



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Business Systems – Strategic Plan & Application Roadmap

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Agenda

- **Why A New System**
- **Selection Process**
- **Benefits**
- **Estimated Cost**
- **Timeline**
- **Questions**

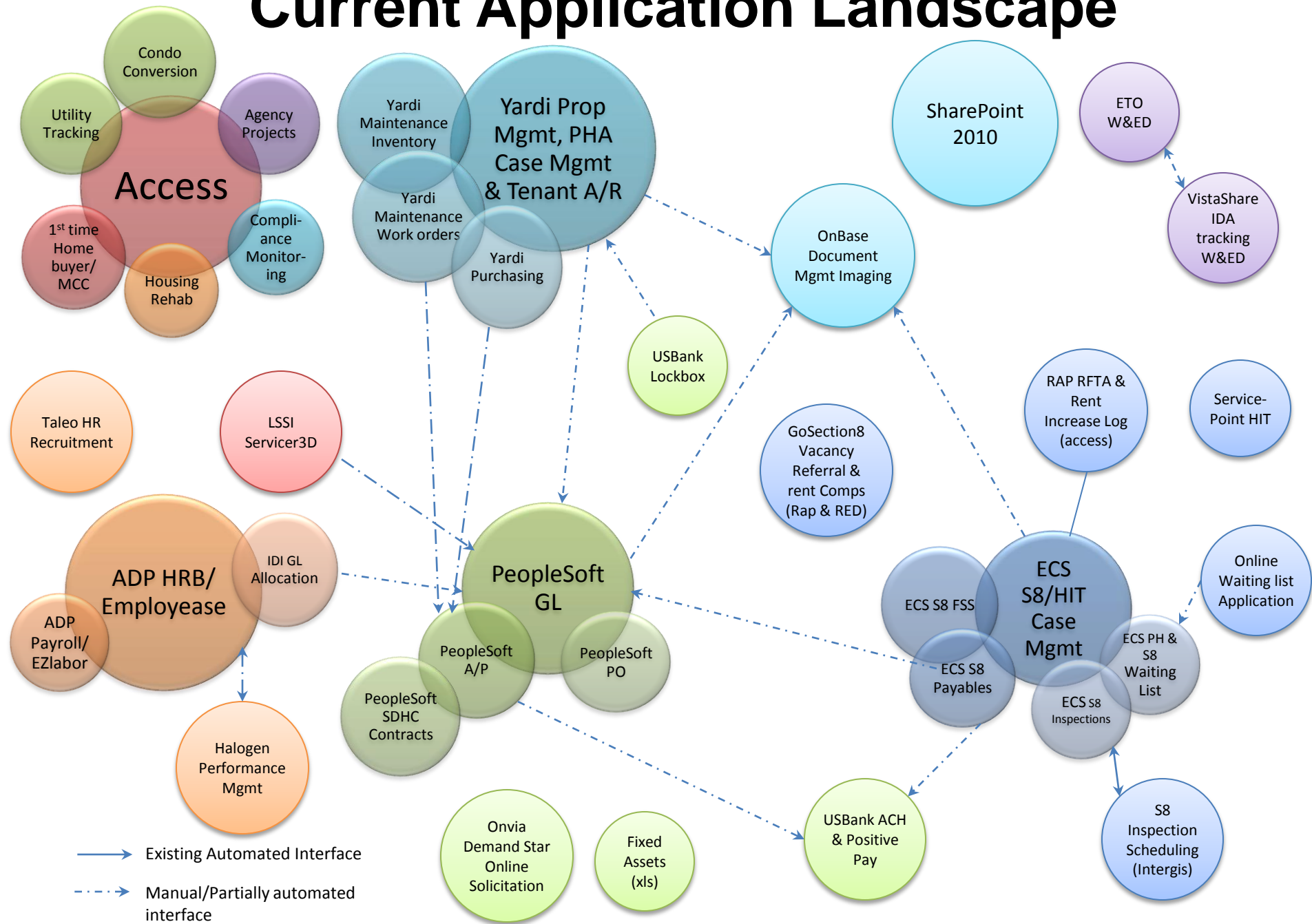


Why A New System

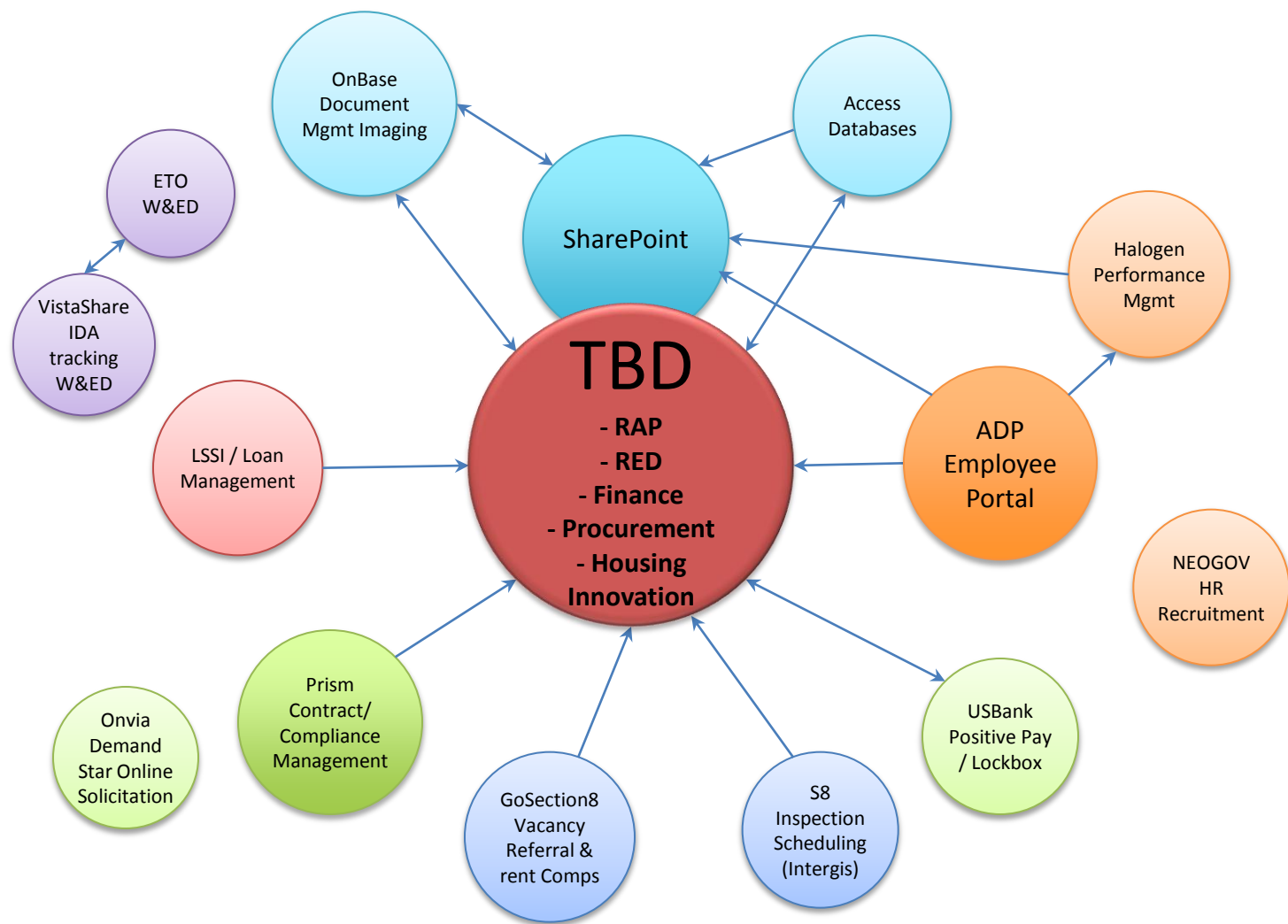
- **Primary Systems, PeopleSoft and Emphasys, do not meet or support Agency's informational and business requirements, including HUD's "Move To Work" initiative.**
- **Our version of PeopleSoft is out of date and no longer available.**
- **Emphasys is built on older technology and does not support financial operations.**
- **Yardi is currently being used by property management group, but is not fully configured or integrated with the other systems.**
- **No consistent management reporting or dashboard capabilities.**
- **Overuse of Microsoft Access Databases and Spreadsheets.**
 - **Information is manually created each time and is prone to errors and inconsistency.**



