

REPORT**DATE ISSUED:** October 13, 2008**REPORT NO:** HCR 08-123**ATTENTION:** Chair and Members of the Housing Commission
For the Agenda of November 21, 2008**SUBJECT:** Application for Moving to Work Status Reactivation (Citywide)**REQUESTED ACTION:**

That the Housing Commission be authorized to submit an application and enter into an agreement with the Department of Housing and Urban Development (HUD) to reactivate its participation in the Moving to Work (MTW) Program.

STAFF RECOMMENDATION:

Authorize the President and Chief Executive Officer (CEO) or designee to submit an application to HUD for reactivation of the Agency's status as a Move to Work site and to execute all documents for authorization and; to implement the Moving to Work Program as outlined in Attachment 1. Locally the program will be known as "Moving Forward" to better reflect the agency's intent and broader purpose of the program.

BACKGROUND:

In 1996, Congress approved legislation to find more effective way to operate Federally subsidized rental programs. About 30 Public Housing Authorities (PHAs) were invited to apply for the Moving to Work Demonstration Program. The Housing Commission applied and was one of PHAs to be awarded this status.

The purpose of the MTW program is to give PHAs the flexibility to design and test various approaches for providing and administering housing assistance that achieves at least one of the objectives below:

- 1) Reduces cost and achieves greater cost effectiveness in Federal expenditures;
- 2) Gives incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- 3) Increase housing choices for low-income families.

Beginning in December 1998, under a five year contract with HUD, the Housing Commission operated a demonstration Moving to Work Program limited to seventy-four (74) Public Housing and Section 8 households. At the time, HUD was considering ending the demonstration program and in December 2003, the contract expired and the participants were transitioned to regular Public Housing and Section 8 status.

DISCUSSION

The Housing Commission would like to reactivate its Moving to Work status for several reasons. HUD is now offering ten year contracts that will allow the Housing Commission ample time to streamline administrative and program requirements and create programs and policies that provide resources to support families in workforce development, asset building and economic self-sufficiency.

As part of the Moving to Work application, the Housing Commission is required to submit an annual Moving to Work Plan (the Plan). The Plan describes overall goals and innovative initiatives the Housing Commission intends to implement in that term that will result in programmatic and administrative changes, as well as the agency's ability to respond to the community's affordable housing issues. Furthermore, the Plan reflects one of the primary goals of the Housing Commission's Business Plan for fiscal years 2009 through 2011 "to become the regional housing leader, expert and authority in initiating and implementing new, progressive solutions to San Diego's affordable housing needs."

Specific Housing Commission goals include:

- Increase the number of low income households served in the City of San Diego through several activities;
- Expand the range of housing choices for Housing Commission clients, including the implementation of a voucher-based Homeownership Program;
- Administer the entire Housing Choice Voucher allocation and the public housing program under one set of rules/operating procedures;
- Focus on rent reform and simplification; and
- Design processes and practices that achieve greater administrative efficiencies.

Prior to the development of the Plan, staff made site visits to the Seattle, Portland and King County Housing Authorities which are Moving to Work agencies. These agencies are considered to be model MTW agencies because of their innovative housing solutions and creative administrative policies. Some of the initiatives described in the Housing Commission's Plan are based on these agencies' successes.

The following is a list of initiatives the Housing Commission intends to explore and implement during the remainder of Fiscal Year 2009 (through June 30, 2009) and in Fiscal Year 2010 (July 1, 2009 through June 30, 2010), subject to HUD approval and other legal requirements.

I. Reduction of Costs To Achieve Greater Cost Effectiveness:

- a) Block Grant/Single Fund Budget approach to budgeting and accounting. The Housing Commission will consolidate public housing funds including reserves for the continuing thirty six (36) units of Public Housing with the Housing Choice Voucher Funds and reserves. These combined funds will be used for approved Move to Work initiatives. The result of this approach will allow for efficiency by tracking Move to Work expenses and will allow transparency of the costs associated with MTW.
- b) Authorize the use of housing assistance payments to serve additional Section 8 eligible households beyond the current allocation of 13,780 units per month.
- c) Risk Assessment/Cost Benefit Inspection Protocol. Explore avenues that ensure assisted units continue to meet HQS standards while recognizing that some higher quality units do not require yearly inspection.
- d) Allow SDHC to inspect SDHC-owned properties. Currently the Housing Commission contracts to have approximately 1,500 units inspected each year. Administrative savings would be achieved if the Housing Commission incorporated these units into the existing inspection scheduling system. A Quality Control element will be included with this proposal.

- e) Implement full reviews for elderly and disabled rental assistance recipients living on fixed income every three years to achieve administrative cost savings and lessen burden on these fixed income families.
- f) Standardize Utility Allowances based on the unit bedroom size. The Housing Commission will conduct an analysis to obtain the current local utility consumption data in the jurisdiction per unit size. Using a standard allowance will result in administrative savings, more correct rent calculations and an easier-to-understand system for clients.
- g) Simplify Income/Asset/Allowances Verification System to accept a broader range of proof.
- h) Allow clients to self-certify their assets below \$10,000 without requiring verification.

II. Creating Incentives for “Employed” Families with Children:

- a) Establish an Economic Development Academy in a centralized, highly accessible location to provide workforce development and asset building resources, services and training. The academy would also increase accessibility to non-profit and for-profit partner services.
- b) Enhance the Family Self-Sufficiency (FSS) program to improve the ability of MTW participants to achieve economic self-sufficiency, including:
 - 1. Broader eligibility criteria;
 - 2. Comprehensive financial education and asset building strategies;
 - 3. Revised graduation requirements; and
 - 4. Alternative formula for calculating escrow credit.
- c) Adopt an interim reporting policy to provide incentives to employment and continuing employment.
- d) Create a voucher-based homeownership program for low income “working” families. Successful candidates attempting to purchase a first home would receive housing counseling and financial assistance through the various homebuyer programs the Housing Commission operates. With no greater subsidy than currently offered by Section 8 vouchers, families would own a home and ultimately graduate from the program. The intent of this initiative is to promote homeownership, self sufficiency, and upward mobility.

III. Increasing Housing Choices for Low-Income Families:

- a) Create a “Mobility Counseling Program” to assist elderly and disabled families as well as working families move into areas of low poverty.
- b) Work with community partners to increase service-enriched housing for elderly residents, homeless households, veterans and those in need of intensive services to remain stable.
- c) Expand the Project Based Voucher Program with Project Based Transitional and Temporary Rental Assistance programs. These programs may include elements such as:
 - i. Enriched supportive services to maintain family stability;
 - ii. Time-limited assistance whereby client does not receive an exit voucher due to having “bypassed” the voucher waiting list;
 - iii. Flat rate assistance to community agencies providing the housing and supportive services;
 - iv. Broader use of project-based vouchers through increased percentage caps on number of subsidized units in a 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.

- v. Utilization of Project-based vouchers at some SDHC-owned properties. In conjunction with HUD's new Neighborhood Stabilization Program, the Housing Commission proposes to purchase, renovate, and rent foreclosed dwellings to families earning 50% AMI or less. The utilization of project-based vouchers will allow for additional units to be produced by leveraging the cash flow.
- d) Eliminate 40% rental cap. This initiative would be considered in order to allow families with good rental history to move into areas of low poverty if they choose.
- e) Use cost savings gained and available reserves to develop additional affordable units in the City of San Diego and maintain affordability in these units in perpetuity.

One initiative the Housing Commission intends to implement during the first eighteen (18) months of MTW status is to issue up to 200 new vouchers to low-income families. This can be accomplished through the fiscal latitude allowed to MTW agencies.

