

REPORT

DATE ISSUED: February 19, 2010

REPORT NO: HCR -015

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of February 26, 2010

SUBJECT: Workshop Discussion: Proposed FY2011 –Business Plan

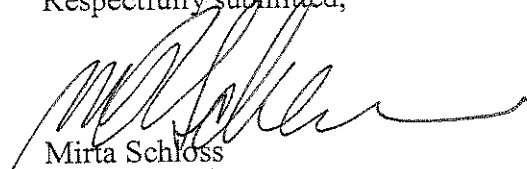
The Housing Commission staff has begun development of the FY2011 Business Plan that will be the basis for the scheduled workshop discussion.

There will not be any action taken during the meeting of February 26, 2010 and the proposed Business Plan for Fiscal Year 2011 will be presented to the Housing Commission Board at the March 19, 2010 meeting for review and approval.

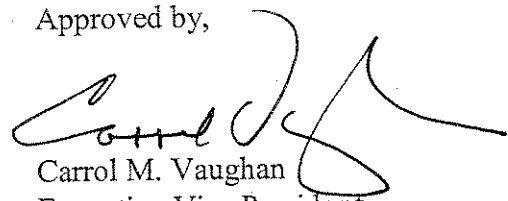
The following attachments have been provided for review and discussion:

1. Proposed FY2011 Business Plan Strategies and Activities

Respectfully submitted,


Mirta Schloss
Board & Executive Function
Program Manager

Approved by,


Carrol M. Vaughan
Executive Vice President
And Chief Operating Officer



SAN DIEGO
HOUSING
COMMISSION

Business Plan Fiscal Year 2010-2011

Draft: February 19, 2010

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Operations Plan:
Community Relations & Communication Department

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
1. Promote the Housing Commission's programs and activities to key funding sources and decision makers at nonprofit agencies, corporations and all levels of government. One focus area will be the agency's proactive approach to problem solving that involves the partnership with the United Way to address homelessness and working with the business community to assist in the review of the linkage fee methodology and new funding resources for the Housing Trust Fund.	Publish timely, informative electronic newsletters via e-mail and the website. Produce compelling video clips that highlight the agency's accomplishments and its broad range of activities. Coordinate with City Council offices to acknowledge major milestones, e.g., the completion of new affordable housing projects.	Increased awareness, which will be measured by a survey.	FY2011	In-house communication resources will be used.
2. Survey stakeholders, partners, and Section 8 Voucher Holders to gauge the public's perception of SDHC and our affordable housing mission.	Launch an awareness and media campaign a few months before the properties are ready for occupancy. Target businesses and their employees who work near the new multi-family developments.	Attend two promotional activities per year.	FY2011	\$10,000 marketing survey consultant
3. Assist the Real Estate Department in its effort to market multi-family units being generated by the Housing Commission's development efforts that are rented at or below 80 percent AMI.	Launch an awareness and media campaign a few months before the properties are ready for occupancy. Target businesses and their employees who work near the new multi-family developments.	High occupancy rate at the agency's new affordable apartments.	FY2011	In-house communications resources will be used.

Operations Plan:
Community Relations & Communication Department

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
4. Develop and implement a marketing plan to help the agency's Economic Development Academy attract new partners, sponsors, pro bono lecturers and instructors.	Meet with Workforce and Economic Development staff to review current grants and partnerships and brainstorm on potential sponsors. Feature current partnerships on SDHC website and newsletters to generate philanthropic interest . Produce marketing video that promotes success stories featuring academy graduates; show video to potential sponsors.	Increased grants and donations	FY2011	In-house communications resources will be used.
5. Organize a speakers' bureau to promote the Housing Commission's activities to also cultivate new partnerships for our multi-family development projects and other core programs, such as lead paint abatement, housing rehabilitation, assistance for first-time homebuyers and Workforce and Economic Development programs.	Produce a promotional video clip touting the agency's vision and accomplishments that can be played at community events and posted on our website. Solicit requests from the public for agency speakers by creating an icon on our website.	Increased number of requests for speakers, programs, and new partnerships for our diverse programs. More awareness in community & support for SDHC programs and activities.	FY2011	In-house communications resources will be used.
6. Explore cross-promotional marketing campaigns to expand the brand and awareness of the Agency's programs and mission.	Identify potential partnerships and signage opportunities for our Housing Rehab Programs, First-Time Homebuyer programs, Workforce and Economic Development Program, etc.	Increased number of new partnerships and program applicants.	FY2011	\$10,000, printing of Collateral materials such as banners, press kits, etc.

