



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**August 6, 2024**

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**TOPIC:** Housing Choice Voucher Administrative Plan

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**AGENDA TITLE**

Approve an Update to the Housing Choice Voucher Administrative Plan to Create a Preference for Foster Youth to Independence Voucher Holders

**RECOMMENDED ACTION**

Approve an update to Chapter 4-III.C. of the Housing Choice Voucher Administrative Plan to create a preference for Foster Youth to Independence voucher holders.

**GOVERNMENT CODE §84308 APPLIES:** No

**DISCUSSION**

The U.S. Department of Housing and Urban Development (HUD) requires housing authorities that administer a Housing Choice Voucher (HCV) program to have an HCV Administrative Plan. The purpose of the HCV Administrative Plan is to establish policies for implementing the HCV program in a manner consistent with HUD requirements and local goals and objectives contained in Santa Ana Housing Authority's (SAHA's) 5-Year and Annual Plans. The HCV Administrative Plan defines SAHA's local policies for the operation of the HCV program in compliance with federal laws and regulations. The HCV Administrative Plan also informs the public and staff about the housing authority policies and explains how SAHA will implement those policies. All issues related to the HCV program that are not addressed in the HCV Administrative Plan are governed by federal regulations, HUD handbooks and guidebooks, notices, and other applicable law. The HCV Administrative Plan was last updated and approved by the City Council on December 1, 2020. Staff is now recommending an update to Chapter 4 of the HCV Administrative Plan to prevent the termination of our Foster Youth to Independence voucher holders now and in the future.

The Housing Authority currently administers 115 Foster Youth to Independence (FYI) vouchers for transitional-aged at-risk youth leaving the foster care system who are homeless or at risk of homelessness. The initiative makes HCV assistance available to Public Housing Agencies (PHAs) in partnership with Public Child Welfare Agencies (PCWAs). Under the FYI program, PHAs provide housing assistance on behalf of youth at least 18 years and not more than 24 years of age (have not reached their 25<sup>th</sup> birthday) who left foster care, or will leave foster care within 90 days, in accordance with

a transition plan described in Section 475(5)(H) of the Social Security Act, and are homeless or are at risk of becoming homeless at age 16 or older. Through effective partnerships with the United Way of Orange County, Orange County Social Services Agency (e.g. our local PCWA), and Orangewood Foundation, the Santa Ana Housing Authority has one of the highest FYI voucher utilization rates in southern California, successfully housing and providing supportive services for this at-risk target population in our community.

Recently, staff became aware that the Housing Authority was out of compliance with the federal regulations for 15 of our FYI voucher holders. Staff immediately brought this to the attention of HUD to request approval to continue assisting these 15 FYI voucher holders for the additional time staff assumed was remaining under a 24-month extension. Specifically, HUD Notice Public and Indian Housing 2023-4 states, "As required by statute, an FYI voucher may only be used to provide housing assistance for youth for a maximum of 36 months. However, youth who first lease a unit with an FYI voucher after the date of enactment of the Fostering Stable Housing Opportunities (FSHO) amendments may receive an extension of the 36-month time limit of assistance for up to an additional 24 months if they meet the requirements of FSHO. FSHO applies to eligible youth who first leased or leases a unit after the date of enactment of FSHO, December 27, 2020, which includes youth who will be assisted with funding under this Notice." FSHO provides a 24-month extension of voucher assistance for FYI voucher holders who are participating in a Family Self-Sufficiency (FSS) program.

It is staff's position that the information on this 24-month extension opportunity was not properly communicated to the Housing Authority or other PHAs. Specifically, it was not communicated transparently and effectively that the 24-month extension only applied to FYI voucher holders who leased up after December 27, 2020. When the Housing Authority first learned about the 24-month extension opportunity, staff encouraged and registered our first cohort of FYI vouchers that leased up prior to December 27, 2020 to join our FSS Program. These 15 FYI voucher holders are now active in our FSS Program and still receive assistance as FYI voucher holders. Unfortunately, based upon recent guidance staff received from HUD, these 15 FYI voucher holders are not eligible for continued assistance due to the December 27, 2020 statutory deadline.

Therefore, in order to comply with this statutory requirement and to prevent the termination of these 15 FYI voucher holders now and other FYI voucher holders in the future, staff is recommending approval of an update to Chapter 4-III.C. of the HCV Administrative Plan to include a preference to assist FYI voucher holders who reach the deadline on their assistance. This update will create a preference in our regular HCV program for FYI voucher holders whose assistance is expiring. Administratively, the preference will allow the Housing Authority to transfer the expiring FYI voucher holder to a regular Housing Choice Voucher (HCV) and absorb the FYI voucher into the larger HCV Program. This will ensure that FYI voucher holders assisted by SAHA do not lose their assistance after 3 to 5 years due to the statutory timelines required by the FYI

program. A timeline of 3 to 5 years is not enough time for a former foster youth to obtain self-sufficiency from the Housing Authority's rental assistance. This preference will support the 15 FYI voucher holders who leased up prior to December 27, 2020 by transferring their voucher to our regular HCV Program. It will also support all of our other FYI voucher holders who reach the 5 year deadline for their assistance in the future. The update to Chapter 4 is attached in track changes as Exhibit 1.

If the City Council does not approve this update to our HCV Administrative Plan, the Housing Authority will need to terminate our assistance for the 15 FYI voucher holders who leased up before December 27, 2020. The 15 FYI voucher holders will be given 60 days notice and informed of the statutory requirement that limits their assistance to no more than three years. At different points in time in the future, the Housing Authority will also need to terminate the assistance for other FYI voucher holders who reach their five-year deadline for assistance from the FYI program.

#### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

#### **EXHIBIT(S)**

1. Update to HCV Administrative Plan Chapter 4

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, Acting City Manager