A part of the application is a Housing Authority resolution adopting the Housing Commission's MTW proposal and assurances regarding the following:

- 1) Provide that 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) Establish 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) Continue to assist substantially the same total number of low-income families under the MTW program as would have been served if the Department (HUD) funding sources had not been combined;
- 4) Under the program maintain a comparable mix of families, by family size, as would have been assisted if the Department funding sources had not been combined;
- 5) Ensure that housing assisted under MTW meets housing quality standards established or approved by the Department.
- 6) Comply with Fair Housing and Equal Opportunity Requirements as listed in 24 CFR Part 5, and the Americans with Disabilities Act of 1990; and
- 7) Provide the Department 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.

FISCAL CONSIDERATIONS:

One of the most advantageous features of the MTW program is the ability to combine previously restricted funds. Therefore, the Housing Commission is requesting authority to combine funds from public housing operating and capital funds assistance (Section 9) and Section 8 (o) assistance. The revised accounting system will utilize the Block Grant/Single Fund Budget approach to budgeting and accounting for costs under the Moving to Work initiative. The San Diego Housing Commission will

consolidate public housing funds and reserves with the Housing Choice Voucher Funds and reserves under a single fund as if receiving Block Grant Funding and use the funds interchangeably for any of the Housing Commission's MTW initiatives. As always, these initiatives will be part of the Housing Commission's annual budget plan.

Moving to Work is not a funding program; it authorizes the agency authority to use its existing revenues with significantly more discretion than current Housing Choice Voucher and Public Housing regulations require. The amount of assistance the Housing Commission presently receives from HUD for housing assistance will not be affected by participation in the Moving to Work Program. It will open up additional sources of funding from the Section 8 and Public Housing reserves which are not available for program use at this time. There may be cost savings from pooling all HUD funds into one block grant fund and reduced administrative and subsidy costs will make it feasible to assist more households with the same level of funding.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On March 10, 1997 and April 29, 1997 the Housing Commission and Housing Authority respectively approved the original Moving to Work application to HUD. (See Attachment 2.)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

A public hearing was held on November 12, 2008 at the Housing Commission's central office located at 1122 Broadway, San Diego. Public comments will be discussed during the Housing Commission meeting on November 21, 2008.

ENVIRONMENTAL REVIEW:

This activity does not fall within the definition of "project" under the CEQA Guidelines Sections 15060(c)(3) and 15378. This activity is exempt from NEPA under §58.34(a)(2) information and financial services and §58.34(a)(3) administrative and management activities.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

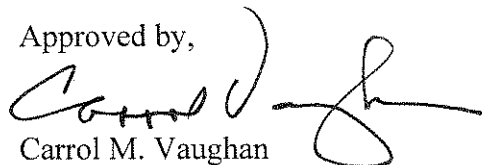
If approved, the Moving to Work program will affect current and future Section 8 and Public Housing participants and owners. The intended impact of this program will be to streamline family and agency administrative obligations and help families gain education, training and skills to break cycles of family poverty and assist with upward mobility. As a group, elderly and disabled families will not be adversely affected by the Moving to Work program.

Respectfully submitted,



Jeff Davis
Director, Rental Assistance Programs

Approved by,



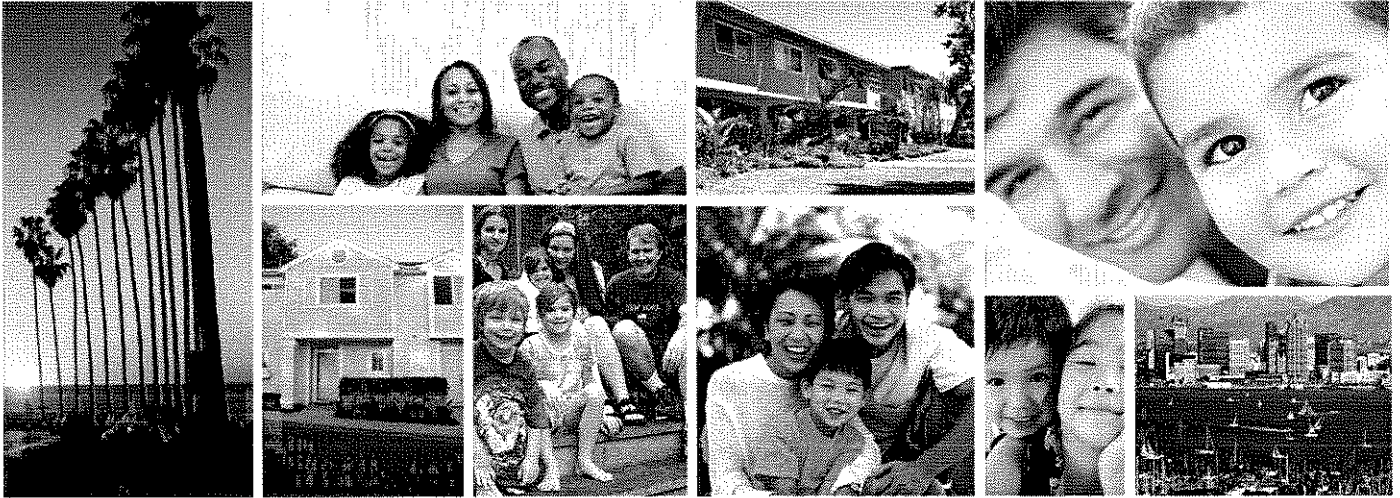
Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

October 13, 2008

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Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.



MOVING FORWARD

PROPOSED PLAN FOR REINSTATEMENT TO MOVING TO WORK PROGRAM

Submitted by
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1122 Broadway, Suite 300
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INTRODUCTION

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 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 a blight on the neighborhoods. By partnering 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 program 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 training, educational programs, or programs that assist people to obtain employment and become economically self sufficient; and
- Increase housing choices for low-income families.

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

- ◆ Increase the number of low income households served in the City of San Diego;
- ◆ Expand the range of housing choices for the Housing Commission's clients, including the implementation of a voucher-based Homeownership Program;

- ◆ Administer the entire 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

The remainder of this document describes the approach and activities that the San Diego Housing Commission proposes to implement upon reinstatement of Moving to Work status.

1. 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.

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

2. Request Authority to Combine Funds

The Housing Commission will 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 Move to Work initiatives described in this plan, and updated in future Plans.

Based on last year's budget (FY08), the Housing Commission estimates it will have \$171,000,000 to be applied to Moving to Work funding. The following details the funding types, amounts and proposed MTW uses:

HVC FUND TYPE	AMOUNT	USES
Housing Choice Vouchers Fund	\$134,905,484	Increase voucher issuance
Housing Choice Voucher Reserves	26,945,207	Develop additional affordable units
HCV FSS Coordinator FY2008	260,000	FSS Coordinator
HCV FSS Coordinator FY2007	130,000	FSS Coordinator
HCV FSS Homeownership Coordinator FY2008	130,000	FSS Homeownership Coordinator
HCV FSS Homeownership Coordinator FY2007	65,000	FSS Homeownership Coordinator
TOTAL HCV FUNDS	\$162,435,691	

PUBLIC HOUSING FUND TYPE	AMOUNT	USES
Repositioning Fees	\$1,642,989	Add project based vouchers
HUD Development Boston Ave.	443,207	Develop project based units
Capital Fund	72,000	Add HCV vouchers
Ross Neighborhood Network	61,600	Supportive services
Public Housing Reserves	5,990,380	Create Economic Development Academy, Public housing improvements
TOTAL PUBLIC HOUSING FUNDS	\$8,210,176	

In addition, the Housing Commission does not plan to use any State or local funds for the MTW program.

No central office cost center has been established because the agency owns and manages only 36 Public Housing units.

The Housing Commission is currently using a cost allocation approach that meets HUD's requirements. As described in this Plan, the Housing Commission will use single-fund flexibility in support of MTW activities rather than creating numerous budgets.

