

**HOUSING AUTHORITY OF CITY OF YUMA**  
**FSS ACTION PLAN**  
**FOR THE**  
**FAMILY SELF-SUFFICIENCY PROGRAM**

April 15, 2025

Approved to HUD:

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## Chapter 1

### THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

#### INTRODUCTION

This chapter provides an overview of the family self-sufficiency (FSS) program and FSS action plan, including the purpose, organization, and required contents of the FSS action plan.

**Part I: The Family Self-Sufficiency (FSS) Program and FSS Action Plan:** This part provides an overview of the family self-sufficiency program and the purpose of the FSS action plan.

**Part II: Requirements of the FSS Action Plan:** This part covers action plan requirements, including development, revision, and contents of the action plan. It also contains information on family demographics, which is part of the required contents of the action plan.

#### PART I: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM AND FSS ACTION PLAN

##### 1-I.A. OVERVIEW OF THE FAMILY SELF-SUFFICIENCY PROGRAM

The origins of the FSS program are in two pilot projects implemented in 1986 and 1990, Project Self-Sufficiency and Operation Bootstrap, respectively. These projects were set up to test self-sufficiency programs for families with housing subsidies, and both demonstrated that families needed essential services in order to move toward economic self-sufficiency. These services include child care, transportation, medical care, and long-term education and training.

In the wake of the successful demonstration of these projects, family self-sufficiency became one of the initiatives under the Homeownership and Housing Opportunities for People Everywhere (HOPE) program enacted in 1990, and the FSS program was subsequently created under the National Affordable Housing Act the same year.

FSS built upon and refined both Project Self-Sufficiency and the bootstrap program. It remained a voluntary program in 1991 and 1992, but became mandatory in 1993 for any new increments of funding issued to PHAs. The 1993 regulations were further modified by the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

The purpose of the FSS program is to coordinate housing assistance with public and private resources to enable assisted families to achieve economic self-sufficiency. The purpose and basic requirements of the FSS program are further elaborated upon in Chapter 2.

This family self-sufficiency program is administered by the **Housing Authority of the City of Yuma** for the jurisdiction of **the City of Yuma, AZ**.

### **1-I.B. APPLICABLE REGULATIONS**

Applicable regulations for public housing and HCV FSS programs include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Public Housing Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects—General Provisions
- 24 CFR Part 966: Public Housing Lease and Grievance Procedures
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 984: Section 8 and Public Housing Family Self-Sufficiency Program

### **1-I.C. THE FAMILY SELF-SUFFICIENCY ACTION PLAN**

The family self-sufficiency (FSS) action plan is required by HUD. The purpose of the FSS action plan is to establish policies for carrying out the family self-sufficiency program in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's Agency Plan. This FSS action plan is a supporting document to HACY Agency Plan, and is available for public review as required by 24 CFR Part 903.

This family self-sufficiency action plan is set forth to define the PHA's local policies for operation of the program in the context of federal laws and regulations. All issues related to FSS not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable laws. The policies in this FSS action plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

HACY is responsible for complying with all changes in HUD regulations pertaining to the FSS program. If such changes conflict with this plan, HUD regulations will take precedence.

Administration of the FSS program and the functions and responsibilities of PHA staff shall be in compliance with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all public housing and HCV regulations, in addition to federal, state, and local fair housing laws and regulations.

## **PART II. REQUIREMENTS OF THE FSS ACTION PLAN**

### **1-II.A. OVERVIEW**

A PHA must have a HUD-approved action plan before implementing an FSS program, regardless of whether the FSS program is a mandatory or voluntary program. Further, this action plan must comply with the requirements specified for the plan in the regulations [24 CFR 984.201(a)].

The regulatory requirements dealing specifically with the FSS action plan itself largely involve the development, revision, and required contents of the action plan. This part covers those requirements.

### **1-II.B. HUD APPROACH TO POLICY DEVELOPMENT**

In developing policy for the FSS action plan, PHAs need to be aware of the distinction HUD makes between mandatory and discretionary policies.

- *Mandatory policies* are those driven by legislation, regulations, current handbooks, notices, and legal opinions.
- *Discretionary policies* consist of those developed for areas in which HACY has regulatory discretion, or with regard to optional, nonbinding guidance including guidebooks, notices that have expired, and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory regulations and to make clear the optional policies HACY has adopted. The PHA's FSS action plan is the foundation of those policies and procedures for the FSS program. HUD's directions require PHAs to make policy choices that provide guidance to staff and consistency to program applicants and participants.

Following HUD guidance, even though it is not mandatory, provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully consider those decisions.

## **1-II.C. FSS ACTION PLAN DEVELOPMENT AND REVISION**

### **Development of Action Plan [24 CFR 984.201(b) and (c)]**

When developing an FSS action plan, a PHA must do so in consultation with the chief executive officer of the applicable unit of general local government and the program coordinating committee (PCC).

In addition, a PHA that is establishing its FSS program must submit an action plan to HUD for approval within 90 days after HACY receives notice from HUD of approval of the PHA's application for funding that establishes the obligation to operate an FSS program. This deadline is required unless the dates are extended by HUD for good cause.

For voluntary FSS programs, HACY must submit its action plan and obtain HUD approval of the plan before it can implement the FSS program. This includes a voluntary program established because HACY chose to implement an FSS program that exceeds the minimum size for a mandatory program (see Section 2-II.A. for a discussion of mandatory versus voluntary FSS programs).

