

Moving Forward
Moving to Work Program

DRAFT: Amendment to Annual Plan for Fiscal Year 2010

Table of Contents

Section IV: Ongoing MTW Activities

4. Choice Communities Initiative
7. Adopt a Local Interim Recertification Policy

Section IV: Ongoing MTW Activities

4. CHOICE COMMUNITIES INITIATIVE

This initiative contains several components that collaboratively will work to provide families with tools to assist them to move from high-poverty neighborhoods to low-poverty neighborhoods. The ultimate goal of this initiative is to enhance opportunities for employment and education and to increase housing choices for low-income San Diegans.

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 Housing Choice Voucher (HCV) 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 and be raised to a 50% cap. In order to qualify for this benefit, the family must demonstrate that it has the ability to pay the higher rent burden and may be required to enroll and participate in a budgeting workshop at the Economic Development Academy.

Currently, 12.7% 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 HCV participants.

The implementation of this change will be an additional incentive, among others detailed in this initiative, to encourage low-income families to move into areas of low-poverty.

Create a Moving for Opportunity Program

The Housing Commission will develop a Moving for Opportunity program that will provide resources, information 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 property owners, appropriate schools, shopping, and places of worship. Participants will be directed to other agencies to help families transition successfully into new neighborhoods.

The Housing Commission intends to outreach and advertise to property owners in the community that are not currently participating in the program. The Housing Commission will also publicize the Moving for Opportunity program and develop resource packets for families interested in relocating to low-poverty areas.

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 no-interest loan with low monthly repayments.

Increase the Payment Standards in Low-Poverty Neighborhoods

The Housing Commission's HCV participants are primarily concentrated in eight of the 35 zip code areas in the agency's jurisdiction. Each of these eight zip codes is considered a high-poverty area. See Appendix B for list of zip codes and the number of current subsidized participants. The HAP cost per unit in the low poverty areas is \$854 per month and for high-poverty areas, the HAP cost per unit is \$824 per month.

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 out of high-poverty areas and 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 and lower levels of assistance in medium and/or high poverty neighborhoods. The Housing Commission intends to use MTW flexibility when determining adjusted payment standards, as analyses may support decreases to less than 90% and/or increases to more than 120% of the FMR. The Housing Commission will monitor the lease up success rate to ensure it remains above 80%.

An impact analysis was completed and it demonstrated that raising the payment standard in low-poverty areas would only reduce family share, which has a positive impact on participants by increasing housing choices. For those areas in which the payment standard moves below 90% of the FMRs, the Housing Commission will monitor the number and percentage of families who are paying more than 40% of their adjusted annual income towards rent and will make adjustments to the payment standard levels as necessary. The elimination of the 40% affordability cap is a participant choice. It is anticipated that 60 participants per year will take advantage of this option. In order to qualify, the families must demonstrate they are able to pay a larger family share. Therefore, the impact on participants will be positive by increasing housing choices for these families.

Anticipated Impact: The anticipated impact of the Choice Communities initiative will be creating opportunities for more participants to move into low-poverty areas, thereby increasing housing choices for low-income families.

MTW flexibility allows staff savings from other initiatives, enabling the Housing Commission to devote a staff person to the Moving for Opportunity Program and Security Deposit Loan Program who would otherwise be assigned to another function (such as annual recertifications or inspections). It also allows the Housing Commission to raise payment standards above 120% of the fair market rents without seeking HUD approval

