San Diego Housing Commission (SDHC)

*Moving Forward*

Fiscal Year 2023 Moving to Work (MTW) Annual Plan

Presentation to the SDHC Board of Commissioners

January 7, 2022

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• MTW Overview

• Fiscal Year 2023 MTW Annual Plan
  – New Initiative: Blended Subsidies in Faircloth-RAD Conversions

• Questions & Comments
MTW allows SDHC to design innovative, cost-effective ways of providing housing assistance to low-income families

Three statutory MTW objectives:
- Reduce costs (increase efficiency) in federal expenditures
- Help work-able families to become economically self-sufficient
- Increase housing choices for families
Addressing Homelessness: Innovative solutions, including several programs of HOUSING FIRST – SAN DIEGO, SDHC’s Homelessness Action Plan

SDHC Achievement Academy: Opportunities for families to become more financially self-reliant

Affordable Housing: Create and preserve affordable rental housing

Hotel Churchill
72 permanent supportive housing units
HOUSING FIRST – SAN DIEGO

SDHC Achievement Academy
Real Life Skills Workshop
August 12, 2019

Pulitzer Place
50 SDHC-Owned Units
Rehabilitation completed: June 2017
SDHC – Fiscal Year 2023 MTW Annual Plan

MTW Nationally

- SDHC is one of 39 original MTW agencies out of approximately 3,200 public housing authorities nationwide
- 2015: Congress directed the U.S. Department of Housing and Urban Development (HUD) to expand the MTW demonstration by 100 public housing authorities over seven years.
- 2021: Two cohorts totaling 41 public housing authorities received MTW status in 2021.
- A total of 80 agencies now have MTW status either under the original agreement or in the first two expansion cohorts.
- National MTW Collaborative
Blended Subsidies in Faircloth-to-RAD Conversions

What is Faircloth?
- Faircloth refers to the limit on the number of public housing units SDHC can own or operate.
- SDHC currently has a limit of 1,409 units
  - SDHC operates 189 public housing units
  - 1,220 public housing units fewer than maximum allowed

What is Faircloth-to-RAD?
- RAD is the Rental Assistance Demonstration program for public housing conversion.
- April 2021: HUD announced Faircloth-to-RAD
  - A way for public housing authorities with available Faircloth units to develop public housing on a temporary basis
  - Property would then convert under the HUD RAD program to operate as Project-Based Housing Voucher units under the Section 8 rental assistance program.
- Units undergoing RAD conversion are able to receive a RAD subsidy.
Description:
• Units developed and then converted via Faircloth-to-RAD are able to access RAD rents.
• RAD rents are used in conjunction with the tenant’s share to meet the contract rents of units.
• However, these two sources may not be enough for the contract rent.
• MTW programs are able to use MTW funds to operate a subsidy to cover the remainder that RAD rents are unable to cover.

Goals:
• Due to receiving a RAD subsidy in addition to an MTW-funded subsidy, the average subsidy per unit in these conversions will be lower than the average subsidy for Project-Based Housing Voucher units.
• Smaller average subsidies will for more households to be assisted, while increasing the number of affordable housing units available to families with income below 80 percent of Area Median Income.
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<thead>
<tr>
<th>Source</th>
<th>Breakdown</th>
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<tbody>
<tr>
<td>Tenant Paid Portion</td>
<td>$400</td>
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<tr>
<td>RAD Subsidy</td>
<td>$500</td>
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<tr>
<td>2023-1 Blended Subsidy</td>
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<tr>
<td>PBV Contract Rent</td>
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Questions & Comments