Current Application Landscape



To-Be Application Roadmap



Selection Process

- **Business Systems Considered:**
 - Tier 1: SAP, Oracle, PeopleSoft, JD Edwards, etc.
 - Mid-Market: Sage, NetSuite, Microsoft, Yardi, etc.
- **Limited choices supporting SDHC's need for fund accounting, real estate, Section 8, and public housing functionality.**
- **Viable options are:**
 - Implement Tier 1 system
 - Implement Mid-market system
 - Upgrade existing primary systems



Benefits

- **IMPLEMENT - YARDI Systems:**
 - Leading candidate that is also the most cost-effective, meets the Agency's criteria, is financially stable and sustainable, and has a proven track record in industry
 - Already installed and working on a limited basis within the Agency
 - Migrate PeopleSoft and Emphasys to Yardi
 - Expand Yardi to support the entire Agency
- **BENEFITS:**
 - Improved cross functional and operational efficiency by 5 to 15%
 - Ability to track performance metrics on real time and automated basis
 - Increased functionality and capabilities
 - Improved data integrity and access
 - A single fully-integrated environment will reduce complexity and simplify support by 15 to 25%



Estimated Cost

Yardi - Cost Breakdown:

- **Software/Support - Cost per year** \$ 315,000
-
- **Implementation – One time** \$ 1,633,000*
 (* Includes expenses and 15% contingency ~ \$400,000)
 - **Hardware – One time** \$ 25,000
- Total \$ 1,658,000**