### **Single Action Plan [24 CFR 984.201(f)]**

PHAs implementing both a Section 8 FSS program and a public or Indian housing FSS program may submit one action plan. In cases where HACY decides to submit one plan for more than one program, the policies contained in the action plan would apply to both programs.

#### PHA Policy

HACY is implementing an HCV FSS program and will submit one action plan.

### **Revision to the FSS Action Plan [24 CFR 984.201(c)(2)]**

Following HUD's initial approval of the action plan, no further approval of the action plan is required unless HACY proposes to make policy changes to the action plan or increase the size of a voluntary program, or to revise the FSS action plan as needed to comply with changes in HUD regulations. HACY must submit any changes to the action plan to HUD for approval.

#### PHA Policy

HACY will review and update the action plan at least once a year, and more often if needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

## **1-II.D. CONTENTS OF THE PLAN [24CFR 984.201(d)]**

HUD regulations state that there are several components that must be included in the FSS action plan. At a minimum, the action plan must cover the policies and procedures of HACY for operation of a local FSS program as follows:

- Family demographics, including a description of the number, size, characteristics, and other demographics such as racial and ethnic data, in addition to the supportive service needs of the families expected to participate in the program. (Chapter 1)
- Estimate of participating families, which means the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Eligible families from any other local self-sufficiency program who are expected to agree to executing an FSS contract of participation. (Chapter 2)

- A statement of the PHA's FSS family selection procedures, including a description of how the procedures ensure that families are selected without regard to race, color, religion, disability, sex, familial status, or national origin. (Chapter 4)
- A description of the incentives that HACY intends to offer to families to encourage participation in the FSS program (an incentives plan), including the establishment of the escrow account. (Chapter 4)
- Outreach efforts, which include a description of the PHA's efforts to recruit eligible families, the actions HACY will take to ensure that both minority and nonminority groups are informed about the FSS program, and how HACY will make this information known. (Chapter 4)
- A description of the FSS activities and supportive services to be provided by both public and private resources to FSS families, and identification of these public and private resources. (Chapter 4)
- A description of the PHA's method for identifying family support needs, including how HACY will identify the needs and deliver the services. (Chapter 4)
- A description of the PHA's policies regarding program termination, withholding of services or terminating or withholding Section 8 assistance on the basis of a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)
- Assurances of noninterference with rights of non-participating families which state that a family's election to not participate in the FSS program will not affect the family's admission to the public housing or HCV program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)

- Timetable for program implementation, including the schedule for filling FSS slots with eligible families. (Chapter 2)
- Certification of coordination, which is a certification that the development of services and activities under the FSS program has been coordinated with the Workforce Innovation Opportunity Act (formerly JTPA), Workforce Investment Board and American Job Centers or One Stop Centers (formerly JOBS program), and any other relevant employment, child care, transportation, training, and education programs in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities. (Chapter 4)
- Optional additional information, which involves such other information that would help HUD determine the soundness of the PHA's proposed FSS program. (All Chapters)

### 1-II.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]

As part of the required contents of the FSS action plan, family demographics of the housing choice voucher and public housing program participants serve to provide a description of the number, size, characteristics, and other descriptive data (including racial and ethnic data of those participants). These data may later be used to help the housing authority and the program coordinating committee (PCC) to identify supportive service needs of the families expected to participate in the FSS program. The table below describes the demographics of the population to be served by HACY's Action Plan.

The FSS program will serve the following programs:

Housing Choice Vouchers (HCV): Tenant-Based Vouchers

Housing Choice Vouchers (HCV): Project-Based Vouchers (PBV)

Housing Choice Vouchers (HCV): HCV Homeownership

Housing Choice Vouchers (HCV): Other special purpose vouchers (e.g. FUP, FUP-Y, FYI, VASH, EHV, etc.)

<b>Ages of Head of Household and Other Adults</b>	<b>Percent</b>
--Head of Household is age 24 years or younger	2%
--Head of Household is age 25 to 50	51%
--Head of Household is age 51 to 61	18%
--Head of Household is age 62 or greater	29%
<b>Ages of Other Adults in Household</b>	
-- Age 24 years or younger	53%
-- Age 25 to 50	27%
-- Age 51 to 61	9%
-- Age 62 or greater	11%

<b>Presence and Ages of Children</b>	<b>Percent</b>
--Households that only include adults over age 18	53%
--Households that include one or more child age 13-17	24%
--Households that include children who are all 12 or younger	23%

<b>Employment Status of Population to be Served</b>	<b>Percent</b>
<b>Employment Status of Head of Household</b>	
--Families with an employed head	35%
--Families whose head is unemployed	65%
<b>Employment Status of All family members</b>	
--Families with any member that is employed	38%
--Families with no employed member	62%

<b>Annual Earned Income of Population to be Served</b>	<b>Percent</b>
Annual household earnings <\$5,000 per year	66%
Annual household earnings between \$5,000 and \$9,999	6%
Annual household earnings between \$10,000 and \$14,999	5%
Annual household earnings between \$15,000 and \$19,999	7%
Annual household earnings between \$20,000 and \$24,999	5%
Annual household earnings between \$25,000 and \$29,999	5%
Annual household earnings between \$30,000 and \$34,999	3%
Annual household earnings of \$35,000 or higher	3%