Operations Plan:
Community Relations & Communication Department

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
7. Explore video messaging system for CEO to communicate more frequently with employees on significant projects or urgent matters.	Develop with IT and identify infrastructure and cost needed to launch this internal communications system.	Future survey to obtain feedback from employees.	FY2011	Infrastructure costs, if any. Internal communication resources will be used to produce video messages.
8. Redesign the Intranet to use new technologies such as video posting.	Work with Business Services to evaluate the need. Hire a website consultant to perform the work.	Future survey to obtain feedback from staff regarding better communications.	FY2011	

Notes:

Operations Plan: Housing Policy

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
9. Provide policy guidance to City on existing policies & ordinances that address housing issues.	Develop recommendations for Housing Impact Fee based on report to be received in July 2010; Establish clear and meaningful steps towards updating Inclusionary Ordinance.	Completion & submission of 2010 Housing Impact Fee Nexus Study to Housing Commission & City Council; HC Policy Unit Analysis of Nexus Study; Housing Impact Fee Presentation at Hearing.	FY2011	\$50,000
10. Continual participation on various San Diego Housing-related Board, Committees, and Working Groups.	Participate on Housing Opportunities Collaborative (HOC) Board; SD Regional Chamber of Commerce's Housing Policy Subcommittee; SD Housing Federation's Policy Subcommittee; and SANDAG's Regional Housing Working Group.	Active role on Board, Subcommittees, and Working Groups.	FY2011	
11. Identify addition revenue sources for Housing Trust Fund (HTF).	Analyze data received in July 2010. Develop recommendations based on report.	Completion & submission of "Alternative Housing Revenue Sources" report to Housing Commission & City Council.	FY2011	\$50,000
12. Implement Transit-Oriented Development (TOD) Plan(s)	Identify potential activities & funding sources for Initiative. Recommend additional funding sources to policy makers.	Submit application; Foster local & national partnership to enhance San Diego's presence in the TOD / Affordable Housing arena.	FY2011	\$100,000

Operations Plan: Housing Policy

13. Create a system to track local, state, federal legislative actions and establish a legislative priority list for each year.

Work with IT Group to develop/provide database to compile/analyze legislative actions.

Installation and operation of database; Initial data analysis and legislative action list prioritized.

FY2011

\$10,000

Notes:

**Operations Plan:
Real Estate Department
Property Management**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
14. Manage Smart Corner Office Building.	Participate in lease process for potential tenants on ground and second floors.	Achieve full occupancy by leasing remaining ground floor and second floor spaces.	FY2011	
15. Update Capital Improvements.	Identify new work items given transition to private sector methodology, establish funding source for work items, and contract for work.	Complete needs assessment and highest priority work.	FY2011	\$1,400,000/year
18. Develop additional affordable housing units.	Produce and complete additional SDHC-owned rental units to meet commitment of 350 units.	350 units built and/or acquired.	FY2011	\$60,000,000 (FHA/Fannie Mae)
19. Explore repositioning of Commission-owned underperforming assets.	Analyze viability of smaller properties for disposition or retention	Complete analysis.	FY2011	\$100,000
20. Refinancing of Office building.	Identify a financial expert to provide alternative funding options for the Housing Commission's office building.	Refinance the existing loan on the San Diego Housing Commission headquarters, prior to its maturity in 2011.	FY2011	Loan Fees, SWAP brokerage fee.

Operations Plan:
Real Estate Department
Property Management

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
21. Implement methodology to monitor outside management of properties with the Commission ownership interest.	Create policies and procedures. Create performance standards.	Specific performance measures monitored by individual contract.	FY2011	
22. Elevate quality of affordable housing in which the Commission participates financially.	Create standard for quality. Green/energy sustainability and long-term viability.	Complete standards and implement internally.	FY2011	\$100,000

**Operations Plan:
Real Estate Department
Affordable Rental Housing Production**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
23. Provide financing for development of affordable housing units through a variety of activities.	Provide project NOFA structuring, underwriting and residual receipts loans to affordable housing developers and operators.	Annual creation of 200 new affordable housing units restricted for 55 years.	FY2011	\$6,000,000/year HOME, Affordable Housing Fund
	Manage Multifamily Bond Program by obtaining project financial analysis, underwriting and approvals to issue from both the State and Housing Authority.	Production rate of two new bond issuances per year.	FY2011	
	Manage projects & report progress using tools including budgets, proformas & schedules.	Provide side-by-side comparison of actual to plan & highlight any variance.	FY2011	
24. Finance Plan Update	Present quarterly reports including information from financial consultant when presenting Capital Budget	Quarterly reports to the San Diego Housing Commission and Semi-annual reports to the San Diego Housing Authority	FY2011	\$39,500
25. Neighborhood Stabilization Program	Manage the Neighborhood Stabilization Program and ensure that the program goals & deadlines are met.	Compare established goals on a monthly basis to actual progress.	FY2011	
	Develop additional Public Housing units via acquisition through the U.S. Department of Urban Development.	Creation of 30 units restricted as HUD public housing for 40 years.	FY2011	\$4,200,000 U.S. Department of Urban Development

