



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission (SDHC)

*Moving Forward*

## Fiscal Year 2024 Moving to Work (MTW) Annual Plan

Presentation to the SDHC Board of Commissioners

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# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Moving Home

### What is Moving Home Rapid Rehousing?

- Utilizes MTW funds to provide housing subsidies to individuals and households experiencing homelessness, while supportive services are provided to strengthen stabilization.
  - Rental subsidies for households for up to 24 months
    - Extension to up to 36 months is possible in exceptional circumstances
  - Case management to help households develop an individualized housing and services plan, including increasing household income and leveraging community resources.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Moving Home (Continued)

### Proposed Update to Moving Home

- SDHC has been a leader locally on prevention efforts since launching its locally funded programs in 2017 for households at imminent risk of homelessness.
- At a local and national level, SDHC has seen an increased focus on the critical need to reduce inflow into the homelessness response system and identify effective ways to keep households from losing their existing housing.
- Expand Moving Home to encompass a rapid stabilization component for households:
  - Experiencing significant housing instability
  - Highly vulnerable to losing their housing
  - With housing assistance and supportive services, could be expected to stabilize and pay full rent on their own within 6 to 24 months
- Addresses recommendations of the Ad Hoc Committee on Addressing Homelessness Among Black San Diegans

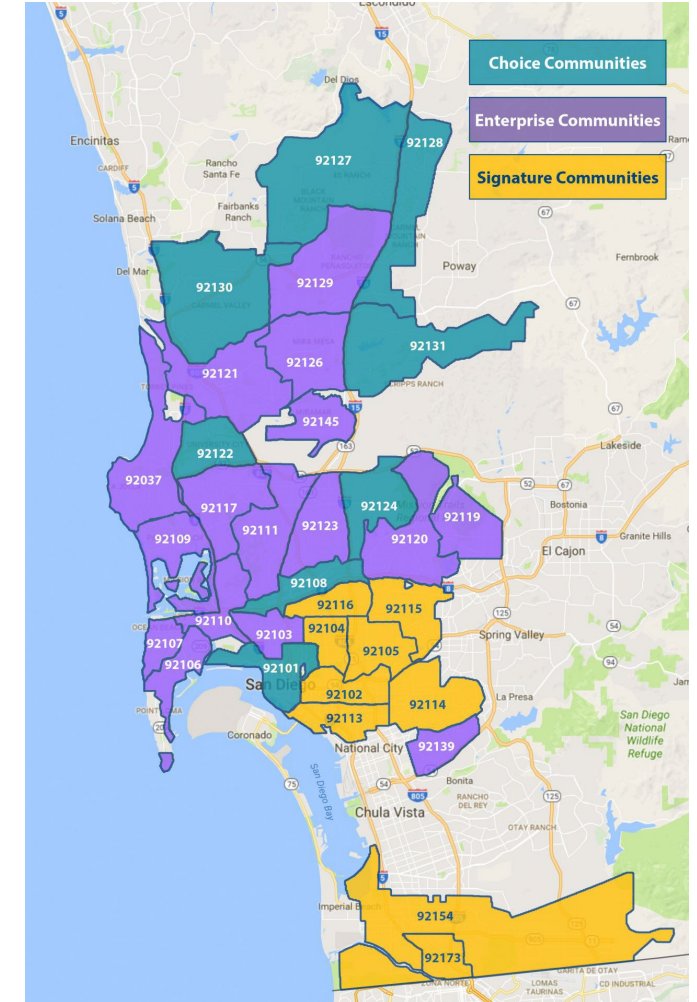


# SDHC – Fiscal Year 2024 MTW Annual Plan

## Choice Communities Initiative

### What is Choice Communities?

- MTW activity approved by HUD in 2010
- Provides families that receive rental assistance with more flexibility to choose to live in neighborhoods that offer more opportunities for transportation, schools and employment.
- City of San Diego ZIP Codes are divided into three groups, each with its own corresponding payment standards:
  - Choice Communities
  - Enterprise Communities
  - Signature Communities