<b>Elderly/Disability Status of Population to be Served</b>	<b>Percent</b>
Elderly/Disability Status of Head of Household	
--Head of Household is an elderly person without disabilities	13%
--Head of Household is an elderly person with disabilities	16%
--Head of Household is a non-elderly person without disabilities	57%
--Head of Household is neither an elderly person nor a person with disabilities	14%
Elderly/Disability Status of All Household members	
--Household includes an elderly person without disabilities	15%
--Household includes an elderly person with disabilities	18%
--Household includes a non-elderly person with disabilities	19%
--Household includes no elderly persons or persons with disabilities	48%

<b>Race and Ethnicity of Population to be Served</b>			
<b>Race</b>		<b>Non-Hispanic</b>	<b>Hispanic</b>
White	90%	15%	75%
Black or African-American	7%	6%	1%
American Indian or Alaska Native	2%	1%	1%
Asian	.3%	.1%	.2%
Native Hawaiian or other Pacific Islander	.1%	.05%	.05%
Other Race	.6%	.3%	.3%

### **Supportive Services Needs of Families Expected to Participate in FSS**

The following is a list of the supportive service needs of the families expected to enroll in HACY's FSS program:

- Training in basic skills and executive function (including household management)
- Employment training, including sectoral training and contextualized and/or accelerated basic skills instruction

- Job placement assistance
- GED preparation
- Higher education guidance and support
- English as a Second Language
- Assistance accessing and paying for child care
- Transportation assistance
- Financial coaching, including assistance with budgeting, banking, credit, debt, and savings
- Access to counseling or treatment for substance abuse and mental health
- Dental care, health care, and mental health care including substance abuse treatment/counseling
- Homeownership readiness

This list of supportive services needs is based on experience with past FSS or other supportive service program participants.

## Chapter 2

### **PURPOSE, SCOPE, AND APPLICABILITY OF THE FAMILY SELF-SUFFICIENCY PROGRAM**

#### **INTRODUCTION**

This chapter contains information about the FSS program's purpose, size, and measurable objectives as well as information on program operation. This includes potential participant demographics, the program timetable, the number of families to be served, and the size of the PHA's voluntary FSS program. This chapter also contains definitions of the key terms in this FSS action plan.

Part I: The Purpose and Basic Requirements of the FSS program: This part includes a description of the purpose of the FSS program on a national level—its intent, goal, and major strategies.

Part II: The Scope of the FSS program: This part contains information about the size of the PHA's FSS program, an estimate of participating families, eligible families from other self-sufficiency programs, and eligibility for combined FSS programs.

Part III: Program Operation: This part specifies the requirements for FSS program operation, including the deadlines for program start-up and when HACY is expected to have attained full enrollment.

Part IV: The Definitions of Terms Used in the PHA's FSS program: This section contains both HUD and PHA definitions for terms used in this policy document.

## **PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM**

### **2-I.A. PURPOSE**

The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of public housing assistance and housing assistance under the housing choice voucher program with public and private resources enabling families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency [984.101(a)(1)].

In addition to this broader national goal of the FSS program, HACY also establishes a local goal consistent with the PHA's mission statement to serve as a guide for establishing policy and implementing the FSS program.

#### PHA Policy

The PHA's local goal in operating this FSS program is to match housing-assisted families with a broad range of highly collaborative existing community services to assist FSS families in achieving economic self-sufficiency. *Economic self-sufficiency* is defined as having the sustainable skills necessary to maintain employment paying a "suitable wage."

### **2-I.B. PROGRAM OBJECTIVES [24 CFR 984.102]**

In order to reach the FSS national program goal, HUD has defined its FSS program objective as to reduce the dependency of low-income families on welfare assistance and on Section 8, public, or any federal, state, or local rent or homeownership subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling, and other forms of social service assistance while living in assisted housing so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. As with the goals of the program, FSS program objectives are defined on the national level through FSS regulation, and on the local level by PHA policy.

#### PHA Policy

On the local level, HACY will achieve the national program objective by offering low-income families a broad range of services through partnering with the program coordinating committee (PCC). These services will provide education, job training, counseling, and other forms of social service assistance so that families may achieve economic self-sufficiency, as defined in Section 2-I.A. of this document.

### **2-I.C. BASIC REQUIREMENTS OF THE FSS PROGRAM [24 CFR 984.104]**

An FSS program established under 24 CFR Part 984 must operate in conformity with the regulations and this FSS action plan (as required in 24 CFR 984.201), provide comprehensive supportive services (as defined in 24 CFR 984.103), and operate in compliance with nondiscrimination and equal opportunity requirements.

## **PART II: SCOPE OF THE FSS PROGRAM**

### **2-II.A. PHAS REQUIRED TO OPERATE AN FSS PROGRAM**

Each PHA that received funding for public housing units under the FY 1991 and FY 1992 FSS incentive award competitions must operate a public housing FSS program. Each PHA that received funding for Section 8 rental certificates or vouchers under the combined FY 1991/1992 FSS incentive award competition also must operate a Section 8 FSS program.

In addition, unless HACY receives an exemption under 24 CFR 984.105, each PHA for which HUD reserved funding (budget authority) for additional rental certificates or vouchers in FY 1993 through October 20, 1998, must operate a Section 8 FSS program. Each PHA for which HUD reserved funding (budget authority) to acquire or construct additional public housing units in FY 1993 through October 20, 1998, must operate a public housing FSS program as well.

#### **Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]**

PHAs that must operate an FSS program under 24 CFR 984.101 are subject to a minimum program size requirement.