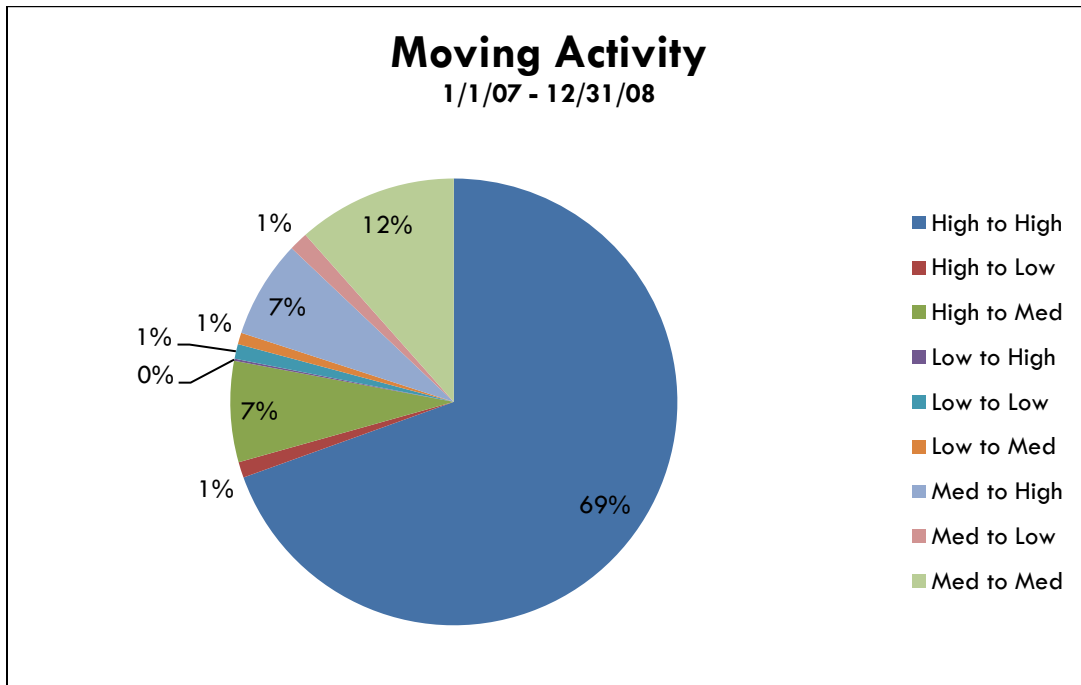
and eliminates the 40% affordability cap for participants who move to designated low poverty areas.

Relation to Statutory Objectives: Increase housing choices for low-income families.

Baselines, Benchmarks and Metrics:

Baselines include:

- ✓ From January 1, 2007 through December 31, 2008, 1% (15) of the moving participants moved from high-poverty areas to low-poverty areas
- ✓ From January 1, 2007 through December 31, 2008, 7% (96) of the moving participants moved from high-poverty areas to medium-poverty areas
- ✓ Currently, zero (0) participants exceed the 40% affordability cap at move-in
- ✓ 12.4% of current program participants in non-Choice Communities areas are currently paying more than 40% of their adjusted monthly income toward rent
- ✓ The current leasing success rate is 94%



Benchmarks include:

- ✓ 10% of moving participants will move from a high-poverty area to a low-poverty area by June 30, 2011
- ✓ Average dollars loaned will be at least \$700 per participant by June 30, 2011
- ✓ 80% of moving participants will stay in the new unit at least one year by June 30, 2011
- ✓ The annual leasing success rate will be greater than or equal to 80% by June 30, 2012

Metrics include:

- ✓ Total number and percentage of participants moving from high/medium to low areas of poverty
- ✓ Number and percentage of participants moving to Choice Communities participating in Security Deposit program
- ✓ Number and percentage of participants moving to Choice Communities receiving increased payment standards
- ✓ Number and percentage of participants moving to a new unit received Moving for Opportunities counseling
- ✓ Number and percentage of Choice Communities tenants exceeding the 40% affordability cap at move-in
- ✓ Total number of security deposit loans, total dollars loaned, and average dollars loaned
- ✓ Average HAP cost per unit in low-poverty areas
- ✓ Average HAP cost per unit in high-poverty areas
- ✓ Percent of participants moving into Choice Communities who remain in unit at least 1 year
- ✓ Percent of program participants in non-Choice Communities areas paying more than 40% of their adjusted monthly income toward rent
- ✓ Annual leasing success rate

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a monthly or basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist the Housing Commission in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Metric	Baseline # 2011	Baseline % 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Average HAP cost per unit in high-poverty areas	\$824								
Percent of participants moving into Choice Communities who remain in unit at least 1 year	0						80%	June 30, 2011	
Percent of program participants in non-Choice Communities areas paying more than 40% of their adjusted monthly income toward rent		12.4%							
Annual leasing success rate		94%					80%	June 30, 2012	

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section D(2)(a) containing waivers of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

7. 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 for HCV participants and public housing tenants.

