

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 15, 2020

TITLE:

**APPROVE APPROPRIATION
ADJUSTMENTS RECOGNIZING HOUSING
ASSISTANCE PAYMENTS IN THE
AMOUNTS OF \$1,127,700 FOR THE
HOUSING CHOICE VOUCHER PROGRAM,
\$1,231,722 FOR THE MAINSTREAM
VOUCHER PROGRAM, AND \$344,259 FOR
FOSTER YOUTH TO INDEPENDENCE
VOUCHERS
(NON-GENERAL FUND)**

/s/ Kristine Ridge

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing additional Housing Choice Voucher Program Housing Assistance Payments funds in the amount of \$1,127,700 in revenue account (No. 16018002-52008) and appropriating same to expenditure account (No. 16018760-69158).
2. Approve an appropriation adjustment recognizing additional Mainstream Voucher Program Housing Assistance Payments funds in the amount of \$1,231,722 in revenue account (No. 17018002-52008) and appropriating same to expenditure account (No. 17018760-69158).
3. Approve an appropriation adjustment recognizing additional Foster Youth to Independence Voucher Housing Assistance Payments funds in the amount of \$344,259 in revenue account (No. 13618002-52006) and appropriating same to expenditure account (No. 13618760-69169).

DISCUSSION

On November 4, 2020, the Housing Authority received an allocation of \$1,127,700 in additional Housing Choice Voucher Program Housing Assistance Payments ("HAP") funds (Exhibit 1) through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, including for Public Housing Authorities ("PHAs") to maintain normal operations and take other necessary actions during the period the program is impacted by COVID-19. The CARES Act provided supplemental HAP funding totaling \$400 million for the Housing Choice Voucher ("HCV") Program nationwide. The supplemental HAP funding is available for PHAs that either (1) experience a significant increase in voucher per unit cost ("PUC") due to extraordinary circumstances, or (2) despite taking reasonable cost saving measures, as determined by the Secretary, would otherwise be required to terminate rental

assistance for families as a result of insufficient funding. The Housing Authority submitted an application to the Department of Housing and Urban Development (“HUD”) after experiencing a significant increase in voucher PUC due to extraordinary circumstances. Due to job loss and reductions in income for assisted-families, the average cost to assist a family in the HCV Program recently increased by over \$35.80 per family and this average cost continues to increase. HUD reviewed the Housing Authority’s application and approved an allocation of \$1,127,700 in additional HCV HAP funding to cover this increase in average costs per family. This funding may only be used for HAP costs for the HCV Program.

On November 17, 2020, the Housing Authority received an allocation of \$1,231,722 in additional Mainstream Voucher Program HAP funds (Exhibit 2) to assist up to 75 additional voucher holders through the CARES Act. The CARES Act allowed HUD to allocate additional vouchers to PHAs non-competitively to help them prevent, prepare for, and respond to coronavirus in their communities. The Housing Authority submitted an application requesting Mainstream vouchers using the criteria identified in PIH Notice 2020-22: Mainstream Vouchers – Non-Competitive Opportunity for Additional Vouchers Authorized by the CARES Act, Temporary Waivers and Alternative Requirements, and Modified 2020 Housing Assistance Payment (HAP) Renewal Calculation. This funding may only be used for HAP costs for the Mainstream Voucher Program.

On November 24, 2020, the Housing Authority received an allocation of \$344,259 in additional Foster Youth to Independence HAP funds (Exhibit 3) to assist up to 25 additional voucher holders. Through the Foster Youth to Independence (“FYI”) initiative HUD will provide HCVs for youth eligible under the Family Unification Program. Through this targeted allocation, HUD is investing in local, cross-system collaborative efforts to prevent and end homelessness among youth with a current or prior history of child welfare involvement. The population eligible to be assisted with this FYI funding are youth certified by the Orange County Social Services Agency as meeting the following conditions:

1. Has attained at least 18 years and not more than 24 years of age;
2. 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
3. Is homeless or is at risk of becoming homeless at age 16 or older.