In public housing, a PHA's FSS program minimum program size is determined by adding the total number of public housing units reserved in FY 1991 and FY 1992 under the FSS incentive award competitions to the number of public housing units reserved in FY 1993 through October 20, 1998, and subtracting the number of families that have graduated from the PHA's public housing FSS program on or after October 21, 1998, by fulfilling their FSS contract of participation obligations.

In the housing choice voucher program, a PHA's FSS program minimum program size is determined by adding the number of HCV program units reserved under the combined FY 1991/1992 FSS incentive award competition to the number of additional rental voucher units reserved in FY 1993 through October 20, 1998, (not including the renewal of funding for units previously reserved) then subtracting the units that are excluded from minimum program size and subtracting the number of families who have graduated from the PHA's Section 8 FSS program on or after October 21, 1998, by fulfilling their contract of participation obligations. Further, when determining the Section 8 FSS program size for funding reserved in FY 1993 through October 20, 1998, HACY must exclude funding for families affected by termination, expiration, or owner opt-out under Section 8 project-based programs; funding for families affected by demolition or disposition of a public housing project or replacement of a public housing project; funding for families affected by conversion of assistance from the Section 23 leased housing or housing assistance payments programs to the housing choice voucher program; funding for families affected by the sale of a HUD-owned project; and funding for families affected by the prepayment of a mortgage or voluntary termination of mortgage insurance.

### PHA Minimum Program Size

In accordance with CFR §984.105, HACY has a remaining FSS program mandate to serve thirteen families. This is our best estimate at this time relying on PIC reports as of the time of preparation of this Action Plan.

## **2-II.B. ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]**

HACY must state the number of eligible FSS families who can reasonably be expected to receive supportive services under the FSS program based on available and anticipated federal, tribal, state, local, and private resources

### Estimate of Eligible Families

Two hundred twenty-five (225) eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.

## **2-II.C. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201(d)(3)]**

If applicable, HACY must enter the number of families, by program type, who are participating in any other local housing self-sufficiency program who are expected to agree to execute an FSS contract of participation.

### PHA Policy

HACY expects to enroll the following self-sufficiency programs into FSS families:

The FSS program will serve the following programs:

Housing Choice Vouchers (HCV): Tenant-Based Vouchers

Housing Choice Vouchers (HCV): Project-Based Vouchers (PBV)

Housing Choice Vouchers (HCV): HCV Homeownership

Housing Choice Vouchers (HCV): Other special purpose vouchers (e.g. FUP, FUP-Y, FYI, VASH, EHV, etc.)

## **2-II.D. ELIGIBILITY OF A COMBINED PROGRAM [24 CFR 984.201(e)]**

A PHA that wishes to operate a joint FSS program with other PHAs may combine its resources with one or more PHAs to deliver supportive services under a joint action plan that will provide for the establishment and operation of a combined FSS program that meets the requirements of this part.

### PHA Policy

HACY will not combine its resources with any other PHA to deliver support services, have a joint action plan, or establish or operate a combined FSS Program.

## **PART III: PROGRAM OPERATION**

### **2-III.A. OVERVIEW**

Federal regulations specify requirements for FSS program operation regarding deadlines for program start-up and when HACY is expected to have attained full enrollment. A timetable illustrating when HACY intends to meet these deadlines is included as part of the required contents of the action plan.

### **2-III.B. PROGRAM IMPLEMENTATION DEADLINE**

The deadlines for program implementation differ depending on whether the FSS program is voluntary or mandatory.

#### **Voluntary Program [24 CFR 984.301(a)(1)]**

There is no deadline for implementation of a voluntary program. However, a voluntary program may not be implemented before the requirements specified in 24 CFR 984.201 have been satisfied (see Sections 1-II.A.–1-II.D.).

#### **Mandatory Program [24 CFR 984.301(a)(2)]**

For mandatory FSS programs, operation of a local FSS program must begin within 12 months of HUD's approval of funding that establishes the obligation to operate an FSS program. *Operation* means that activities such as outreach, participant selection, and enrollment have begun. Full delivery of the supportive services to be provided to the total number of families required to be served under the program need not occur within this 12 months, but must occur within two years (see Section 2-III.C.).

### **2-III.C. FULL ENROLLMENT AND DELIVERY OF SERVICE**

#### **[24 CFR 984.301(a)(2)(ii)]**

Unless HACY is implementing a voluntary FSS program, HACY must have completed enrollment of the total number of families required to be served under the program (based on the minimum program size), and must have begun delivery of the supportive services within two years from the date of notification of approval of the application for *new public housing units* for a public housing FSS program, *new rental certificates or rental vouchers* for a Section 8 FSS program, or HUD's approval of funding that establishes the obligation to operate an FSS program.

### **2-III.D. EXTENSION OF PROGRAM DEADLINES FOR GOOD CAUSE**

#### **[24 CFR 984.301(a)(2)(iii)]**

HUD may extend the deadline for program implementation if HACY requests an extension and HUD determines that despite best efforts on the part of the PHA, the development of new public housing units will not occur within the required deadlines, the commitment by public or private resources to deliver supportive services has been withdrawn, the delivery of such services has been delayed, or other local circumstances warrant an extension of the required deadlines.

### **2-III.E. TIMETABLE FOR PROGRAM IMPLEMENTATION [24 CFR 984.201(d)(ii)]**

A timetable for implementation of the FSS program is part of the required contents of the FSS action plan. The timetable must comply with the requirements in 24 CFR 984.301 (see Section 2-III.B.–2-III.D.), including the schedule for filling FSS slots with eligible FSS families.

