation of the new Performance Management System and adoption of the Classification Plan on February 18, 2011. This item will be presented to the Land Use & Housing Committee on March 9, 2011.

**ENVIRONMENTAL REVIEW:**

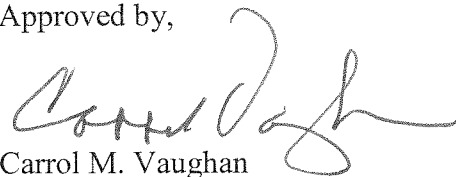
This activity is not a project pursuant to Section 15060 (c)(3) of the State of California Environmental Quality Act. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,



Tina Holmes  
Human Resources Officer

Approved by,



Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachment: Proposed Title Changes

**Proposed Title Changes  
UnRepresented**

Attachment A

<b>Current Title</b>	<b>Proposed Title</b>	<b>Action</b>	<b>Department</b>
Secretary to the President	Executive Assistant to the President & CEO	Title Change	Board & Executive
Human Resources Officer	Human Resources Manager	Title Change	Business Services
Information Technology Officer	Information Technology Manager	Title Change	Business Services
Communications Officer	Communications Manager	Title Change	Communications
Budget Officer	Budget Manager	Title Change	Financial Services
Fiscal Services Specialist	Payroll Specialist	Title Change	Financial Services
Program Analyst	Risk Management Analyst	Title Change	Financial Services
Assistant Director, RAP	Quality Assurance Manager	Title Change	RAP
Program Integrity Unit Hearing Coordinator	Quality Assurance Coordinator	Title Change	RAP
Assistant Director of Housing Programs	Workforce & Economic Development Manager	Title Change	RAP
Assistant Director of Housing Programs	Housing Programs Manager	Title Change	Real Estate
Housing Construction Officer	Housing Construction Manager	Title Change	Real Estate
Housing Specialist	Compliance Monitoring Specialist	Title Change	Real Estate
Loan Management Supervisor	Loan Services Manager	Title Change	Real Estate