3. 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

4. Short Term Goals: January 2009 – June 2009

Following is an overview of the Housing Commission's short term goals and proposed MTW initiatives, including activities that will require waivers of statutory or regulatory authority.

a. Use Available Housing Assistance Payment Funds To Serve Additional Housing Choice Voucher Eligible Households.

Primary initiatives to assist more families include:

1. Using administrative fee savings that result from increased program efficiencies (e.g., fewer Housing Quality Standards inspections and annual recertifications) to assist additional families.

2. Improving the lease-up success rate of Housing Choice Voucher applicants, thereby increasing the number of households receiving assistance.
3. Using Housing Choice Voucher Net Restricted Assets to assist more than the PHA baseline number of households. The Housing Commission will calculate the Net Restricted Assets and determine, based upon the average monthly housing assistance payment, how many additional families can be assisted. The Housing Commission will monitor the average monthly Housing Assistance Payments and the number of households that can be assisted without exceeding overall funding levels.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Housing choices for low-income applicants will be increased through the issuance of additional vouchers, which will be funded through fee saving initiatives and the use of Net Restricted Assets. These combined strategies will increase the number of households receiving assistance and more widely disperse the assisted households throughout the city.

Data Collection Process and Proposed Metrics to Measure

Achievement of Statutory Objectives: The Housing Commission will establish two baselines against which to measure the success of this initiative:

- The number of families under lease at the beginning of the MTW period (as recorded in Emphasys Elite and the HUD PIC system); and
- The success rate of searchers (as recorded in Emphasys Elite and the HUD PIC system).

In addition, the Housing Commission will monitor HUD's Voucher Management System (VMS) to track the average housing assistance payments so that the maximum number of families to be assisted can be adjusted as necessary. In order to measure the success of this initiative the Housing Commission will regularly compare the baseline number of households leased to the current number of households leased.

Authorization(s) to Conduct the Activity: Waiver of certain provisions of Section 8 and 9 of the 1937 Act and 24 C.F.R. and 990.

b. Implement a Revised Inspection Protocol that:

- **Waives the requirement for certain well-maintained units to undergo yearly inspections;**

- **Establishes a percentage of units located in larger subsidized complexes that will be subject to Housing Quality Standards inspections each year; and**
- **Allows 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. Of the most recent 13,780 initial inspections conducted, 71% passed inspection 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 landlords to expand the opportunity for voucher holders by leasing high quality units, ultimately reducing the number of required inspections. By revising the inspections protocols, the agency will encourage leasing of well maintained units and greater owner participation in the Housing Choice Voucher program by requiring less frequent Housing Quality Standards inspections. However, as a quality control methodology, the Housing Commission will ensure that 25% of the units in larger subsidized complexes will be inspected annually.

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 will 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
- A Smoke detector that needs a replacement battery.

Less Frequent 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 long term tenants, excellent past Housing Quality Standards history (passing inspection on the first attempt two consecutive years) and/or satisfactory onsite property management, inspections may be conducted every two years. Inspections may be conducted every three years in units that have an

excellent inspection history if the tenant is a long term tenant and is an elderly or disabled household.

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.

For complexes with 10 or more subsidized units, 25% of units will be chosen for inspection annually. If all selected units pass Housing Quality Standards inspection on the first visit, all units will be considered to have passed and no further inspections will be required for the year. All units will be inspected at least every four years.

Program participants will retain the right to request special inspections at anytime.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Conducting fewer Housing Quality Standards inspections will reduce administrative costs and is expected to improve satisfaction of owners and participants because fewer visits will be made to the unit. This is a more open-market approach and owners may be more likely to participate in the program if they understand that when they demonstrate conscientious care of their units, less frequent inspections will be performed. The Housing Commission believes that this incentive to owners will increase the number of owners willing to participate and increase housing choices for voucher holders.

Data Collection Process And Proposed Metrics To Measure Achievement Of Statutory Objectives: The Housing Commission will use existing data from Emphasys Elite housing software to identify units that meet HQS standards and compare against future data to ensure HQS standards continue to be met. The Elite system also manages the scheduling of inspections to ensure every unit is inspected no less than every four years. Quality Control Inspections will be conducted on randomly selected units to ensure HQS standards are consistently upheld at all assisted properties. The Housing Commission further intends to conduct a survey to determine if the changes implemented result in an increase in customer satisfaction.

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

- c. **Reduce administrative costs by conducting Housing Quality Standards Inspections and Rent Reasonableness Reviews in-house for Housing Commission-owned properties.**

HUD regulations require the Housing Commission to contract with a third party to perform approximately annual inspections of the 1,500 Housing Commission-owned units.

The Housing Commission will reduce administrative costs by utilizing its own staff to perform the required Housing Quality Standards inspections. These inspections will be conducted in conformance with the adopted Housing Quality Standard criteria as described above, and will include a system of random Quality Control inspections to ensure compliance.

Rent Reasonableness

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 data base 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.

The rents for the Housing Commission owned properties are restricted at 80% of the AMI and tend to be the most affordable rents in many of the market areas. Quality Control Inspections will be conducted on randomly selected units to ensure Housing Quality Standards are consistently being met at assisted units.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Administrative costs will be reduced by using available in-house to staff to conduct inspections and rent reasonableness determinations.

Data Collection Process and Proposed Metrics to Measure: Quality Control Inspections will be conducted on randomly selected units to ensure HQS standards are consistently upheld at all Housing Commission-owned properties. Comparisons will be made between the inspection costs per unit using Housing Commission staff and the cost of using external contractors. Periodic reviews of rents should show that rents for the Housing Commission-owned units are consistent with rents charged for unsubsidized units in the neighborhood.

Authorization(s) to Conduct the Activity: Waiver of certain provisions of Section 8(o)(8) of the U.S. Housing Act of 1937 and 24 CFR 982, Subpart I and Subpart K.

- d. **Implement Triennial Income Recertifications For Elderly And Disabled Clients.**

Currently, 7,535 (53%) 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 elderly and disabled program participants will begin in the first year of MTW. One third of the participants will be scheduled for a full recertification. The remaining 66% of elderly and disabled households will be recertified in years 2 and 3 of our MTW participation. This change will result in 64% fewer scheduled recertifications of elderly and disabled households annually. The administrative savings will be used to perform other activities as described in this Plan and any housing assistance funds savings will be used to create additional housing opportunities for the community.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: This initiative will result in a reduction of staff time performing annual recertifications, and will enable these households to increase their savings to pay for higher quality units or to achieve greater self-sufficiency.

Data Collection Process and Proposed Metrics to Measure Accuracy of Statutory Objectives: Calculate the cost of a recertification, and extrapolate the administrative savings. Determine how the administrative savings are to be spent and track such expenditure.

Authorization(s) to Conduct the Activity: Public Housing - 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 - Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516.

e. 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.

The Economic Development Academy (EDA) will be a one-stop resource and training center that offers development and asset-building programs, services and resources that promote and support financial stability and economic independence, and resources and services that promotes and supports moves to low-poverty, non-impacted neighborhoods.

The Housing Commission will enter into partnerships with community-based organizations, public agencies, and the business community for the provision of

many of the services offered at the EDA, but will retain control and provide staff to coordinate activities and services.

In an accessible, dynamic and professional setting, it is anticipated that the Academy will offer one-on-one coaching, workshops and seminars, extensive resource materials, computer and Internet access, testing, and access to employers and community services. The Academy will bring current and locally focused resources to participants, including in-demand occupations in emerging industries and San Diego's Job Kiosk.

Depending on individual needs, Academy enrollees will follow one or more tracks that may include testing, workshops or seminars, courses, coaching, and referrals:

- Education and/or Vocational Training;
- Financial Skills;
- Workforce Development;
- Homeownership; and
- Small Business/Micro-Enterprise.