#### PHA Policy

HACY has implemented the FSS program within one year from the date of approval of either the FSS action plan by the HUD field office, or the FSS funding application by HUD and will continue to implement it per this FSS Action Plan.

## PART IV: DEFINITIONS

### 2-IV.A. DEFINITIONS [24 CFR 984.103]

The terms *1937 Act*, *fair market rent*, *HUD*, *low-income family*, *public housing*, *public housing agency (PHA)*, *secretary*, and *Section 8*, as used in this document are defined in the 24 CFR Part 5.

The term *very low-income family* is defined in 24 CFR 813.102 and 24 CFR 913.102.

The terms used in this document have the following definitions as defined by 24 CFR 984.103 and this family self-sufficiency action plan.

*Certification* means a written assertion based on supporting evidence, provided by the FSS family or the PHA, which must be maintained by HACY in the case of the family's certification, or by HUD in the case of the PHA's certification; made available for inspection by HUD, the PHA, and the public, as appropriate; and be deemed to be accurate, unless the secretary or HACY determines otherwise after inspecting the evidence and providing due notice and opportunity for comment.

*Chief executive officer (CEO)* means the CEO of a unit of general local government who is the elected official or the legally designated official having primary responsibility for the conduct of that entity's governmental affairs.

*Contract of participation (COP)* means a contract in a form approved by HUD, entered into between a participating family and a PHA operating an FSS program that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered into between HACY and all members of the family who will participate in the FSS program, and which plans are attached to the contract of participation as exhibits. For additional detail, see 24 CFR 984.303.

*Earned income* means income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment. Earned income does not include any pension or annuity, transfer payments, any cash or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family.

*Effective date of contract of participation* means the first day of the month following the month in which the FSS family and HACY entered into the contract of participation.

*Eligible families* for the purpose of the FSS program, means current Housing Choice Voucher (HCV) and Rental Assistance Demonstration (RAD) program participants.

*Enrollment* means the date that the FSS family entered into the contract of participation with the PHA.

*Family self-sufficiency program or FSS program* means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by section 23 of the 1937 Act.

*FSS account* means the FSS escrow account authorized by section 23 of the 1937 Act.

*FSS credit* means the amount credited by HACY to the participating family's FSS account.

*FSS family or participating family* means a family that resides in public housing or receives assistance under the rental voucher programs that elects to participate in the FSS program and whose designated head of the family has signed the contract of participation.

*FSS Program Coordinator* means the person(s) who run the FSS program. This may include (but is not limited to) performing outreach, recruitment, and retention of FSS participants; goal-setting and case management/coaching of FSS participants; working with the community and service partners; and tracking program performance.

*FSS-related service program* means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of *supportive services*.

*FSS slots* refer to the total number of public housing units or the total number of rental vouchers that comprise the minimum size of a PHA's respective public housing FSS program or HCV FSS program.

*FY* means federal fiscal year (starting with October 1, and ending September 30, and designated by the calendar year in which it ends).

*Good cause* is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family, see Chapter 5 section I.D.

*Head of FSS family* means the designated adult family member of the FSS family who has signed the CoP. The head of FSS family may, but is not required to be, the head of the household for purposes of determining income eligibility and rent.

*Housing subsidies* means assistance to meet the costs and expenses of temporary shelter, rental housing, or homeownership, including rent, mortgage, or utility payments.

*Individual training and services plan (ITSP)* means a written plan that is prepared for the head of the FSS family and each adult member of the FSS family who elects to participate in the FSS program, by HACY in consultation with the family member, and which sets forth the supportive services to be provided to the family member, the activities to be completed by that family member, and the agreed upon completion dates for the services and activities. Each ITSP must be signed by HACY and the participating family member, and is attached to and incorporated as part of the contract of participation. An ITSP must be prepared for the head of the FSS family.

***JTPA means the Job Training Partnership Act (29 U.S.C. 1579(a)) now known as the Workforce Innovation Opportunity Act or WIOA.***

*Knowledgeable professional*

PHA Policy

*Knowledgeable professional* means a person who is knowledgeable about the situation, competent to render a professional opinion, and is not in a position to gain, monetarily or otherwise, from HACY FSS program decision in the area to which they are certifying.

*Participating family* is defined as *FSS family* in this section.

*Program coordinating committee (PCC)* means the committee described in 24 CFR 984.202.

*Public housing* means housing assisted under the 1937 Act, excluding housing assisted under Section 8 of the 1937 Act.

*Self-sufficiency* means that an FSS family is no longer receiving Section 8, public, or Indian housing assistance, or any federal, state, or local rent or homeownership subsidies or welfare assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds.

*Supportive services* mean those appropriate services that a PHA will make available or cause to be made available to an FSS family under a contract of participation. These may include child care of a type that provides sufficient hours of operation and serves an appropriate range of ages; transportation necessary to enable a participating family to receive available services or to commute to their places of employment; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation; substance/alcohol abuse treatment and counseling; training in homemaking and parenting skills; household management; money management; counseling regarding homeownership or opportunities available for affordable rental and homeownership in the private housing market (including information on an individual's rights under the Fair Housing Act) and money management; and any other services and resources, including case management and reasonable accommodations for individuals with disabilities, that HACY may determine to be appropriate in assisting FSS families to achieve economic independence and self-sufficiency.

*Suitable Employment* for each family member with a goal of seeking and maintaining it will be made by HACY with the agreement of the affected participant, based on the skills, education, job training and receipt of other benefits of the family member and based on the available job opportunities within the community.