Operations Plan:
Real Estate Department
Affordable Rental Housing Production

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
26. Pursue new affordable housing financing sources and tools to obtain better leverage of loan dollars.	Encourage use of and interface existing loan programs with: MHSA, TOD and Infrastructure funds.	Identify at least one additional new source in project finance structures.	FY2011	
27. Revise Rental Housing Production NOFA to include new acquisition standards, such as green building, energy efficiency and universal design.	Consult developers, architects, experts, consultants to develop proper measurement standards or thresholds to be encouraged in the NOFA.	Affordable housing projects that include these amenities are given preference for financing.	FY2011	

**Operations Plan:
Real Estate Department
Housing Rehabilitation**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
28. Offer Rehabilitation assistance through several programs.	Review, obtain approvals and fund rehabilitation loans; provide technical assistance to low-income owner borrowers.	Provide 170 Housing Rehabilitation loans/grants per year.	FY2011	\$2,500,000/year HOME, Housing Trust Fund, NSP
		Lead paint remediation for 150 units per year.		\$2,333,333 per year for three years from HUD Lead Grants
	Review, approve and fund lead remedial grants; provide technical assistance; apply for two new HUD Lead Grants for FY2011-2013.	Provide 10 accessibility grants per year.		\$35,000/year Housing Trust Fund
29. Administer Redevelopment Area rehabilitation programs in eight redevelopment areas.	Review, approve, and fund loans; provide technical assistance. Obtain a fee for services which generates \$300,000 per year, and continue to market our services for additional redevelopment areas.	Provide 70 rehabilitation loans per year.	FY2011	\$2,250,000/year Redevelopment
30. Perform in-house lead testing and clearances rather than out-sourcing for increased efficiency and additional revenue from general rehab and other SDHC programs	Purchase lead testing equipment and cover staffing of new inspector with existing HUD Lead Grants.	Complete lead tests and clearances of all HUD lead grant projects plus additional 100 lead inspections and 65 clearances per year on general rehab and other HC programs.	FY2011	Existing HUD lead grant funds for lead testing and clearances plus estimated \$60,000 per year net cash flow.

**Operations Plan:
Real Estate Department
Homeownership**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
31. Provide first-time homebuyers resources and funding tools.	Underwrite process and fund all first-time homebuyer program loans and grants in accordance with SDHC policies, guidelines and regulations.	Assist 80 homebuyers per year.	FY2011	\$6,000,000 / NSP, HOME, HTF, Inclusionary Housing & CCDC
32. Market programs; attendance at housing fairs.	Utilize staff to attend fairs and answer questions; make marketing materials available.	Attend two promotional activities per year.	FY2011	

Special Housing Initiatives

Notes:

Operations Plan:
Special Housing Initiatives

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
33. Expand permanent housing opportunities for persons with special needs.	Lead the City's Continuum of Care for new and renewal HUD funding for permanent Supportive Housing.	Submit successful application for renewal and new funding.	FY2011	
	Adjust to conform to anticipated changes from HUD.	Receive no Findings from any HUD program audits of the program or sub-grantees.		
	Provide technical assistance to grant applicants.	Use all available funds for housing clients.		
	Oversee program.			
	Assist County efforts to identify and house homeless who are high volume users of public services for indigents.	25 individuals in stable housing using project based vouchers.	FY2011	
	Support expansion of VASH and link with HPRP.	20 veterans enrolled.		
	Expand inventory of "Low Demand" (Housing First) units.	1 project in development.	FY2011	
	Design and fund shallow rent subsidies for living units, studio units, or group living.	20 units in service		

**Operations Plan:
Special Housing Initiatives**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
34. Prevent and Reduce Homelessness.	Fund rental assistance to enable timely exit from transitional housing and domestic violence programs to stable housing.	50 units/year HOME TBRA, Project-Based Vouchers.	FY2011	
	Provide grants for operation of temporary housing.	400 beds/year supported by HTF @ \$1.1mil/yr.		
	Create a centralized service delivery system through Project Connect or other means.	Plan, coordinate, and implement system.		
	Expand inventory of interim housing beds.	Identify site and funding.		
	Design and implement a Rapid Re-housing program for families.	Use HPRP to bridge to project-based vouchers.		
	Adjust programs to maximize advantages of new HUD HEARTH Program.	Increase funding from state and federal programs (timing unknown).		
35. Continue City's temporary shelter system as needed	Assume responsibility for City's contracts and services: winter shelters, family shelter, day center, medical services for shelters, data collection.	Secure ESG and CDBG funds from City sources; put contracts into effect.		

