



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
November 15, 2022

TOPIC: New Vouchers and Administrative Fee Funding for the Housing Choice Voucher Program

AGENDA TITLE:

Approve Appropriation Adjustments recognizing Housing Assistance Payments and Administrative Funds to Administer New and Existing Vouchers (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing additional Housing Assistance Payments funds in the amount of \$623,708 in revenue account (no. 14018002-52007) and appropriating the same amount to expenditure account (no. 14018760-62300) to administer 38 new vouchers. *(Requires five affirmative votes)*
2. Approve an appropriation adjustment recognizing additional Housing Assistance Payments funds in the amount of \$376,512 in revenue account (no. 14018002-52007) and appropriating the same amount to expenditure account (no. 14018760-62300) to administer 25 new Foster Youth to Independence vouchers. *(Requires five affirmative votes)*
3. Approve an appropriation adjustment recognizing additional Administrative funds in the amount of \$115,500 in revenue account (no. 13918780-52006) and appropriating the same amount to expenditure account (no. 13918780-62300) to administer 231 existing Mainstream Program Vouchers. *(Requires five affirmative votes)*

DISCUSSION

The Housing Authority recently received two awards for new vouchers and an award of additional administrative funds. Combined, these new vouchers will provide over \$1 million in new funding per year for families that were pulled off the 2022 Housing Choice Voucher Program Waiting List and eligible foster youth. The specific information for each award is provided below.

Funding for 38 New Vouchers

For the appropriation adjustment recognizing additional Housing Assistance Payments ("HAP") funds for 38 new vouchers, the Consolidated Appropriations Act of 2022 appropriated \$200 million for new incremental vouchers pursuant to a method, as determined by the U.S. Department of Housing and Urban Development ("HUD"), which

included such factors as a severe cost burden, overcrowding, substandard housing for very low income renters, homelessness, and administrative capacity. Following this formula allocation, the Housing Authority was awarded 38 new vouchers (Exhibit 1). The funding for these vouchers is equal to \$623,708 for the first year. After the first year, monthly HAP funds and ongoing administrative fee disbursements will be based on actual HAP expenses and leasing reported in the Voucher Management System ("VMS"), respectively.

Funding for 25 New FYI Vouchers

For the appropriation adjustment recognizing additional HAP funds for 25 new Foster Youth to Independence ("FYI") vouchers, on September 28, 2022, the Housing Authority received an allocation of \$376,512 in additional Foster Youth to Independence HAP funds (Exhibit 2) to assist up to 25 additional voucher holders. Through the 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 for assistance with this FYI funding are youth certified by the Orange County Social Services Agency by 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, the 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. All of the 25 youth have already been identified and certified by the Orange County Social Services Agency.

Additional Administrative Fees for Mainstream Program Vouchers

For the appropriation adjustment recognizing additional Mainstream Program Voucher administrative funding, on April 6, 2022, HUD issued PIH Notice 2022-07 announcing the availability of extraordinary administrative fees to help PHAs ("Public Housing Authorities") lease their Mainstream Program vouchers given the challenges presented by the COVID-19 pandemic. The Housing Authority administers 231 Mainstream Program vouchers for non-elderly people experiencing homelessness with a disability. Mainstream vouchers serve households that include a non-elderly person(s) with disabilities. In recent years, HUD awarded new Mainstream vouchers through the Fiscal Year (FY) 2017 and FY 2019 Mainstream Notices of Funding Availability, and later awarded an additional \$75 million of Mainstream vouchers to these PHAs through PIH Notice 2020-09: CARES Act Mainstream Funding for PHAs Awarded Funding Allocations in the 2017 and 2019 Competitions as authorized by the CARES Act. HUD then made \$150 million available for new Mainstream vouchers through PIH Notice 2020-22: Mainstream Vouchers – Non-Competitive Opportunity for Additional Vouchers Authorized by the CARES Act.

On July 14, 2022, the Housing Authority submitted an application for extraordinary administrative fees to administer our unleased Mainstream Program vouchers as we prevent, prepare for, and respond to the COVID-19 pandemic, and on August 24, 2022, the Housing Authority received an award of \$115,500 in Extraordinary Administrative Fee Funding (Exhibit 3). With these one-time funds, staff will return to the City Council to recommend approval of an agreement with a nonprofit organization to administer these funds on behalf of the Housing Authority. The organization will conduct extensive landlord outreach in the private market and provide landlord incentives to increase the availability of rental units and decrease the time involved in the search for an eligible and affordable unit for Mainstream voucher holders. The organization will also provide housing navigators to connect landlords to clients through housing navigation services, and facilitate the lease-up process while ensuring wrap-around service case management services are in place afterwards for the tenants.

FISCAL IMPACT

Appropriation adjustments will recognize a total of \$1,000,220 in HAP revenue account, for 38 new vouchers, and 25 new Foster Youth to Independence vouchers. Additionally, \$115,500 will be added in the Mainstream Program Voucher Administrative revenue account for the following expenditures:

Fiscal Year	Accounting Unit- Account	Fund Description	Accounting Unit, Account Description	Amount
FY 22-23	17918002-52011	Housing Choice Voucher HAP	Housing Assistance Payments	\$1,000,220
FY 22-23	18018002-various	Mainstream Program Vouchers Administrative Revenue	Administrative funds	\$115,500
Total Expenditures				\$1,115,720

The expenditure-spending plan is only an estimate and is subject to change.

EXHIBIT(S)

1. HUD Award Letter dated September 23, 2022
2. HUD Award Letter dated September 28, 2022
3. HUD Award Letter dated July 29, 2022

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

Approved By: Kristine Ridge, City Manager