*Suitable Wage* is that of fulltime employment at minimum wage or part-time earning on equal amount of wages as a full time employee; or part-time with additional income source.  
*Unit size* or *size of unit* refers to the number of bedrooms in a dwelling unit

*Welfare assistance* means (for purposes of the FSS program only) income assistance from federal or state welfare programs and includes only cash maintenance payments designed to meet a family's ongoing basic needs. Welfare assistance does not include nonrecurring, short-term benefits that are designed to deal with a specific crisis situation or episode of need, or are not intended to meet recurrent or ongoing needs and will not extend beyond four months; work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training); supportive services such as child care and transportation provided to families who are employed; refundable earned income tax credits; contributions to, and distributions from, individual development accounts under TANF; services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic income support; transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Social Security Act, to an individual who is not otherwise receiving assistance; amounts solely directed to meeting housing expenses; amounts for health care; food stamps and emergency rental and utilities assistance; and SSI, SSDI, or social security.

## Chapter 3

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices as they are relevant to the activities covered in this plan. The policies and practices are discussed in two parts:

Part I: Staffing, Fees and Costs, and On-Site Facilities: This part describes identifying appropriate staff and contractors to operate the FSS program and provide the necessary direct services to FSS families. In addition, it describes how administrative fees, costs, and supportive services will be funded, and defines the use of on-site facilities.

Part II: The Program Coordinating Committee: This part covers the establishment of a program coordinating committee (PCC), which is a regulatory requirement for the FSS program. It describes required and recommended PCC membership, in addition to the option for an alternative committee.

## **PART I. STAFFING, FEES AND COSTS, AND ON-SITE FACILITIES**

### **3-I.A. OVERVIEW**

Several functions of program administration are crucial to running an FSS program. A PHA may need to employ a program coordinator, or decide to contract with another organization to administer the program. In addition to staffing issues, PHAs should understand how program funding and expenses work in order to keep the program running smoothly. Finally, PHAs need to sort out whether and how to make common areas or unoccupied units to provide supportive services.

### **3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS**

#### **[24 CFR 984.301(b)]**

PHAs have the choice between hiring their own staff and contracting with an outside organization to administer their FSS program. If HACY should choose to employ its own staff, the staffing levels should be appropriate, and may include one or more FSS coordinators. If HACY chooses to contract with an outside organization, the organization's staffing levels must likewise be appropriate to establish and administer the FSS program, and the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

#### PHA Policy

HACY will employ appropriate staff, including one or more FSS coordinators or program coordinators to administer its FSS program.

### **3-I.C. ADMINISTRATIVE FEES AND COSTS**

In the past, the ways in which administrative fees and costs were funded were different for public housing and housing choice voucher FSS programs, and the use of such funding was restricted to the applicable program. In the Consolidated Appropriations Act of 2014, however, funding streams for the PH FSS and HCV FSS programs were combined, and all FSS funding is now awarded through one NOFA. Use of this funding is no longer restricted to the applicable program—funding now may be used to serve both PH and HCV FSS participants.

Funding will be awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), similar to previous PH FSS awards; instead of an amendment to HACY's Annual Contributions Contract (ACC), which was previously used for HCV awards. PH FSS and HCV FSS funds awarded in prior years are still restricted to the applicable program, Rental Assistance Demonstration (RAD) programs accepted. Funding differences regarding previous years' funding is specified below.

#### **Public Housing FSS Program**

For public housing FSS programs, the performance funding system (PFS), provided under section 9(a) of the 1937 Act provides for the reasonable and eligible administrative costs that HACY incurs in carrying out the program only when funds have been appropriated. However, a PHA may use other resources for this purpose [24 CFR 984.302(a)].

In other words, HACY may fund reasonable and eligible administrative costs in the FSS program from the Operating Fund. However, these expenses will only be reimbursed in the operating subsidy when a current appropriations act allows it. In addition, HACY may fund reasonable and eligible administrative costs from the Capital Fund. Administrative staffing costs may also be funded through HUD or other grant or foundation sources. This includes FSS Coordinator grants when available.

#### **Housing Choice Voucher FSS Program**

In the housing choice voucher program, administrative fees are paid to PHAs for HUD-approved costs associated with the operation of an FSS program. These administrative fees are established by Congress and subject to appropriations [24 CFR 984.302(b)].

In addition, administrative fees for HUD-approved costs not specifically related to the operation of the FSS program may be used to cover these costs associated with the administration of FSS [see Notice PIH 93-24 E-7 and E-8].

### **3-I.D. SUPPORTIVE SERVICES FEES AND COSTS**

As with administrative fees and costs, funding for supportive services fees and costs are now combined under one funding stream. Supportive services fees and costs include childcare expenses, transportation funds, and the costs of training, work equipment, or GED classes, among others. As with administrative fees and costs, funding will be awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), similar to previous PH FSS awards; instead of an amendment to HACY's Annual Contributions Contract (ACC), which was previously used for HCV awards. Remember, however, that funds awarded in prior years are still restricted to the applicable program. Information for funds under previous years' awards follows.

#### **Public Housing Supportive Services**

In public housing, HACY may fund reasonable and eligible FSS supportive service costs in the FSS program from either the Operating Fund or the Capital Fund. However, in the Operating Fund, the costs of FSS supportive services are only reimbursed through the operating subsidy when appropriations allow it.

In addition to the Operating Fund and Capital Fund, public housing supportive services can also be funded through HUD grants, other than FSS coordinator grants, when available.