On July 17, 2018, City Council adopted a Memorandum of Understanding with the Orange County Social Services Agency that established a partnership to administer these types of vouchers for youth with a current or prior history of child welfare involvement.

FISCAL IMPACT

Approval of the appropriation adjustment will recognize \$1,127,700 in the Housing Authority HAP revenue account (No. 16018002-52008), \$1,231,722 in Mainstream Voucher Program HAP revenue account (No. 17018002-52008), and \$344,259 in the Foster Youth to Independence HAP revenue account (No. 13618002-52006) for expenditure as follows:

Housing Choice Voucher CARES Act HAP Funds
December 15, 2020
Page 3

Fiscal Year	Accounting Unit- Account	Fund Description	Accounting Unit, Account Description	Amount
FY 20-21 (Jan. – June)	16018760-69158	Housing Authority HAP CARES Act	Housing Assistance Payments	\$ 563,850
FY 20-21 (March – June)	17018760-69158	Mainstream Voucher Program HAP CARES Act	Housing Assistance Payments	\$ 410,574
FY 20-21 (April – June)	13618760-69169	Housing Authority HAP	Foster Youth to Independence TPV	\$ 86,065
FY 21-22 (July – Dec.)	16018760-69158	Housing Authority HAP CARES Act	Housing Assistance Payments	\$ 563,850
FY 21-22 (July – Dec.)	17018760-69158	Mainstream Voucher Program HAP CARES Act	Housing Assistance Payments	\$ 821,148
FY 21-22 (July – Mar.)	13618760-69169	Housing Authority HAP	Foster Youth to Independence TPV	\$ 258,194
Total Expenditures				\$2,703,681

The expenditure spending plan is only an estimate and subject to change. Any amount unspent at the end of the current fiscal year will be carried forward for expenditure in FY 21-22.

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director — Finance and Management Services Agency

Submitted By: Steven A. Mendoza, Executive Director — Community Development Agency

Exhibits: 1. November 4, 2020, HCV Program HAP Award Letter
2. November 17, 2020, Mainstream Voucher Program HAP Award Letter
3. November 24, 2020, Foster Youth to Independence HAP Award Letter



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

November 4, 2020

Dear Executive Director

Subject: Housing Assistance Payments (HAP) Allocation from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The Office of Housing Voucher Programs (OHVP) has evaluated and approved your public housing agency (PHA) CARES Act HAP funding application for per unit cost increases based on [the criteria provided in PIH Notice 2020-17](#). This HAP award is described in the attached **Enclosure** and is for the HCV Program only.

Your PHA must follow the accounting guidance provided in PIH Notice 2020-24 for Financial Data Schedule reporting. Also, monthly housing assistance payments (HAP) expenses covered by CARES Act HAP awards must be included in the regular HAP expense fields so that the expenses are available for the calculation of future HAP monthly disbursements under cash management procedures (PIH Notice 2017-06), and for Housing Choice Voucher (HCV) Program HAP renewal calculations.

Additionally, HUD is still working on the CARES Act Portal that will be the repository of CARES Act funding expenditures. In the meantime, PHAs must continue tracking CARES Act HAP expenses separately for reconciliation purposes because unspent funds will not run through the PHA's restricted net position (RNP). Unspent funds will be returned to HUD after the period of availability, which is December 31, 2021.

Please direct any questions concerning this allocation to contact your Financial Analyst at the Financial Management Center.

Thank you for your continued participation in the HCV and/or Mainstream Programs to serve the needs of your community during this critical time.

