

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR, DEPARTMENT OF HOUSING
AND COMMUNITY SERVICES
SUBJECT: UPDATE TO HOUSING CHOICE VOUCHER PROGRAM
ADMINISTRATIVE PLAN TO ADOPT A PREFERENCE TO
ALLOW EMERGENCY HOUSING VOUCHER PARTICIPANTS TO
TRANSITION TO THE HOUSING CHOICE VOUCHER PROGRAM

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Department of Housing and Community Services recommends that the Housing Authority, by resolution, adopt changes to the Housing Choice Voucher Administrative Plan Chapter 4 – Applications, Waiting List and Tenant Selection to adopt a preference that will allow Emergency Housing Voucher participants to transition to the Housing Choice Voucher program.

EXECUTIVE SUMMARY

The Administrative Plan is the major policy document guiding the ongoing administration of the federally regulated Housing Choice Voucher (HCV) program. Where allowed under law, the U.S. Department of Housing and Urban Development (HUD) permits local jurisdictions to establish policies pertaining to the program. Revisions to the Administrative Plan must be adopted by the Housing Authority. The proposed change to the Administrative Plan is a necessary step to address the expiration of the Emergency Housing Voucher (EHV) program and prevent participating families from losing their housing assistance. The change will open the HCV waiting list only to current EHV participants whose housing assistance is at risk of termination due to lack of program funding and create a two-tiered waiting list preference that gives EHV families with a head of household, spouse or co-head who is elderly or disabled first preference and all other EHV families second preference.

BACKGROUND

The Department of Housing and Community Services (HCS) administers the HCV program for the City of Santa Rosa Housing Authority (Housing Authority). The HCV program, formerly known as Section 8, is a federally funded rental assistance program

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for qualifying extremely low and very low-income households. The HCV program also includes special purpose vouchers for certain eligible jurisdictions. Special purpose vouchers are targeted to specific populations and generally funded separately from the HCVs in a Housing Authority's Annual Contributions Contract (ACC) with HUD.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law, which provided over \$1.9 trillion in relief to address impacts of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. Section 3202 of the ARP appropriated \$5 billion for a new special purpose voucher program, Emergency Housing Vouchers (EHV), which was targeted to individuals and families who were homeless, at risk of homelessness, fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking, and recently homeless individuals and families for whom providing rental assistance would prevent the family's homelessness or having high risk of housing instability. HUD provided operational guidance for the EHV program to Public Housing Agencies (PHAs) under Public and Indian Housing (PIH) Notice 2021-15; this notice included the mandate that PHAs partner with their local Continuum of Care (CoC) to identify and prioritize households who would receive assistance under the program.

The ARP included a prohibition on the reissuance of previously leased EHV's (turnover vouchers) after September 30, 2023, to initiate the sunset of the emergency program. EHV funds were made available for obligation under the ARP until September 30, 2030, with funds scheduled to be cancelled as a matter of law effective September 30, 2035.

Under PIH Notice 2025-07, initially published in March of 2025 and revised in August 2025, HUD announced that due to historic increases in rental prices resulting in a higher per unit cost (PUC) for EHV's, funds for the EHV program are expected to be exhausted by the end of Calendar Year 2026, rather than through September 2030. No other funds are available from HUD to backfill this anticipated shortage.

On June 20, 2025, HUD issued PIH Notice 2025-19 which announced that PHAs may elect to transition participating EHV families to the HCV program to prevent them from losing their rental assistance and provided specific guidance to PHAs on how to execute the transition.

PRIOR HOUSING AUTHORITY REVIEW

On June 21, 2021, the Housing Authority heard a Staff Briefing about the EHV program.

On July 19, 2021, the Housing Authority appropriated \$2,542,392 of EHV funds that were allocated to the City of Santa Rosa under the American Rescue Plan Act of 2021.

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On December 13, 2021, the Housing Authority adopted changes to the Administrative Plan incorporating a temporary policy supplement addressing the EHV program.

ANALYSIS

On May 10, 2021, approximately 700 Housing Authorities were notified that they had been selected by HUD to receive EHV's based on local need and Housing Authority performance. Both the City of Santa Rosa Housing Authority and the Sonoma County Housing Authority received EHV allocations. The initial funds for the EHV program were allocated to PHAs effective July 1, 2021, and included one-time administrative funds for program implementation, service fees to support families moving into housing, and Housing Assistance Payments (HAP) and administrative fees for one year. Renewal funds for the EHV program operated in the same manner as the HCV program, with the understanding that renewal funds could only be obligated through September 30, 2030, and that any EHV programs still operating by September 30, 2035, would be cancelled at that time.

At the initial implementation of the EHV program, it was anticipated that the funds authorized under the ARP would be sufficient to renew EHV's through September 2030, however, HUD has announced that current projections indicate that funds will only be sufficient for PHAs to provide EHV assistance to families through CY 2025. The City of Santa Rosa Housing Authority has 110 current EHV participants who will be at risk of losing their housing assistance; nationwide, nearly 56,000 EHV's are currently leased and at risk of termination for lack of funds. To prevent terminations, HUD is allowing PHAs to transition participating EHV families to the HCV program. The steps necessary to facilitate this transition are outlined in PIH Notice 2025-19 and include a mandate for PHAs to update their Administrative Plans to allow for the transition within existing regulations.

The proposed Administrative Plan policy changes that are necessary to execute the transition for participating EHV families to the HCV program will:

- 1) Establish a two-tier preference on the HCV waiting list for participating EHV families at risk of losing their assistance due to a lack of funding; with families whose head, spouse, or co-head is elderly or disabled receiving the first preference and all other EHV families receiving the second preference; and
- 2) Open the HCV waiting list only for families that qualify for the two-tier EHV preference.

FISCAL IMPACT

Under the proposed action, the HCV program will absorb the Housing Assistance Payments (HAP) costs of the EHV program since the EHV program funds are not being renewed.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Chapter 4 of the Housing Choice Voucher Program Administrative Plan (Redline version)
- Resolution

PRESENTER

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