Anticipated Impact: The anticipated impact to the Housing Commission will be creating HAP savings due to fewer “decrease in income” interims being processed, thereby allowing greater cost effectiveness in Federal Expenditures. It is anticipated that this initiative will impact program participants by promoting self-sufficiency which is measured by the number of “decrease in income” interims processed. This impact relates to the statutory objective of providing 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.

Rent Portion Increases

The Housing Commission will not perform interim increases in the rent portion 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 maintain or increase earnings and save the amount that would have been charged due to an increase in rent.

Rent Portion Reductions

Interim reductions in the rent portion 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 and require MTW flexibility:

- Households may only request an interim reduction once between regularly scheduled recertification periods. However, see the Hardship Policy below for exceptions to this limitation;
- Interim requests for decreases in income will only be processed if the household's loss/decrease of income was through no fault of their own;
- The rent reduction will only be implemented if the household rent will decrease by 20% 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;
- 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 following policies do not require MTW flexibility:

- 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;
- 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.

An impact analysis was completed and approximately 10% of families may be impacted. The restrictions on “decrease in income” interims will increase and fewer families will qualify.

The current HCV 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 portion to be effective the first of the following month after reporting the change.

MTW flexibility will be utilized by placing a limit on the number of, and creating other restrictions for, reduced income interims.

Hardship Policy for Interim Recertifications

The Housing Commission will adopt a policy that may limit the ability of 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 HCV 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; all cases will be reviewed on a case-by-case basis:

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: 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.

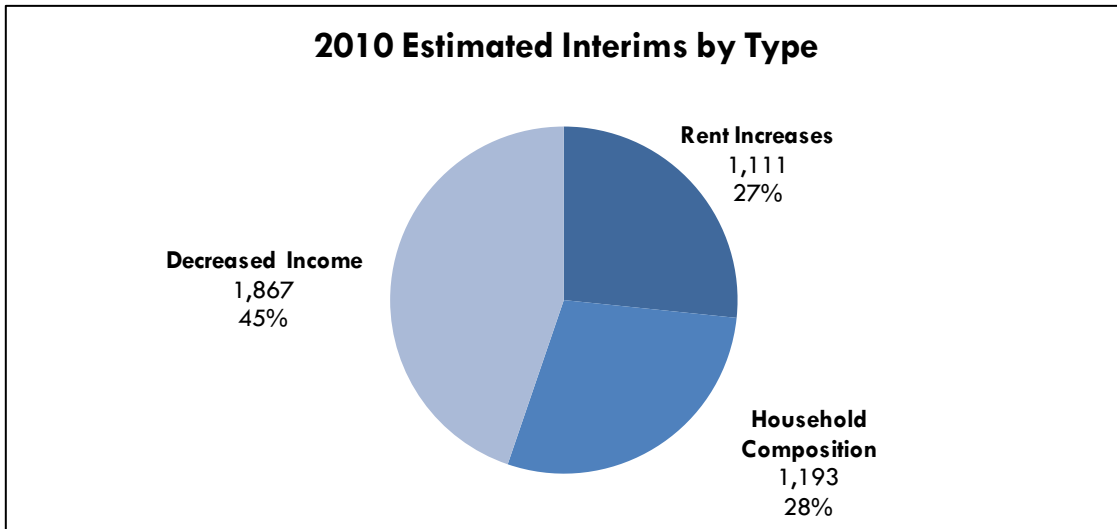
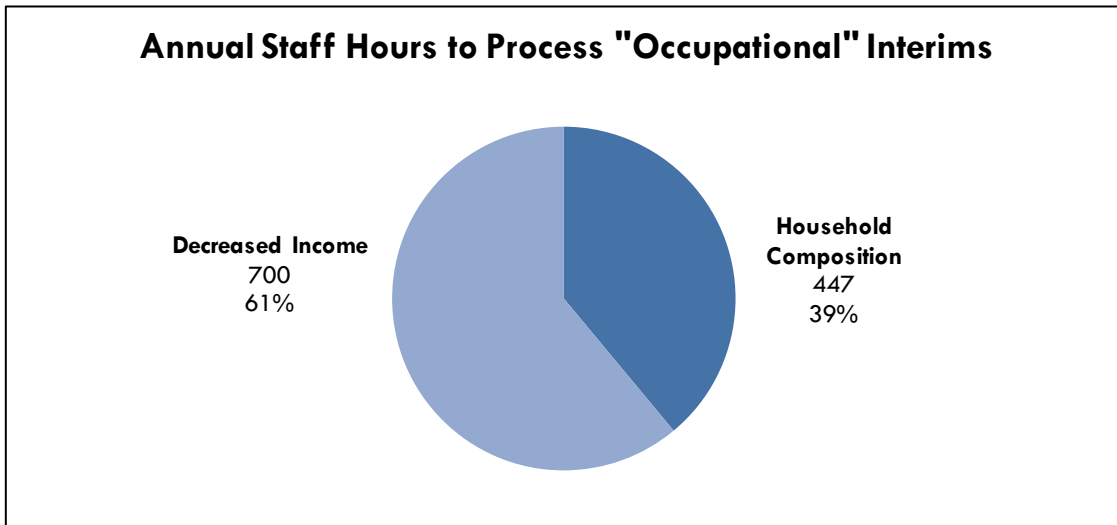
Baselines, Benchmarks, Metrics, and Undesirable Outcomes