Sincerely,

Miguel A. Fontánez

Digitally signed by Miguel A. Fontánez
DN: CN = Miguel A. Fontánez, C = US,
O = Housing Voucher Financial
Management Division, OU = Director
Reason: I am approving this document

Miguel A. Fontánez
Director
Housing Voucher Financial
Management Division

**CY 2020 Extraordinary Circumstances
HCV Program**

PHA NUMBER: **CA093**

PHA NAME: **CITY OF SANTA ANA HSG AUTH**

PRIORITY DETERMINATION:	PRIORITY
Calculated Reserve Balance	\$ 2,846,242
1 Month HAP:	\$ 3,106,230
1 Month HAP + 2%:	\$ 3,168,355
Estimated Months of HAP Reserve:	0.90

PUC VARIANCE

Data Source:	VMS
Most Recent Month Submitted:	August 2020
Most Recent Month Expense:	\$ 3,106,230
Most Recent Month UML:	2625
Most Recent Month PUC:	\$ 1,183.33
2020 HAP PUC:	\$ 1,147.53
PUC Ratio:	1.031
PUC Variance:	\$ 35.80

FUNDING AWARD:

PUC Variance:	\$ 35.80
multiplied by Most Recent Month UML:	2625
multiplied by 12 months:	\$ 1,127,700

COMMENTS:

PHA requested increase for July, however, HUD used August as it is the most recent month available data



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

November 17, 2020

CA093

CITY OF SANTA ANA HSG AUTH
20 CIVIC CENTER PLAZA
P.O. BOX 22030
SANTA ANA, CA 92701

Dear Executive Director:

I am pleased to notify you that your public housing agency (PHA) is eligible for new Mainstream vouchers and funding as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136). The CARES Act allowed the Department of Housing and Urban Development (HUD) to allocate additional vouchers to PHAs non-competitively to help them prevent, prepare for, and respond to coronavirus in their communities. Your PHA submitted an application requesting Mainstream vouchers using the criteria identified in *PIH Notice 2020-22: Mainstream Vouchers – Non-Competitive Opportunity for Additional Vouchers Authorized by the CARES Act, Temporary Waivers and Alternative Requirements, and Modified 2020 Housing Assistance Payment (HAP) Renewal Calculation*.

The enclosed table (see last page) shows the number of units and the budget authority awarded. The default effective date of your award will be January 1, 2021 unless you contact your Financial Analyst at the Financial Management Center (FMC) by Friday, December 4, 2020, to request an alternative effective date. Your effective date may be the first of any month beginning December 2020 through March 2021.

Please remember, as with the regular voucher program, the awarded budget authority and number of units both serve as a cap. Your agency may only lease until you have reached the lower of your budget authority or number of units allocated. If you have money left but you have leased all the awarded units, this extra funding will go into your agency's Mainstream Housing Assistance Payment (HAP) reserves. If you are on track to spend all of the awarded funding but still have units left, stop leasing before you run out of money.

The FMC will provide your agency with an amended Annual Contributions Contract that reflects the obligation of funds and monthly disbursements amount to be scheduled. Initially, the first three months of disbursements will be automatically scheduled. Each disbursement will equal 1/12th of your award amount. Thereafter, monthly disbursements will be scheduled based on monthly Mainstream expenses reported in the Voucher Management System (VMS). If you have not leased any vouchers by month three, you will not receive additional disbursements until VMS data shows you are incurring HAP expenses. If at any time such disbursements are not sufficient to cover your monthly expenses, your agency should contact your Financial Analyst at the FMC.

Your agency must follow all HCV program requirements when administering the Mainstream Voucher Program, including the regulations at 24 CFR part 982, and the requirements in PIH Notice 2020-22 and *PIH Notice 2020-01: Revised Policies and Procedures for the Mainstream Voucher Program*. Your PHA is required to follow relevant statutes, regulations, and HUD guidance.

To ensure that Mainstream families are recorded properly, you must record MS5 on line 2n of the form HUD-50058 (Family Report). Remember to accurately record families who are homeless at admission on line 4c of the HUD-50058. Mainstream vouchers and corresponding HAP expenses must also be accurately reported in VMS. The Mainstream Voucher Program is reported separately in FASS-PH under the CFDA code 14.879.

Additional information regarding the Mainstream Voucher Program can be found at:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mainstream

Please contact MainstreamVouchers@hud.gov if you have any questions.