Outside of Academy enrollment, resources will be available for voucher program participants to learn about Academy programs, and to access resources to assist them with housing mobility, health, legal, and family issues.

More than 6,000 square feet of space is available for the Academy, located on the second floor at 1122 Broadway, San Diego, CA 92101. Because this is also the location of the Housing Commission's administrative offices, it will provide a "one-stop" solution for families.

Estimated Start-up Costs:	
Improvements	\$500,000
Furniture, Fixtures, Equipment	\$125,000
Estimated on-going annual costs:	
Occupancy	\$183,750
Contract	\$125,000
TOTAL Estimated Cost	\$933,750



Photograph of 2nd floor interior at 1122 Broadway, San Diego, CA 92101

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: The Academy will provide workforce development and asset building resources, services and training for families receiving housing assistance.

Data Collection Process and Proposed Metrics to Measure Accuracy of Statutory Objectives: Each individual's participation in EDA activities (including FSS) will be tracked and entered into an electronic database for outcome analysis, program adjustments, reporting and fulfillment of statutory objectives.

Authorization(S) To Conduct The Activity: Waiver of certain provisions of Sections 8 and 9 of the U.S. Housing Act of 1937 and 24 CFR 982 and 990.

f. Establish An Enhanced Family Self-Sufficiency Program (FSS).

The Housing Commission intends to establish a strong link between the Economic Development Academy and the Family Self-Sufficiency Program, recruiting families into FSS through the EDA as well as offering all the resources and services of the EDA to FSS Program participants. Financial education, including family budgeting, credit counseling, and investing and retirement planning will be required for all FSS participants. The intent is to provide an up-

to-date and more flexible FSS program, offer incentives, and simplify escrow calculations.

One program enhancement will be to establish an accelerated FSS contract period. By establishing criteria for an accelerated FSS program, some families will enter into a three-year contract rather than a five-year contract. Criteria would include educational level achieved, work experience, and commitment. In addition to the accelerated program, EDA activities will serve 1,000 participants.

FSS participants may take advantage of new incentives, including:

- Individual Development Accounts (IDA);
- Option to access escrow funds on an interim basis for debt reduction in addition to tuition, car repairs, and other current interim uses;
- Access to support services including scholarships for books, gas cards, and child care assistance;
- Three-year FSS Contract if criteria for an accelerated program is met; and
- Homeownership voucher option if qualified.

The success of these initiatives for FSS participants will be evaluated in numerous ways and the requirements to graduate will be revised to reflect the expanded measurements, which may include the one or more of the following:

- The participant is no longer receiving public assistance and employed for at least one year;
- The participant has increased wage potential (employment with benefits, increased income, promotions, etc.);
- The participant has dramatically increased credit scores;
- The participant has completed all requirements toward becoming a homeowner; and
- The participant no longer needs the assistance of the Housing Choice Voucher.

Relation to Statutory Objectives: Provide incentives to families with children when the head of household is working; seeking work, or; participating in job training, education or other programs leading to economic self-sufficiency.

Impact of Activity on the Stated Objective: Provide workforce development and asset building resources, services and training for families receiving housing assistance.

Data Collection Process and Proposed Metrics to Measure Accuracy of Statutory Objectives: Each individual's participation in EDA activities (including FSS) will be tracked and entered into an electronic database for outcome analysis, program adjustments, reporting and fulfillment of statutory objectives.

Authorization(s) to Conduct the Activity: Waives certain provisions of Sections 8 and 9 of the U.S. Housing Act of 1937 and 24 CFR 982 and 990.

g. 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 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. In order to qualify for this benefit, the family must demonstrate that they have the ability to pay the higher rent burden and they must 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 numerous others detailed in this Plan, to encourage low-income families to move into areas of low poverty.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Implementing this initiative will increase housing options for households by allowing some units into the program that would, under current regulations, be unavailable to certain families.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Data to be collected will include information on the number of participants who lease units in low poverty neighborhoods at rents exceeding 40% of AMI (Area Median Income) and compare against prior years.

Authorization(s) to Conduct the Activity: Attachment C: Part 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.

h. Create a Mobility Counseling Program

The Housing Commission will develop a Mobility Counseling Program that will provide information, counseling 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 landlords, appropriate schools,

shopping, and places of worship. The counselor will work with other agencies to help families transition successfully into new neighborhoods.

The Mobility Counselor will be hired using funds that become available through administrative savings resulting from the implementation of other initiatives described in this document (i.e., triennial recertification of elderly and disabled households).

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: By providing support to families attempting to move from familiar neighborhoods with high poverty concentration into new neighborhoods of low poverty, the Housing Commission will be increasing housing choices to low-income families.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Analyze the success of the mobility counseling program by tracking the increased number of families moving into areas of low-poverty and the number that utilized the mobility counseling services.

Authorization(s) to Conduct the Activity: Waive certain provisions of Section 23 of the 1937 Housing Act and 24 C.F.R. 984.

Long Term Goals and Objectives – July 2009 – June 2010

The following are goals that require further analysis prior to specific design and implementation. The Housing Commission expects to implement the following during Fiscal Year 2009.

a. Standardize Utility Allowances By Unit Size

The Housing Commission proposes to simplify and streamline the utility allowance credit given to voucher and public housing clients in order to reduce administrative errors and confusion within the community. This is not a cost saving measure, but a measure intended to improve clients' understanding of program rules and to reduce errors.

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 landlords 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.

The table below shows the current average of utility allowances, that will be used for 2009 calculations.

BR	Avg UA	MTW Standard Utility Allowance
0	\$51.89	\$52
1	\$34.16	\$34
2	\$56.43	\$56
3	\$96.57	\$97
4	\$130.14	\$130
5	\$144.24	\$144
6	\$143.73	\$144

Prior to implementation of this change, the Housing Commission will conduct a final analysis and, if necessary, recompute new standard allowances.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objectives: Simplified utility allowances will decrease employee administrative costs as well as improve the accuracy of calculations and reduce the confusion experienced by landlords and participants.

Data Collection Process and Proposed Metrics To Measure Achievement of Statutory Objectives: The Housing Commission will establish a baseline of the amount of time required to accurately calculate utilities prior to implementing the new schedule and will compare the baseline to the time required after the utility allowance schedule has been simplified. In addition, customer surveys will request comment from landlords and participants on their understanding of the allowances. The Housing Commission's quality control system will compare the rate of errors in utility calculations before and after simplification to determine whether the revised method reduces errors.

Authorization(s) to Conduct the Activity: Public Housing – 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 – 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.

b. Simplify income and asset verification systems to reduce administrative costs.

The Housing Commission plans to simplify the requirements to verify income and assets in order to reduce administrative burdens on staff and to reduce the rate of income calculation errors and PIC errors. The additional time gained by staff will be used to provide a higher level of personalized case management to program clientele. Quality control reviews will continue to measure the rate of calculation errors, though it is expected that the error rate will be reduced when the calculations are simplified.

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

- Over 96% 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 (copies of day care invoices).

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Simplifying verification protocols, while maintaining quality, will create administrative savings due to a more expeditious processing of client files.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Conduct regular reviews of quality control data that identifies staff errors and determine whether errors are occurring less frequently. Cost savings in postage, decreased printing costs, etc. are also anticipated and will be measured. A customer satisfaction survey will be conducted to determine whether the new verification methods enhance a client's experience with the Housing Commission.

Authorization(s) to Conduct the Activity: Public Housing – 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 – Waivers of certain provisions of 24 CFR 982.516 and 982 Subpart E.

c. 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.

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 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:

- Households may only request an interim reduction once between regularly scheduled recertification periods. However, see the Hardship Policy below for exceptions to this limitation:
- 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;
- 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;
- 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; and
- 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 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.