# SDHC – Fiscal Year 2024 MTW Annual Plan

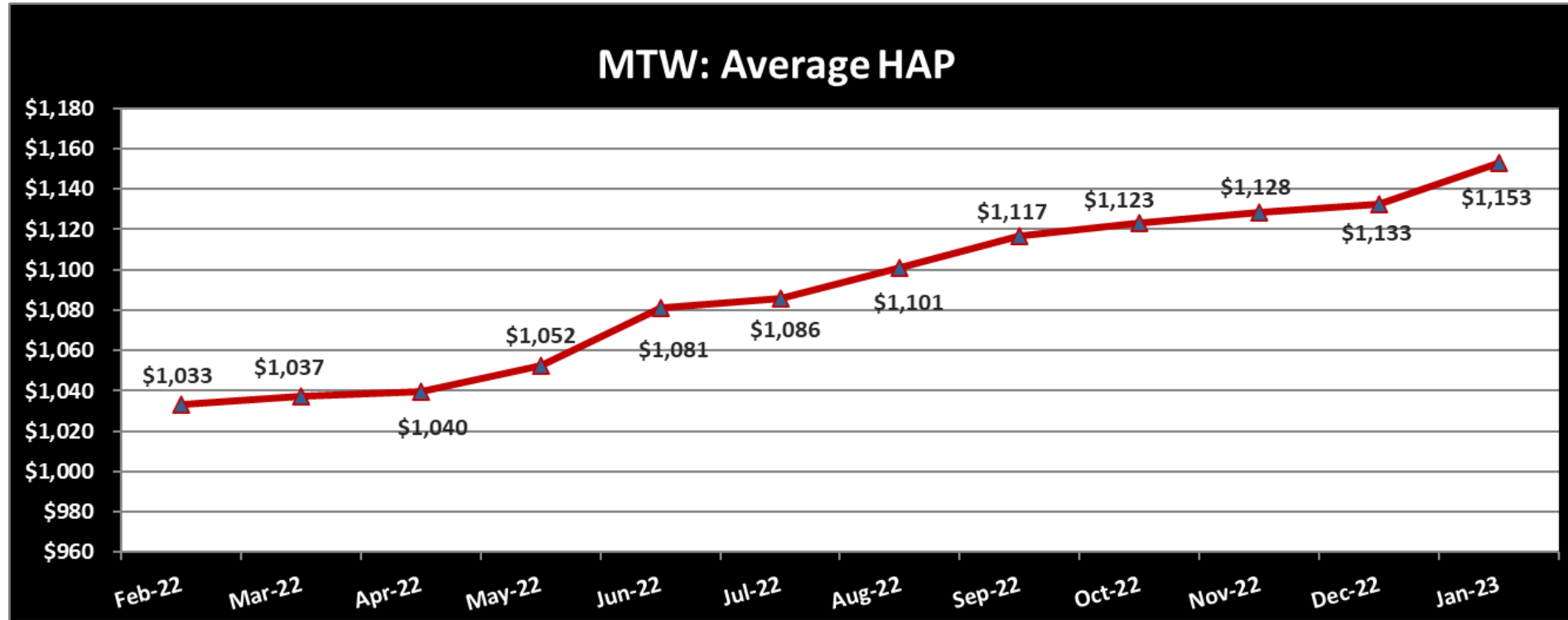
## Choice Communities Initiative

- The payment standard is the maximum subsidy payment the voucher would pay for a rental unit minus the applicable tenant rent portion
- Payment Standards are reviewed annually.
- The goal of the annual review is to, within the restrictions of the funding available, have payment standards that are as competitive as possible with the private rental market to increase housing opportunities for voucher holders.
- Over 6,200 families have leased their housing in Enterprise or Choice Communities since 2010.
- In 2018 and 2021, SDHC on behalf of Public Housing Authorities throughout the County, successfully appealed the HUD Fair Market rent assessments.
  - This effort strengthens SDHC’s ability to raise Payment Standards to be as competitive as possible with regional private market rents.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Increasing Housing Assistance Costs



- The average Housing Assistance Payment per voucher has increased by over 11% in the past year.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success

### What is Path to Success?

- Moving to Work activity approved by HUD in 2012.
- Comprehensive rent-reform initiative designed to encourage Work-Able rental assistance participants to become more financially self-sufficient.
- The use of income ranges to calculate the household's portion of the rent—a Tiered Rent Table—both incentivizes and rewards Work-Able households for increasing income.
  - Lower end of the income range is used to calculate rent portion instead of actual income.