Sincerely

Danielle L Bastarache

Digital signed by Danielle L Bastarache
DN: CN = Danielle L Bastarache, C = US,
Reason: I am approving this document

Danielle Bastarache
Deputy Assistant Secretary for
Public Housing and Voucher Programs



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Number of Vouchers	Budget Authority
75	\$1,231,722



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Financial Management Center
2380 McGee Street, Suite 400
Kansas City, MO 64108-2605

OFFICE OF PUBLIC AND INDIAN HOUSING

November 24, 2020

CA093

City of Santa Ana Housing Authority
20 Civic Center Plaza
Santa Ana, CA 92701

Dear Executive Director:

SUBJECT: Foster Youth to Independence – Obligation of Assistance

This letter is to notify you that funds have been obligated to provide Foster Youth to Independence (FYI) vouchers to assist eligible youth identified in the request for assistance submitted to HUD under the requirements of Notice PIH 2020-28. Applications submitted under Notice 2019-18 but approved after September 4, 2020 were reviewed and approved under Notice 2020-28.

These funds will automatically be disbursed to your agency and will be evenly spread over the term of the contract. The terms of the funding, including the approximate amount of the monthly payment, are reflected in the table below.

Increment Number	Units	Budget Authority Assigned	Effective Date	Term	Approximate Monthly Disbursement
CA093VO0222	25	\$344,259	4/1/2021	12	\$28,688

FYI vouchers do not “sunset” like the FYI Tenant Protection Vouchers (TPV) awarded under Notice 2019-18. Public housing agencies (PHAs) must continue to use FYI vouchers awarded under Notice PIH 2020-28 for eligible youth upon turnover. If another eligible youth is not available, the PHA must provide notification to FYI@hud.gov and the PHA’s respective Financial Management Center (FMC) Financial Analyst. HUD will reduce the PHA’s HCV assistance to account for the removal of the FYI assistance from the PHA’s HCV baseline. The participants are still subject to the 36-month limit in receiving assistance with the FYI voucher.

PHAs must maintain a special program code for FYI participants in line 2n of the Family Report (form HUD-50058) or line 2p of the MTW Family Report (form HUD-50058), as applicable. The special program code is “FYI.” As a reminder, PHAs should be responding to the homeless at admission field (line 4C), of the form as well. PHAs should also report the leasing and expense information for these vouchers in the Voucher Management System (VMS), Form HUD-52681B. The “Family Unification 2008/Forward – MTW” or “Family Unification – Non MTW” category, as appropriate for your PHA, must be used.

Additional program-specific requirements are outlined in the notice.

Enclosed is your executed copy of the notice to amend the Consolidated Annual Contributions Contract (CACC) with revised funding exhibits reflecting the changes described above. The amended notice and revised funding exhibits should be filed with your most recent executed CACC.

Public housing agencies receiving an increment in excess of \$100,000 in Budget Authority (BA) are required to submit Form HUD-50071, Certification of Payments to Influence Federal Transactions, and if applicable, Form SF-LLL, Disclosure of Lobbying Activities. If this letter notifies you of a renewal in excess of \$100,000, and your PHA has not submitted the Form(s) HUD-50071 (and SF-LLL where applicable) for your current fiscal year; the documents must be submitted to your local field office and Financial Analyst at the Financial Management Center (FMC) within 30 days of the date of this letter. These forms are located on the Internet at the following addresses:

Form HUD-50071

<https://www.hud.gov/sites/documents/50071.pdf>

Form SF-LLL

<https://www.hudexchange.info/resources/documents/HUD-Form-Sflll.pdf>

If you have any questions, please contact Flo Campit, Financial Analyst, at 415-489-6675.

Sincerely,

Jennifer D. Horn
Digitally signed by Jennifer D. Horn
DN: cn=Jennifer D. Horn, c=US
o=Financial Management Center,
ou=Division Director
Reason: I am approving this document.