#### **Housing Choice Voucher Supportive Services**

In the housing choice voucher program, HACY may fund reasonable and eligible FSS supportive service costs in the FSS program from unrestricted net assets [see Notice PIH 93-24, E-3].

In addition, HACY may seek additional funds from HUD through submitting grant applications, or seek grants from other sources when available.

### **3-I.E. ON-SITE FACILITIES**

Each PHA may, subject to the approval of HUD, make available and utilize common areas or unoccupied dwelling units in public housing projects to provide supportive services under an FSS program. This includes using such areas for participants in a housing choice voucher FSS program.

#### PHA Policy

HACY will make 420 S. Madison Avenue, 2030 S. Avenue A, 1635 W. 3<sup>rd</sup> Street and 1350 S. Colorado St available to provide supportive services under the Rental Assistance Demonstration program (RAD) and Housing Choice Voucher (HCV) FSS program.

## **PART II: PROGRAM COORDINATING COMMITTEE**

### **3-II.A. OVERVIEW**

As another integral part of FSS program administration, each participating PHA must establish a program coordinating committee (PCC) whose functions will be to assist HACY in securing commitments of public and private resources for the operation of the FSS program within HACY's jurisdiction, including assistance in developing the action plan and in implementing the program [24 CFR 984.202(a)].

The PCC must consist of certain members, which are dependent upon whether HACY is operating a public housing or housing choice voucher program. In addition to these required members, the PCC may also include additional members recommended by regulation.

### **3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP**

#### **Required PCC Membership [24 CFR 984.202(b)(1)]**

For a public housing FSS program, the PCC members required consist of representatives of HACY and public housing residents. The public housing resident representatives on the PCC may seek assistance from one or more of the following groups:

- An area-wide or city-wide resident council
- If HACY will be transferring FSS participants to vacant units in a specific public housing development, the resident council or resident management corporation of the public housing development where the public housing FSS program is to be carried out
- Any other public housing resident group that HACY believes is interested in the FSS program and would contribute to the development and implementation of the FSS program

For a housing choice voucher FSS program, the PCC membership must consist of representatives of HACY and participants of the HCV program or HUD's public or Indian housing programs.

#### PHA Policy

HACY's representative to the program coordinating committee will be the Community Service Manager and FSS coordinators will serve as administrative support to this committee.

**Recommended PCC Membership [24 CFR 984.202(b)(2)]**

Membership on the PCC also may include representatives of the unit of general local government served by HACY, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private primary, secondary, and post-secondary education or training institutions, financial empowerment organizations, child care providers, nonprofit service providers, private business, and any other public and private service providers with resources to assist the FSS program.

PHA Policy

HACY's FSS program coordinating committee membership will include leadership from organizations who provide services such as:

Health Care, Transportation, Education, Employment, Child Care, and other services based on the needs of the community.

**3-II.C. ALTERNATIVE PCC COMMITTEE [24 CFR 984.202(c)]**

It is also possible for HACY, in consultation with the chief executive officer of the unit of general local government served by HACY, to use an existing entity as the PCC, as long as the membership of the existing entity consists or will consist of the individuals required by regulation (See section 3-II.B. above).

PHA Policy

HACY will not utilize an existing entity as its program coordinating committee.

## Chapter 4

### SELECTING AND SERVING FSS FAMILIES

#### INTRODUCTION

FSS regulations require that HACY include in its action plan a statement indicating how it will select families for participation in the FSS program. This includes outreach, waiting list management, and other selection procedures. When followed, HACY's selection procedures ensure that families will be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

Once selected for participation in the FSS program, families are to be provided various activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. A description of such activities and supportive services is also a requirement of the FSS action plan.

This chapter contains three parts:

**Part I: Incentives, Outreach, and Assurance of Noninterference:** This part describes the incentives HACY will offer and the outreach efforts HACY will use in order to encourage participation and recruit eligible families for the FSS program. It also contains the required assurance of noninterference with the rights of nonparticipating families.

**Part II: Family Selection:** This part covers whether HACY will use preferences for family selection and which preferences HACY will employ if they choose to do so. In addition, this part describes the selection factors HACY will use in screening families for participation in the FSS program.

**Part III: Activities and Support Services:** This part lists the activities and supportive services to be provided to families through both public and private resources, describes the method HACY will use to identify family support needs, and covers the required certification of coordination.

## **PART I. INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE**

### **4-I.A. OVERVIEW**

The FSS program offers incentives such as the FSS escrow account, case management, and other supportive services that not only encourage participation, but also help families achieve self-sufficiency. In addition to encouraging program participation through such incentives, PHAs also conduct outreach to recruit FSS participants from among eligible families. As part of this process, families need to know that their choice as to whether to participate in the FSS program will not affect their admission to the public housing or housing choice voucher programs, nor will it affect their right to occupancy. This part describes HACY's policies regarding these issues, all of which are required aspects of the FSS action plan.

### **4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)]**

By regulation, the FSS action plan must include a PHA's incentives plan—a description of the incentives that HACY intends to offer eligible families to encourage their participation in the FSS program. FSS participants will be eligible to build savings from the FSS escrow account. Key policies and procedures applicable to the FSS escrow account, as well as any additional incentives offered by the HACY.