Hardship Policy for Interim Recertifications

The Housing Commission will adopt a policy that may limit the ability for 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 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: See Chart (section #7) below

Impact of Activity on the Stated Objective: This interim reporting policy will encourage families to remain employed and increase income and will reduce incentives to terminate income in order to lower tenant rent payment. Further, this policy will reduce the number of interims processed by staff, reducing overall Housing Commission administrative costs.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: The Housing Commission will develop data collection tools to collect information on the mid year income increases and the number of interims performed prior to and after the implementation of this initiative. An analysis of family income and tenant payments at the time of annual recertification before and after the policy is implemented will be performed.

Authorization(s) to Conduct the Activity: Public Housing – 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 – Waiver of certain provisions of Section 8(o)(5) of the U.S. Housing Act of 1937 and 24 CFR 982.516.

d. Create A Voucher-Based Homeownership Program

The use of a two-mortgage model may be used to assist eligible 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 while ensuring continued success for voucher homeownership families; and
- * Creating an interim certification policy for the homeownership program that requires a return to employment for previously working families within 60 days of the termination of unemployment benefits. A hardship policy including a provision for participants on leave from work due to maternity leave, FMLA or Worker’s Compensation will be included.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Families will receive housing counseling, financial assistance, and other incentives in order to purchase a home and eventually exit the HCV program.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Evaluate the success of the program by tracking FSS participation, enrollment in Academy programs, home purchases, use of incentives, and household income at time of purchase and annually thereafter.

Authorization(s) to Conduct the Activity: 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.

e. 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 loan with no-interest charged and low monthly repayments.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Increased housing choices for low-income families should result from providing security deposit loans. This initiative will allow families that may not otherwise be able to afford moving into low-poverty areas the ability to do so.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Assess the success of the security deposit program for families moving to low poverty areas by tracking the increased number of families moving into areas of low poverty and the number that utilized the deposit assistance program.

Authorization(s) to Conduct the Activity: Waiver of certain provisions of Sections 8 & 9 of the U.S. Housing Act of 1937 and 24 CFR 982 and 990.

f. Increase The Payment Standards In Low Poverty Neighborhoods,

The Housing Commission's Housing Choice Voucher clients are primarily concentrated in five of the 35 zip code areas in the agency's jurisdiction. Each of these five zip codes is considered a high poverty area. See Appendix B for list of zip codes and current subsidized participants.

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 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.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: By increasing Payment Standards for low-poverty areas, families will have incentives to consider areas that would not have been affordable otherwise.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: Assess the success of adjusting payment standards for families moving to low poverty areas by tracking the increased number of families moving into areas of low poverty after the adjustments are made.

Authorization(s) to Conduct the Activity: Waiver of certain provisions of Sections 8 & 9 of the U.S. Housing Act of 1937 and 24 CFR 982 and 990.

g. Expand the Project-Based Voucher Program

The Housing Commission currently operates a very small Project-Based Voucher Program. Taking advantage of the flexibility the Moving to Work program provides, the Housing Commission intends to establish Project-Based Voucher (PBV) Transitional and Temporary Housing Assistance Programs that serve the needs of San Diego's low income residents who are in need of temporary, supportive services enriched housing. Local developers and non-profit housing providers will compete for an opportunity to receive a project based allocation of vouchers to provide long term subsidy in exchange for providing affordable temporary and transitional housing.

Utilizing the MTW project based voucher program will enable the Housing Commission to increase the range of options available to low-income households and offer more housing opportunities for needy households in low-poverty areas. Project-Based Vouchers will be allocated for a range of different populations and purposes and among various local non-profits and developers.

Under MTW, the Housing Commission intends to:

1. Designate up to 3% of vouchers to Project-Based Developments
2. Develop and implement Project-Based Transitional Housing and Temporary Rental Assistance Programs. These programs may include elements such as:
 - Enriched and targeted supportive services;
 - Time-limited household assistance (participants will not be eligible to receive a tenant-based voucher upon completion of their supportive service requirements); and
 - Flat rate per-unit fees paid to community agencies providing housing and supportive services.
3. 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.

4. Utilize Project-Based vouchers within some Housing Commission-owned properties. In conjunction with HUD's Neighborhood Stabilization Program, the Housing Commission will purchase, renovate, and rent foreclosed dwellings to families earning less than 50% of AMI. The utilization of Project-Based vouchers will allow for additional units to be produced by leveraging the cash flow.
5. Allow for project-specific waiting lists maintained by the owners in compliance with agency standards.
6. Allow Project-Based rents to exceed tax-credit rents.

Relation to Statutory Objectives: See Chart (section #7) below

Impact of Activity on the Stated Objective: Providing transitional, supportive or elderly housing with enriched supportive services increases the ability of the Housing Commission to respond to the critical needs of the citizens thereby increasing housing choices for low-income families. The Commission's goal is to assist properties in underserved low poverty areas of the city through this initiative while increasing housing choices for families.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: The Commission will track its ability to accomplish this goal through its primary systems and all leased Project-Based Vouchers will be coded and reported separately from all other leased vouchers.

Authorization(s) to Conduct the Activity: Waiver of certain provisions of Sections 8(o)(13)(B and D) of the U.S. Housing Act of 1937 and 24 CFR 982.1, 982.102, and 24 CFR Part 983 and 24 CFR 983.51.

6. General Housing Commission Operating Information

a. Housing Stock Information

- Number of public housing units at the beginning of 2008 = 36
- General description of any planned 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 = N/A

- Number of public housing units to be removed from the inventory during the year = N/A
- Number of non-MTW Housing Choice Voucher units authorized = 13,780
- Number of Housing Choice Vouchers to be project-based = Unknown at this time

b. FY2009 Leasing Information, Planned

Planned Leasing by Program	(a) # leased at start of FY2009	(b) # leased at end of FY2009	(c) change (b - a)
PH units leased in FY2009	36	36	0
HCV units leased in FY2009 (excluding PBV)	13,780	13,730	-50
PBV units leased in FY2009	39	286	+250
Total Planned leasing	13,855	14,052	+200

The MTW Project-Based Voucher Program will be a new activity for the Housing Commission. The numbers above reflect an estimation of the timeline for achieving the establishment of the program and initiating collaborative agreements with community partners. No other leasing issues are expected.

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, when adopted by the Commission Board, will impact the Section 8 and Public Housing waiting lists.

The Housing Commission intends to allow some Project-Based developments to maintain their own waiting lists.

7. 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
SHORT TERM (January 2009 – June 2009)			
Use available funding authority to serve additional households			X
Reduce number of required Inspections and allow owners to self-certify Housing Quality Standards for minor fail items	X		X
Authorized the Housing Commission to inspect and determine rent reasonableness for Housing Commission-owned properties	X		
Conduct triennial recertifications of elderly and disabled on a fixed income	X		X
Establish an Economic Development academy		X	X
Establish an enhanced FSS Program		X	
Eliminate the 40% affordability cap			X
Create a Mobility Counseling Program			X
Long Term (July 2009 – June 2010)			
Standardize Utility Allowances	X		X
Simplify income, asset and allowances verifications	X		
Adopt a local Interim Recertification Policy	X	X	
Establish a Homeownership Voucher Program		X	X
Create a revolving security deposit loan program			X
Increase the Payment Standards in low poverty areas			X
Expand the use of the Project-Based Voucher program			X

8. Administrative Information

- i. Copy of Board Resolution – Pending Board approval on December 2, 2008 (See Appendix C)
- ii. Explain how the Housing Commission took into account public comments, etc. (See Appendix D)
- iii. 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. The following is a brief description of information to be evaluated:

Short Term Goals

1. Use available funding authority to serve additional households.

The Housing Commission will establish two baselines against which to measure the success of this initiative:

- The number of families under lease at the beginning of the MTW period (as recorded in Emphasys Elite and the HUD PIC system); and
- The success rate of searchers (as recorded in Emphasys Elite and the HUD PIC system).