### Proposed Updates to Path to Success

- Align Household Age Designation with HUD Definition
- Discontinue Utility Allowance



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success (Continued)

### Align Household Age Designation with HUD

- Modify the definition of Elderly/Disabled household to households where all adults are either 62 years of age or older, disabled, or a full-time student ages 18 to 23.
- This will align with HUD’s defined age of an elderly person.
- There would be no immediate impact to Work-Able households.
- Current Elderly/Disabled households between the ages of 55 and 61 will remain as Elderly/Disabled households.

Impact Analysis					
Potential Impact to Rent Portion for Work-Able Households Between 50 and 54 Years Old					
Decrease in Rent Portion				Increase in Rent Portion	
\$1 - \$50	\$51 - \$100	\$101 - \$150	> \$150	\$1 - \$50	\$51 - \$88
25%	7%	5%	23%	26%	13%





# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success (Continued)

### Discontinue Utility Allowance

- Modification proposes to discontinue the utility allowance component of the rent calculation.
- Discontinuing utility allowances will achieve greater cost effectiveness, administrative efficiencies, and flexibility to improve housing choice.
- The savings experienced from discontinuing utility allowances will provide cost savings in federal expenditures, thereby allowing for potential increases in the Payment Standards that, in part, determine the maximum rents Section 8 Housing Choice Voucher families can lease by allowing more funds to be allocated toward housing assistance payments (HAP).



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success (Continued)

### Hardship Policy

- Elderly/Disabled households who experience a rent increase greater than \$50 at their next recertification following the implementation of this activity would be eligible for a one-year exemption to the reform.
- Eligible Work-Able households may apply for the existing Path to Success Comprehensive Hardship Policy.

Impact Analysis					
Impact to Household Rent Portion					
No Change	Increase in Rent Portion				
\$0	\$1 - \$50	\$51 - \$100	\$101 - \$150	\$151 - 200	> \$200
30%	53%	9%	6%	2%	0%



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success (Continued)

### Implementation Plan

- If approved by HUD, SDHC would provide one-year noticing to all Path to Success households, and continue to notice households until implementation is completed.
  - Notice would include information on hardship programs and how to access community resources, including utility assistance programs.
- Path to Success updates would be applied during the household's regularly scheduled recertification beginning after a one year noticing period
- Elderly/Disabled households who experience a rent increase greater than \$50 as a result of discontinuing of utility allowances would be eligible for a one-year exemption to the reform and may apply for the hardship at the time of their recertification.
- Eligible Work-Able households may apply for the existing Path to Success Comprehensive Hardship Policy.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Re-Proposed Initiative: Path to Success (Continued)

### Communication Plan

- Implemented to provide significant advance notice to households
- Notices would be sent one year in advance and continue to be sent quarterly until the implementation of the changes completed.
  - Inform households of the changes and include information on how to access resources, including the SDHC Achievement Academy and other community resources for assistance with job placement, accessing community resources, and low-income utility assistance programs.
- Ongoing notifications would be included in recertification packets, until all participants have been onboarded to the revised changes.
- The information, including any written notifications, would be available in other languages as outlined in the Housing Commission’s Language Access Plan.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Items for Consideration

### ***Preliminary FY2024 HUD Budget Proposal increases Voucher Funding by 7% over FY23 appropriations***

Staff recommends that the Board may consider:

- Approving the MTW Annual Plan, including the proposed Path to Success utility allowance activity, and submit to HUD for approval.
- Direct staff to monitor final Fiscal Year 2024 HUD budget appropriations to determine funding available to support Payment Standard annual review in Fiscal Year 2024.
- Following approval by HUD, conduct financial analysis to determine cost benefit savings and need related to implementation of the utility allowance component of the Path to Success activity dependent on final federal funding appropriations.
- Implementation of the Path to Success activity would require updates to policies within the Section 8 Housing Choice Voucher Administrative Plan. All policy updates to the Administrative Plan are presented to the Board for consideration and approval prior to implementation.



# SDHC – Fiscal Year 2024 MTW Annual Plan

## Staff Recommendations

### **That the SDHC Board of Commissioners take the following actions:**

- 1) Approve the Fiscal Year 2024 Moving to Work Annual Plan; and
- 2) Authorize the President and Chief Executive Officer, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each SDHC Commissioner.



## Questions & Comments