Jennifer D. Horn
Division Director

Enclosures

**Consolidated
Annual Contributions Contract****U.S. Department of Housing and Urban Development**
Office of Public and Indian Housing

Housing Choice Voucher Program

Section 8

**HUD NOTICE TO HOUSING AGENCY AMENDING
CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT**

Housing Agency: City of Santa Ana Housing Authority, CA093
(Type or print name of housing agency.)

In accordance with Paragraph 2.c. of the Consolidated Annual Contributions Contract between HUD and the HA, you are notified that the funding exhibit of the Consolidated Annual Contributions Contract is hereby revised to add a new funding increment as provided in the attached revised funding exhibit. (This notice adds one or more funding increments listed on the attached funding exhibit.)

The revised funding exhibit is attached to this HUD notice. This revised funding exhibit replaces and revises the prior funding exhibit.

In accordance with Paragraph 2.d. of the Consolidated Annual Contributions Contract, this HUD notice and the attached funding exhibit constitutes an amendment to the Consolidated Annual Contributions Contract.

United States of America: Secretary of Housing and Urban Development
Authorized Representative

Robert H. Boepple, Director
Financial Management Center

Date of Document:

11/24/2020

Form HUD-52520A (12/97)

U.S. Department of Housing and Urban Development
PIH Section 8 - Funding Exhibit
 Program-Based

**ACC NUMBER:** CA093VO**FIELD OFFICE:** 9DPH

LOSFO, PIH

HA NUMBER: CA093

CITY OF SANTA ANA HSG AUTH

20 CIVIC CENTER PLAZA

P.O. BOX 22030

SANTA ANA, CA 92701

HA FISCAL YEAR END: 06/30**PROGRAM TYPE:** VOUCHER PROGRAM

FI Number	First Date of Term	Last Date of Term	Contract Term	Budget Authority	Units Count
CA093VO0189	03-01-2019	02-29-2020	12	\$1,054,965.00	100
CA093VO0194	03-01-2019	02-29-2020	12	\$1,075,199.00	100
CA093VO0197	03-01-2019	02-29-2020	12	\$53,760.00	5
CA093VO0205	11-01-2019	12-31-2019	2	\$5,471,473.00	2699
CA093VO0206	11-01-2019	10-31-2020	12	\$319,950.00	25
CA093VO0207	01-01-2020	02-29-2020	2	\$4,308,879.00	2699
CA093VO0208	12-01-2019	12-31-2019	1	\$545,255.00	N/A
CA093VO0209	02-01-2020	02-29-2020	1	\$1,436,293.00	N/A
CA093VO0210	03-01-2020	03-31-2020	1	\$1,372,603.00	N/A
CA093VO0211	03-01-2020	03-31-2020	1	\$1,621,789.00	2699
CA093VO0212	03-01-2020	12-31-2020	10	\$1.00	100
CA093VO0213	03-01-2020	12-31-2020	10	\$1.00	100
CA093VO0214	03-01-2020	12-31-2020	10	\$1.00	5
CA093VO0215	04-01-2020	05-31-2020	2	\$5,964,478.00	2699
CA093VO0216	12-01-2019	12-31-2019	1	\$3,574.00	N/A
CA093VO0217	06-01-2020	09-30-2020	4	\$12,160,415.00	2699
CA093VO0218	10-01-2020	10-31-2020	1	\$2,984,940.00	2699
CA093VO0219	11-01-2020	12-31-2020	2	\$5,969,153.00	2699
CA093VO0220	11-01-2020	11-30-2020	1	\$1,127,700.00	N/A
CA093VO0221	12-01-2020	12-31-2020	1	\$726.00	N/A
CA093VO0222	04-01-2021	03-31-2022	12	\$344,259.00	25
CA093VO0225	11-01-2020	12-31-2020	2	\$1.00	25
CA093VOPB01	01-01-2020	12-31-2020	12	\$802,467.00	75
CA093VOPR19	05-01-2020	05-31-2020	1	\$729.00	N/A