In addition, the Housing Commission will monitor HUD's Voucher Management System (VMS) to track the average housing assistance payments so that the maximum number of families to be assisted can be adjusted as necessary.

The Housing Commission will evaluate the success of this initiative based upon an increased number of assisted households.

2. 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. The Housing Commission also intends to conduct a customer satisfaction survey to determine whether a reduced number of unit inspections result in increased customer satisfaction.

3. 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.

4. Conduct triennial recertifications of elderly and disabled households' income and family composition

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. The Housing Commission will conduct surveys of participants to evaluate whether the reduced frequency of recertifications results in more personal disposable income and therefore more housing choice for elderly and disabled clients.

5. Establish an Economic Development Academy

Measure use of the Academy and increased client self-sufficiency characteristics using current Housing Commission developed standards.

6. Develop an Enhanced Family Self-Sufficiency Program

Each individual's participation in EDA activities (including FSS) will be tracked and entered into an electronic database for outcome analysis, program adjustments, reporting and fulfillment of statutory objectives.

7. 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. Semi-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.

8. Create a Mobility Counseling Program

Develop a plan to reduce the concentration of households in zip codes with high populations of housing choice voucher participants.

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.

Long Term Goals

9. 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. Evaluate the impact on landlords and tenants through a customer service survey.

10. 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.

11. Adopt a local Interim Recertification Policy

Evaluate the stability of program participants’ continuous employment by determining the number of interims required before and after the implementation of this procedure.

12. Establish a Homeownership Voucher Program

Evaluate the number of vouchers used to provide first time home buyer options using data collected by assigned staff and ECS Elite housing software.

13. Create a revolving Security Deposit Loan Program

Compare data on average search times before and after the implementation of the security deposit loan program. Compare the search times of participants who use the security deposit loan program against those who do not use the program.

14. Increase Payment Standards in low-poverty neighborhoods

Compare data on households leased in low-poverty neighborhoods with lower payment standards to the number of households who lease in lower poverty neighborhoods using higher payment standards.

15. 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.

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. Copy of Board Resolution
- D. Explanation of how the Housing Commission took into account public comments, etc.

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

AFFIDAVIT OF PUBLICATION

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STATE OF CALIFORNIA } ss.
County of San Diego }

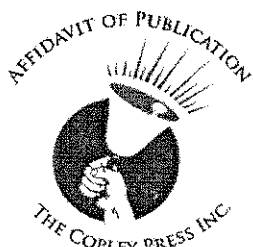
The Undersigned, declares under penalty of perjury under the laws of the State of California: That she is a resident of the County of San Diego. That she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that she is not a party to, nor interested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

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PUBLIC NOTICE

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 Velle. Comments may also be emailed to: craigv@sdhc.org. MTW Contact: Craig Velle at 619.578.7534.

Appendix A - Continued

As scheduled, 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 five (5) Zip Codes that are shown in **BOLD** are high poverty areas.

Zip Code	# Families
91950	2
92014	1
92037	7
92101	259
92102	579
92103	298
92104	1114
92105	2071
92106	37
92107	79
92108	30
92109	89
92110	274
92111	944
92113	852
92114	1053
92115	1217
92116	592
92117	233
92119	115
92120	88
92121	2
92122	89
92123	174
92124	25
92126	465
92127	81
92128	39
92129	337
92130	96
92131	17
92139	461
92154	1157
92171	2
92173	945

**Appendix C-Housing Authority Resolution
Pending**

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 landlords are sufficiently noticed of the impending changes. All communications will explain how the residents may make the most advantageous changes to improve their circumstances and housing choices.



SAN DIEGO HOUSING COMMISSION REPORT

ATTACHMENT 2

DATE: For the Agenda of March 10, 1997

REPORT NO: HCR97-018 (Revised)

SUBJECT: Moving to Work Demonstration Program (Citywide)

SUMMARY

Issue: Should the Housing Commission apply for participation in the Public Housing/Section 8 Moving to Work Demonstration Program?

Recommendation: Authorize the Executive Director to submit an application to the US Department of Housing & Urban Development and to execute all documents necessary to receive authorization and to implement the Moving to Work Program.

Fiscal Impact: This demonstration program provides no new funding for administration. The amount of assistance the Housing Commission presently receives from the US Department of Housing & Urban Development (HUD) for housing assistance will not be affected by participation in the Moving to Work Program. If successful, reduced administrative and per family housing subsidy costs may make it feasible to assist more households with the same level of funding. New program designs add modest staff costs during transition but are difficult to quantify. During the demonstration program phase, any cost savings will be utilized to offset operation of the program to the extent possible.

Affordable Housing Impact: During the initial stages of this demonstration program, participating families may have a higher rent burden than families being subsidized through the traditional Rental Assistance and Public Housing programs due to the fixed rent model being tested.

However, if the participating families are successful in their career plans the fixed rents should result in a reduced rent burden as their incomes rise. Part of the purpose of the demonstration program is to determine whether the future benefit of increased income and reduced rent burden is of sufficient value to very low-income families to induce them to participate in this type of program for the full five-year period.

BACKGROUND

HUD issued a notice in the December 18, 1996 Federal Register inviting applications for the Public Housing/Section 8 Moving to Work Demonstration Program. Thirty housing authorities nationwide will be selected for the demonstration program through a merit-based performance process. The intent of the Moving to Work Demonstration Program is to test various approaches for providing and administering housing assistance that reduce cost and achieve greater cost effectiveness, provide work incentives to promote resident self-sufficiency and increase housing choices for low-income families. HUD expects the thirty housing agencies selected to develop new and innovative approaches to administration of housing subsidy programs which can be tested locally and replicated in other agencies if they demonstrate success. In order to achieve these goals, HUD will approve waivers from existing regulations so that participating agencies will have the flexibility to combine funds from housing subsidy programs. It is anticipated that housing authorities will plan and implement innovative programs that effectively address locally identified needs.

HUD intends to be flexible and responsive to housing authorities' proposals in order to encourage creativity in program design. However, each housing authority selected will be authorized to combine assistance and to operate outside of the 1937 Housing Act (and regulations under it) only to the extent approved by HUD under a Moving to Work plan. Notwithstanding the regulatory flexibility stated in the notice, the 1937 Housing Act shall continue to apply to Moving to Work as follows:

- A. Income eligibility of program participants will continue to be restricted to low- and very low-income families.
- B. The prevailing wage requirements of federal law will continue to apply, i.e., federal waiver of the Davis Bacon Act will not be granted.

DISCUSSION

The proposed Moving to Work (MTW) Program (Attachment 1) would serve about 74 families in Public Housing and Rental Assistance up to a five-year period. MTW Program participants would be selected from families with children in which the head of household or spouse is working, seeking work or is preparing for work through job training or education which are on the current Waiting List. Staff has conducted two focus group public hearings and obtained comments from current and prospective public housing residents and recipients of Section 8 Assistance who would be affected by the Moving to Work plan. There were questions asked of the attendees regarding what obstacles stopped them from earning a good income. Questions were asked of staff regarding the MTW program. General consensus of

the group was that the MTW program would be an excellent opportunity for anyone on the waiting list who truly wanted to become self-sufficient. Especially liked were the possibilities to learn English, become skilled in a trade and the opportunity of saving through the escrow account. Flat rate for rent for the entire time of the Individual Training Plan (ITP) was attractive and the fact that people could actually develop a career plan for themselves.

It was suggested that the MTW Demonstration Program should include close case management support (perhaps more frequently than once every three months) and that followup should be done after the program and/or after clients obtained employment for six to twelve months.