Rental Assistance

Notes:

**Operations Plan:
Rental Assistance**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
36. Promote deconcentration of poverty.	Create initiatives designed to move families from high-poverty areas to low-poverty areas by increasing Payment Standards in San Diego.	Increase the number of HCV families living in the seven zip codes designated as "low poverty".	FY2011	\$65,000 to be paid from HCV funding/HCV reserves.
37. Provide Housing Opportunity for Homeless.	Design MTW program to assist homeless families by partnering with local non-profit agency to provide needed services.	Select agency partner and complete the design of the program.	FY2011	\$350,000 per year to be paid from HCV funding/HCV reserves.
38. Improve Customer Experience.	Provide Educational and Outreach seminars for current and prospective owners/property managers, designed to educate owners about the program and to encourage participation.	Schedule 2 owner outreach seminars and add 10% new participants.	FY2011	\$1,500 from HCV Admin Funds.
	Complete implementation of new web services designed to improve customer service for owners and clients, including the ability to see unit inspection scheduling and results.	2 new web services available to clients.		\$10,000 from HCV Admin Funds.
	Conduct targeted outreach to inform clients of new MTW programs and developments and to seek feedback on new MTW initiatives.	Tenant and Owners Newsletter sent twice per year to all owners and participants.		\$10,000 from HCV Admin Funds.

Notes:

**Operations Plan:
Workforce & Economic Development**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
39. Promote resident self-sufficiency efforts.	Recruit tenants into FSS Program. Full and short term FSS programs are provided.	100 New enrollments.	FY2011	\$400,000 HCV FSS Grant.
		50 New escrow accounts.		
		20 FSS graduates.		
	Assist clients establish and complete academic goals.	23 Book scholarships.	FY2011	\$6,000 HCV Reserves.
		23 Further academic education		
	Provide referrals for vocational training.	35 Participants receive vocational training.	FY2011	
	Provide workforce skills training and employment search methods.	35 Unemployed tenants gain employment.	FY2011	
		25 Employed tenants gain higher paying jobs.		
		25 Participants achieve household earned income increases.		
		5 Participants start small/micro businesses.		
	Conduct Asset Building Program recruitment.	50 Attend the Asset Building orientations.	FY2011	\$170,000 HSS AFI Federal & Non Federal Grants.
		35 Join and open Bank & IDA accounts.		
		20 Asset Building Program participants acquire selected asset.		
	Develop an effective Homeownership Curriculum Track and assist with first-time homebuyer programs.	35 Homeownership Track graduates.	FY2011	
		3 New homeowners.		

**Operations Plan:
Workforce & Economic Development**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
40. Implement new self-sufficiency efforts	Establish an Economic Development Academy through redesign of program and relocating services to central location(s). Pursue ongoing funding.	130 youth and adults served. 5 Private and Public partners provide in-kind services, technical support, and/or funding.	FY2011	\$1,300,000 HCV Reserves HUD NN Grant
	Utilize Moving To Work designation to include otherwise non-eligible tenants in Workforce Development and Asset Building programming.	35 youth and adults otherwise non-eligible for programming served.	FY2011	\$30,000 HCV Reserves
	Develop an effective Financial Skills Education Curriculum.	50 Participants complete Financial Skills Education Curriculum.	FY2011	
	Provide referrals to small/micro business training sessions. Assist with initial process to start a small/micro business.	15 Participants receive small / micro business training. 5 Participants start small/micro businesses. 3 New homeowners.	FY2011	

Notes:

Operations Plan:
Business Services
Information Technology

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
41. Continue phased implementation of Document Management.	Implement document imaging technology to replace critical hard copy documents with electronic record management.	Implementation in Real Estate workgroups, including Loan Management and Property Management.	FY2011	
41. Implementation of agency business continuity and disaster recovery plan in conjunction with agency management team.	Identify technology and implement solution.	Successful completion of a business continuity test	FY2011	
13. Utilize Microsoft SharePoint technology to facilitate better internal agency communication.	Implement Intranet in SharePoint. Develop and implement SharePoint template for internal project management.	Launch of new intranet site in SharePoint. Implementation of project management template	FY2011	