Baselines include:

- ✓ 4,171 total interim recertifications conducted in 2010
- ✓ 1,111 (27% of total) interims related to rent increases *These interims are not expected to be impacted by these proposed MTW changes
- ✓ 1,193 (29% of total) interims related to changes in family composition (add or subtract members)

- ✓ 1,867 (45% of total) interims related to loss of income (vast majority for families vs. elderly/disabled)
- ✓ 1,147 total staff hours to process decrease in income, add member, and subtract member interims

The chart below describes the type of interims that are processed on an annual basis other than owner rent request increases.



Benchmarks include:

- ✓ Annual number of interim recertifications will be <4,171 by June 30, 2012
- ✓ Annual number of "decrease in income" interims will decline by 10% to less than 1,680 by June 30, 2012
- ✓ Annual staff time required to process "decrease in income" interims will decline by 10% to less than 630 hours by June 30, 2012.

Metrics include:

- ✓ Annual number of interim recertifications processed
- ✓ Annual number of “decrease in income” interims conducted
- ✓ Annual staff time required to process “decrease in income” interims
- ✓ Annual number of families who request “decrease in income” interims and are required to apply for unemployment

Undesirable Outcomes may include:

- ✓ Annual number of hardships requested for income-related interims

The transition period will be determined by the implementation date. Once the implementation date is chosen, participants will be given advance notice.

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Local Interim Recertification Policy								
Metric	Baseline # 2008	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of interim recertifications processed	4,171					<4,171	June 30, 2012	
Annual number of “decrease in income” interims conducted	1,867					<1,680	June 30, 2012	
Annual staff time required to process “decrease in income” interims	700					<630	June 30, 2012	
Annual number of families who request “decrease in income” interims and are required to apply for unemployment	0							

Potential Undesirable Outcomes								
Metric	Baseline 2011	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Acceptable Level	Action Items
Annual number of hardships requested for income-related interims	0						20	

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section D(8)(a) containing waivers of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 CFR 982.625 through 982.643 inclusive as necessary.