Some of the attendees felt there were some disadvantages to the program. For instance, the timeline for basic skills training and English as a Second Language (ESL) seemed too short. Some questioned their ability to take training/educational classes because of their current work schedules--many jobs simply are not flexible enough to include a regular training schedule. There was a question about guaranteeing jobs after the MTW training program. There is no guarantee for clients who may lose a job or who may not obtain a job after their training.

Additional focus group public hearing comments will be solicited and considered for inclusion into the Plan and submitted to HUD by May 19, 1997.

At the selected Public Housing site, it is anticipated that a unit will be taken out of service to accommodate on-site programs up to a five year period. (The Public Housing complex on Juniper Street in the City Heights community has been tentatively identified for the MTW Program.) It is expected that participating MTW Rental Assistance families will not be concentrated in one area, and supportive services will be identified throughout the City to serve their needs. A comprehensive effort of collaboration with colleges, community-based organizations and social service providers will provide educational, job training and other supportive services to assist MTW Program participants in achieving their individual career plan goals. Based on an individual participant's skills and abilities, an assessment and individual training plan will be developed. Some participants may require only employment placement while others may need basic English as a Second Language courses and a two-year vocational/occupational training program at the community college. Program measurements will be designed for each participant that identifies time frames for completion of courses, training, program participation, barriers to program, quarterly monitoring, tracking of increases of earned income and placement/retention of employment. The range of services provided will be the same for both Public Housing and Rental Assistance participants.

In addition, with the award of the recent Enterprise Community Grant, it is expected that it will be feasible to target Rental Assistance families living in the Enterprise Communities and provide them with childcare and transportation funds. The Enterprise Community program also provides employers with tax incentives for hiring community residents located in the designated area, which may further assist participants in achieving their career plans.

If HUD selects the San Diego Housing Commission for this demonstration project, program implementation could begin within 30 days and the MTW Program could be fully functional within 180 days, dependent upon HUD approval of necessary regulatory waivers.

Participation in the MTW Program is expected to yield benefits to the agency and to the participating families. The agency will gain experience and collect data on administering programs which are not subject to some of the limitations of the traditional Public Housing and Rental Assistance program regulations. This experience may provide a foundation for an application to waive those rules for all programs in San Diego.

Program participants will receive assistance in preparing a career plan, developing skills and abilities to support their goals, and housing assistance with clearly defined limits on the amount of subsidy and duration providing an additional impetus for achieving their career plans advancing them toward self-sufficiency. If they are successful in meeting their career plan goals, they will receive a "nest egg" to help them move from subsidized housing to economic independence.

ALTERNATIVE

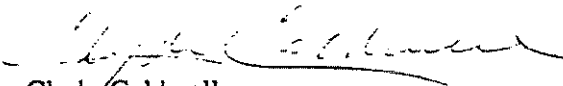
Do not submit an application to HUD and continue to operate the Housing Commission Public Housing and Section 8 Assisted Programs without the benefit of any federal program deregulations. There would be no costs or losses associated with this alternative, but there would be an "opportunity cost". It is clear from the legislative agenda of both parties, bills introduced and/or adopted by the Congress, and the policy statements being issued by HUD, that there will be substantial change in federal housing programs in the coming years. Demonstration programs like Moving to Work permit the Housing Commission to test new

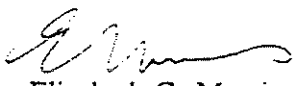
Moving to Work Demonstration Program
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Page 5

models for assisting families in need of housing subsidy and share the results with other agencies, helping to shape national policy and to find out which approaches will best serve the needs of San Diegans with little risk and at low cost.

Respectfully submitted,

Approved by,


Clyde Caldwell
Deputy Executive Director


Elizabeth C. Morris
Executive Director

Attachment 1 - Draft Program Design

HCR97-018-018.pdf (03/17)

**MOVING TO WORK (MTW) DEMONSTRATION PROGRAM
CONCEPT PLAN**

GOAL:

To design and test a demonstration program removing federal regulations, allowing more cost savings and provide participants with incentives for employment and job training opportunities.

OBJECTIVES:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household or spouse is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low income families.

DESCRIPTION:

The design of the "Moving to Work" Program for the Section 8 and Public Housing Programs is very similar regarding the services offered, and the tenant rent payments and agency subsidy will be calculated from the same basic data. Fifty Section 8 and twenty-four Public Housing applicants will be recruited from the waiting list for participation in the MTW Program, contacting applicants with children who are currently working, seeking work or participating in job training or career-oriented educational programs in waiting list order. Applicants on the waiting list who do not meet this criteria will be bypassed in order to select applicants who do meet the criteria.

Move To Work Career Plan: MTW Program participants will be required to participate in the agency's Family Self-Sufficiency Program (FSS), and will receive up to five years of housing assistance as long as they meet program requirements. Each participant must prepare a "Career Plan" with the support of the agency in collaboration with community organizations. Upon completion of the MTW Program, participants who complete their "Career Plans" will receive the funds from their escrow account. Failure to participate in the FSS Program would result in loss of rental assistance and termination from the MTW Program. Failure to complete their "Career Plan" would result in the participant losing their escrow account savings.

Tenant Rent Payment/Subsidy: The amount of the tenant rent and agency subsidy will be calculated once at the time the participating family enters the program. The MTW Program is designed to provide a fixed housing subsidy each month based upon the Section 8 Voucher Payment Levels and the acceptable rent burden for Very Very Low-Income families (those at 35 percent of Median Area Income).

For Section 8 MTW participants living in private housing, the amount of subsidy will be the difference between the Voucher Payment Standard (95 percent of Fair Market Rent) for a unit with the number of bedrooms occupied, less the Rent amount calculated for a Very Very Low-Income family for that size unit (30 percent of income less the utility allowance). Both figures would be based upon the data promulgated by HUD for the year in which the family joined the MTW Program and would not be adjusted for changes in Fair Market Rent, Median Area Income or actual family income during the five-year term of the family's eligibility.

For example, using current figures, a family of four would be expected to occupy a 2-bedroom unit. The Voucher Payment Standard for a 2-bedroom unit is \$648 per month. The Rent which a Very Very Low Income family is expected to pay for a 2-bedroom unit is \$372 per month. The amount of housing subsidy made available to that family would be \$276 per month ($\$648 - \372). In addition, the agency would make a \$50 deposit in the family's escrow account each month, for a total cost of \$326 per month. The full amount of the monthly fixed subsidy plus the \$50 escrow payment would be billed to HUD as Housing Assistance Payments (HAP). The MTW Program participants would pay the difference between the Voucher Payment Standard amount and the Contract Rent directly to the private landlord, plus utilities.

For MTW Program participants occupying Public Housing, the same basic calculations will be used, with the assumption that the value of Public Housing is equivalent to the Voucher Payment Standard amount (i.e., if the Public Housing unit were rented on the open market, it would demand a rent equal to 95 percent of the Fair Market Rent). The participant would make fixed rent payments to the agency equal to the Very Very Low-Income family rent amount (i.e., \$372 for a 2-bedroom, \$432 for a 3-bedroom and \$455 for a 4-bedroom unit) and pay for all utilities. The agency would make a payment of \$50 per month into the participant's escrow account. The Public Housing "Operating Subsidies" will continue to be billed to HUD using the current formula. However, as a result of the participants' rent being higher than the current average rent of \$199, the amount of "Operating Subsidy" requested of HUD will be reduced.

It is expected that this fixed cost approach will benefit the MTW Program participants by guaranteeing them a predictable subsidy during the participation, and providing them a "nest egg" worth \$3,000 at the end of the five-year program through the escrow account payments. This should induce the participants to remain committed to the program for the full five-year period.