Operations Plan:
Business Services
Human Resources

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
44. Explore purchasing of benefits pool with local agencies.	Explore feasibility and willingness to collaborate with the other agencies in order to leverage purchasing power. Form required legal consortium to facilitate formal buying pool. Negotiate needed benefits contracts.	Accomplish a reduction or smaller rate of increase in benefit costs for planned FY12 plan year.	FY11	
45. Develop a pay for performance system.	Complete survey similar public and private organizations that have implemented desired performance evaluation/pay for performance systems. Select and implement new systems for roll-out by FY11.	Complete selection of evaluation instrument and required software and other acquisitions, training in order to implement for all unrepresented staff by FY11.	FY11	\$45,000

**Operations Plan:
Business Services
Organizational Development & Training**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
46. Monitor the existing Professional Development Internship Training Program. Increase interest in affordable housing as a career opportunity.	Meet with staff and supervisors for quarterly status updates.	Create a self assessment survey to measure intern's professional development and self esteem.	FY2011	\$10,000
	Establish a Core Training Committee to oversee and ensure the training progress.	Review program annually based on supervisors' and interns' feedback.		
47. Develop, implement, and coordinate a yearly training and professional development curriculum based on agency's core competencies and capabilities.	Executive team defines core competencies.	Conduct a minimum of 15 trainings courses annually.	FY2011	
	Meet with supervisors and front line staff to review the existing system, assess roadblocks, and determine recommendations.	Ensure each training course has measureable outcomes as identified in the Contract Scope of Services.		
	Meet with each department to identify their special needs year wide.	Conduct post evaluation survey via Survey Monkey for each course		
48. Ensure core competencies and capabilities are incorporated into the new evaluation instrument.	Define the meaning and definition of each competency and capability agency wide.	Develop specific performance standards for each competency and capability to ensure appropriate rating on the performance evaluation.	FY2011	
	Meet with supervisors and front line staff to introduce the new evaluation process.			

**Operations Plan:
Business Services
Procurement**

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
49. Ensure agency compliance with procurement policy.	Review process to monitor cost and compliance.	No annual audit finds on procurement process in each fiscal year.	FY2011	
	Improve accountability in the procurement of goods and services.			
50. Provide best quality, best service, and best value possible to all SDHC departments in support of agency functions.	Create a streamlined vendor database process to increase supplier access to procurement opportunities (online form).	Improve 90% of accessibility to information on qualified vendors via web.	FY2011	\$10,000
	Deliver user-friendly and efficient buying methods by implementing online requisition program on SDHC intranet.	50% increase in time savings and efficiency for all departments.		
	Increase the amount of business SDHC does with qualified small, disadvantaged, and women-owned business concerns.	10% increase in the number of contracts awarded to qualified small, disadvantaged, women-owned, business concerns.		

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Operations Plan: Financial Services

Strategies	Action to Implement	Measurement	Estimated Date of Completion	Estimated \$ / Source
51. Maximize financial performance in the investment portfolio	Broaden the scope of investment instruments.	Continue to diversify and invest in instruments that meet the goals of safety, liquidity, and yield. Our investment yield in the portfolio will be benchmarked to the treasury.	FY2011	
52. Determine need for new accounting software.	Research and implement new accounting software that better meets the needs of the agency.	New software in place and operating.	FY2011	
53. Implement a new indirect cost allocation method for the Commission.	Implement a new indirect cost allocation methodology that takes into consideration the new structure and initiatives of the Commission.	A new cost allocation process that is equitable and encompasses funding source requirements.	FY2011	\$10,000
54. Modify the structure of the accounting and budget systems.	Establish a structure for accounting and budget that accommodates profit centers, Limited Liability Corporations, Limited Partnerships, new real estate acquisitions, and central office cost centers.	A system that accommodates real estate accounting and reporting as well as grant accounting and reporting.	FY2011	
55. Assist RED in the profitability analysis of current units and projects for possible sale or replacement.	Work with RED to develop accurate cost reporting on units to analyze profitability of current portfolio.	Financial recommendations for consultant regarding units owned.	FY2011	
56. Increase interaction with City Financial Leaders	Develop key relationships with Independent Budget Analyst, the Chief Financial Officer, CCDC, and other leaders.	Improve working relationships with key financial persons within the City.	FY2011	