Spend per FY		
FY 12	FY13	FY14
\$734K	\$1,027K	\$59K



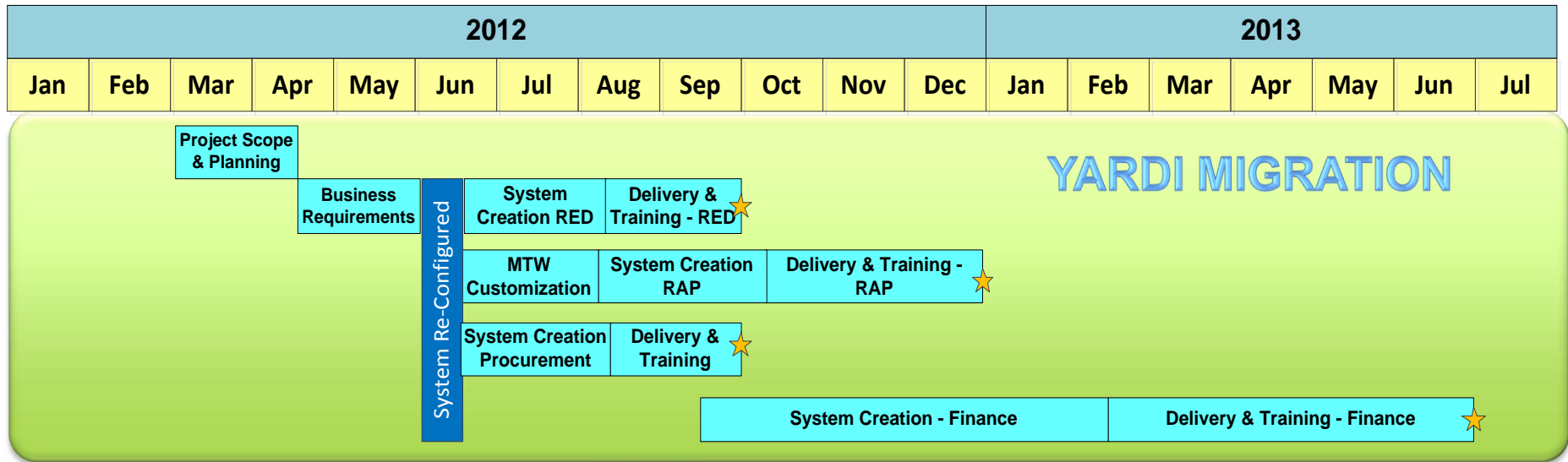
Estimated Savings / Cost Avoidance

By not implementing a Tier 1 Solution like SAP or Oracle

• Software	\$ ~ 1M – 2M
• Hardware	\$ ~ 75K
• Implementation Services	\$ ~ .7M – 3.3M
• 10 Year Support Savings	<u>\$ ~ .6M – 1.2M</u>
Total	\$ 2.4M – 6.6M



Estimated Timeline



★ Projected Go-Live



Questions



Appendix



Yardi's Numbers

- **Yardi is installed at over 160 Public Housing Authorities across the US and in over 30 agencies similar to SDHC (re: scope and size), such as Chicago, Portland, Seattle, San Mateo, Atlanta, Los Angeles, Sacramento.**
- **Yardi is privately held, established in 1984, has over 2,000 employees, 2,500 clients and approx. \$200M in revenue.**
- **Yardi provides a solid state of the art web based fully-integrated solution that meets the requirements for today as well as for the future.**



Cost/Benefit Analysis

Options	Pros	Cons	Imp. Costs
1) Migrate to an entirely brand new system. I.E. SAP or Oracle	Would have a system that meets business requirements.	Very costly and could take an additional 12 months to fully implement. Would not be implemented in time to support the MTW initiative required by HUD (1/1/13).	H/W = \$ 100K S/W = \$ 1M - \$ 2M <u>Imp = \$ 2.5M - \$ 5M</u> Total = \$ 3.6M - \$ 7.1M
2) Upgrade PeopleSoft and expand functionality and capabilities. Retain Emphasys and implement MTW customization to support HUD requirements. Integrate PeopleSoft with Emphasys. Migrate Yardi system to PeopleSoft.	Utilize existing systems that the Agency is already familiar with. Can implement MTW customization within timeframe to support 1/1/13 go-live.	Very costly and would require a complete reimplementation of PeopleSoft. Would still require maintaining two separate systems. Would require customization to support management of Real Estate Development portfolio.	H/W = \$ 50K S/W = \$.7M <u>Imp = \$ 2M - \$ 3M</u> Total = \$ 2.8M - \$ 3.8M
3) Expand Yardi with additional functionality and capabilities Migrate PeopleSoft to Yardi Migrate Emphasys to Yardi	Utilize existing system that the Agency is already familiar with. Can be implemented within timeframe to support MTW requirements. Single system being utilized for entire Agency.	Might need some customization or additional bolt-on to fully support all of Real Estate's requirements in the future.	H/W = \$ 25K S/W = \$ 315K <u>Imp = \$ 1.6M</u> Total = \$ 1.7M



Annual Maintenance Cost Comparison Over 10 Years

Estimated Costs	Tier 1 (SAP, Oracle)	Mid-Market Yardi *	Upgrade Existing
Annual Maintenance	\$ 440K	\$ 315K	\$375K
Cost Over 5 Years	\$ 2.2M	\$ 1.6M	\$1.9M
Cost Over 10 Years	\$ 4.4M	\$ 3.2M	\$3.8M

* Yardi's cost includes the cost of the licensing, maintenance and support. Where the others only include maintenance and support.