The fixed costs approach to housing subsidy will also reduce the total cost of providing housing subsidy below current costs, and provide a level of predictability not previously available for housing subsidy programs. At this time, the mean average cost of housing subsidy payments to landlords for families are higher than the expected payments under this formula for 2- and 3-bedroom units, and slightly higher for 4-bedroom units. However, since the distribution of households is uneven across bedroom sizes, with only 11 percent of currently assisted families occupying 4-bedroom units and 81 percent occupying 2- and 3-bedroom units, it is expected that there will be substantial cost savings overall.

SECTION 8 NONELDERLY, NONDISABLED FAMILY

HOUSING SUBSIDY PAYMENTS

<u>BEDROOM SIZE</u>	<u>CURRENT SEC. 8 AVERAGE MONTHLY HAP</u>	<u>PROPOSED MTW MONTHLY SUBSIDY</u>
2	\$437	\$326 (276+50)
3	\$564	\$518 (468+50)
4	\$628	\$657 (607+50)

Regulatory Waivers: Implementation of the MTW Program will require waiver from several federal regulations. The requested waivers will include:

- Waiver of the regulation setting tenant rent payments at 30 percent of income with adjustments to reflect changes in income (Brooke Amendment). MTW participants will be required to meet the income and other qualification requirements of Section 8 or Public Housing participants, but they will be expected to make fixed rent payments equal to that required of Very Very Low-Income households (30 percent of 35 percent of Median Area Income [MAI]) in Public Housing.
- Waiver of the Federal and Local Preferences for selection of MTW Program participants from the Waiting List. For the MTW Program, only income-eligible families with children in which the head of household or spouse is currently working, seeking work or is preparing for work through job training, educational programs or other programs that assist people to become self-sufficient through employment will be selected. These families will be selected from the existing Waiting List through an outreach effort.
- Waiver of Family Self-Sufficiency regulations which conflict with the MTW Program design, including manner of calculating the escrow account and recruiting FSS participants from the Waiting List, and explicitly authorizing termination from housing assistance of families who do not meet their career plan responsibilities.
- Waiver of annual income recertification and interim rent adjustments due to income or family size changes. After the initial income eligibility determination, no further income requirement will be imposed. Housing Quality Standards and other regulations will continue to be in force, and annual inspections will continue.
- Waiver of utility allowances and rent calculations, housing subsidy and rent payments will be fixed at the time of the family's entry into the MTW Program.

Scale of Program and Initial Costs: Tentatively, twenty-four units (twelve 2-bedroom and twelve 3-bedroom) of Public Housing located at Juniper Street have been identified as a potential site for this program. The Juniper site is scheduled for the Comprehensive Grant Program which would cover the cost of relocating current residents and rehabilitation of the units. However, without use of Comprehensive Grant funds, the cost of relocating current residents and preparing the units for new residents is estimated at approximately \$32,500. This cost is lower than might otherwise be incurred because this site is already scheduled to be temporarily vacated prior to major pest eradication efforts this year. The site selection was based on the number of units, the bedroom sizes and location of the property. Since the goal of the program is to attract families, the number and mix of bedroom sizes and the proximity of the complex to Hollywood Park should attract a variety of family sizes. The location selected is representative of an average Public Housing site. Therefore, the program outcomes will be representative of what could be expected at other sites if the program were expanded in the future.

Fifty Rental Assistance families would also participate in the MTW Program. Like the Public Housing participants, these families would be selected from the existing Waiting List. These families would be issued Rental Assistance Vouchers providing a fixed rent subsidy and would select their housing from the private market. Since these families would be processed in the same manner as other Rental Assistance Program participants, there should be no additional costs.

IMPLEMENTATION:

To implement the MTW Program, the following steps must be taken. Many of these individual implementation steps will be developed in detail following Program approval.

- A. Develop an incentive plan allowing access up to 5 years of rental subsidy, educational training opportunities, newly renovated Public Housing units or privately owned housing, a community that shares common vision of upward mobility, and escrow accounts.
- B. Ensure program services by collaborating with other agencies and institutions to identify educational, employment and supportive services for program participants.
- C. Create a service delivery plan for program services, with childcare and transportation as priorities.
- D. Obtain waivers of federal regulations.
- E. Supplement the Section 8 Administrative Plan and the Public Housing Occupancy Policy with MTW Program policies.
- F. Change Waiting List process for MTW applicant recruitment, giving priority to applicant households who live or work in San Diego, where the head or spouse works, is seeking work or is enrolled in a job training program.
- G. Develop marketing strategy and begin conducting orientation sessions within 90 days of HUD authorization (to be repeated quarterly).
- H. Develop new administrative systems to accommodate program implementation, e.g., data collection system, forms, briefings.
- I. Increase housing choices for applicants by providing MTW as an additional program opportunity to families on the Waiting List who might not otherwise be reached for many years. Housing choice for participants will be increased by creation of the escrow/savings account, which may be used for a downpayment on a home or security deposit on other housing at the successful completion of the program.

PROGRAM EVALUATION:

The MTW Program will be evaluated for outcomes semiannually.

1. Establish an oversight committee comprised of agency staff (Property Management and Resident Services), educational and community-based organizations to review:
 - a) cost effectiveness,
 - b) program deregulation and
 - c) participant outcomes.
2. Survey participants semiannually to identify program outcomes and barriers.
3. Develop database to collect participant information regarding earned income, educational achievement and employment opportunity.
4. Recruit university intern to analyze program data and prepare evaluations.

Moving To Work Demonstration Program Concept Plan
Page 5

5. Develop milestones of success such as completion of GED course, job search assistance, increases in earned income, etc.

mtwplan.doc(0402rev)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00898

ADOPTED ON APR 29 1997

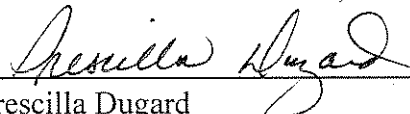
WHEREAS, the U. S. Department of Housing and Urban Development (HUD) has issued a Notice of Moving to Work Demonstration and invitation to apply; and

WHEREAS, the San Diego Housing Commission, on March 24, 1997, recommended that the Housing Authority authorize the application to HUD for participation in the Moving to Work Demonstration Program, which provides local flexibility to design and test new innovative approaches (*i.e.*, flat rents and residency timeline up to five years) to administration of Public Housing and Section 8 Rental Assistance subsidy programs; NOW, THEREFORE,

BE IT RESOLVED, that the Housing Authority of The City of San Diego hereby approves for submittal, an application to the Department of Housing and Urban Development, based on information described in Housing Commission Report No. HCR97-018 (Revised).

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

APPROVED: CASEY GWINN, General Counsel

By 
Precilla Dugard
Deputy Counsel

PD:cdk
03/26/97
Or.Dept:Hsg.Comm.
HA-97-46

Passed and adopted by the Housing Authority of the City of San Diego on APR 29 1997 by the following vote:

Commissioners	Yeas	Nays	Excused	Absent
Harry Mathis	[✓]	[]	[]	[]
Byron Wear	[✓]	[]	[]	[]
Christine Kehoe	[✓]	[]	[]	[]
George Stevens	[✓]	[]	[]	[]
Barbara Warden	[✓]	[]	[]	[]
Valerie Stallings Vice Chair	[✓]	[]	[]	[]
Judy McCarty	[✓]	[]	[]	[]
Juan Vargas	[✓]	[]	[]	[]
Susan Golding Chair	[✓]	[]	[]	[]

AUTHENTICATED BY:

Susan Golding

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

Elizabeth Morris

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

[SEAL]

Rob Albrecht

Deputy Secretary 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. 00898 passed and adopted by the Housing Authority of the City of San Diego, California, on APR 29 1997.

By: 
Deputy Secretary