#### PHA Policy

HACY will offer the following services to its FSS participants as incentives to participate in FSS:

<b>Incentive</b>
<ul style="list-style-type: none"><li>• FSS escrow account Case management</li><li>• Information and referrals to services</li><li>• Educational workshops</li><li>• Priority in homeownership programs</li><li>• Priority in specific training programs</li><li>• Priority in educational programs</li></ul>

#### **4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)]**

In addition to offering incentives for FSS participation, PHAs also conduct outreach in order to recruit more FSS participants from eligible families. The FSS action plan must include a description of these efforts to recruit FSS participants, including notification and outreach, the actions HACY will take to assure that both minority and nonminority groups are informed about the FSS program, and how HACY will make this information known.

##### PHA Policy

HACY will notify eligible families about the FSS program using the following outreach locations, activities, methods, and languages, where appropriate. These points of contact and methods have been selected to ensure that both minority and nonminority groups are informed about the FSS program.

<b>Local/Activity</b>	<b>Staff/Partner</b>	<b>Method</b>
Briefings/Orientation	PHA Staff Specialist	Flyer/Presentation
Interims/Recertification's	PHA Staff Specialist	Flyer/Referral Form
Transfers/Portability	PHA Staff/ Receptionist	Flyer/Referral form
Lobby	PHA Staff/ Receptionist	Flyer/ Poster/ Referral form
Website	PHA Staff/ Receptionist	Website/Staff

Outreach efforts will be targeted equally to all families, using materials in both English and other commonly spoken languages to ensure that non-English and limited English-speaking families receive information and have the opportunity to participate in the FSS Program. In conducting outreach, the HACY will account for the needs of person with disabilities, including persons with impaired vision, hearing or mobility, and provide effective communications to ensure that all eligible who wish to participate are able to do so.

**4-I.D. ASSURANCE OF NONINTERFERENCE WITH THE RIGHTS OF NONPARTICIPATING FAMILIES [24 CFR 984.201(d)(10)]**

A family's housing assistance or admission into assisted housing should never depend on whether they choose to participate in the FSS program, and PHAs need to make this known as part of the recruitment process. For this reason, HACY's action plan must include an assurance that a family's decision to not participate in the FSS program will not affect the family's admission to the public housing or housing choice voucher programs, nor will it affect the family's right to occupancy in accordance with the lease.

PHA Policy

Participation in the FSS program is strictly voluntary. Rental Assistance Demonstration (RAD) program residents and Housing Choice Voucher (HCV) program participants will be notified that should they decide not to participate in the FSS program it will not affect their RAD or HCV housing assistance. This material will also specify that the family will retain the right to occupancy according to their lease and family obligations contract.

## **PART II. FAMILY SELECTION**

### **4-II.A. OVERVIEW**

The FSS action plan is required to contain a statement indicating the procedures for selecting families for FSS program participation, including a description of how HACY will do so without regard to race, color, religion, sex, handicap, familial status, or national origin. This part describes these procedures, taking into account whether HACY will use preferences for family selection and which preferences HACY will employ if they choose to do so, in addition to defining the factors HACY will use in screening families for program participation.

### **4-II.B. FSS SELECTION PREFERENCES**

As part of the process for selecting families for participation in the FSS program, HACY may choose whether to employ the use of preferences. In particular, if HACY so chooses, it has the option of giving a selection preference for up to 50 percent of its public housing FSS slots and 50 percent of its HCV program FSS slots, respectively, to eligible families who have one or more family members currently enrolled in an FSS-related service program or who are on the waiting list for such a program. Such a preference may be further limited to participants in and applicants for one or more specific eligible FSS-related service programs.

Should HACY choose to adopt such a preference, it would need to include the following information in its action plan:

- The percentage of FSS slots, not to exceed 50 percent of the total number of FSS slots for each of its FSS programs, for which it will give a selection preference
- The FSS related service programs to which it will give a selection preference to the programs' participants and applicants
- The method of outreach to and selection of families with one or more members participating in the identified programs [24 CFR 984.203(a)]

A PHA may wish to adopt additional selection preferences as well [Notice PIH 93-24].

#### PHA Policy

The FSS program has not adopted any admissions preferences; therefore, will not utilize the FSS selection preference.

### **4-II.C. SELECTION FACTORS**

Many factors contribute to whether a PHA may choose to select a family for participation in the FSS program. These selection factors can help HACY screen families for admission, and ultimately contribute to HACY's decision to either allow or deny a family's admission into the FSS program.

#### **Motivation Selection Factors [24 CFR 984.203(c)(1)]**

A PHA may screen families for interest and motivation to participate in the FSS program provided that the factors utilized by HACY are those which solely measure the family's interest and motivation to participate in the FSS program. For this reason, PHAs must only apply motivational screening factors that are permissible under the regulations.

***Permissible Motivation Selection Factors***

Permitted motivational factors include requiring attendance at FSS orientation sessions or pre-selection interviews, and assigning certain tasks indicating the family's willingness to undertake the obligations that may be imposed by the FSS contract of participation. However, any tasks assigned should be readily accomplishable by the family based on the family members' educational level or disabilities, if any. Reasonable accommodations must be made for individuals with mobility, manual, sensory, speech impairments, mental, or developmental disabilities [24 CFR 984.203(c)(2)].

PHA Policy

HACY will not screen families for interest and motivation to participate in the FSS program.

### ***Prohibited Motivation Selection Factors***

Prohibited motivational screening factors include the family's educational level, educational or standardized motivational test results, previous job history or job performance, credit rating, marital status, number of children, or other factors, such as sensory or manual skills, and any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or nonminority groups [24 CFR 984.203(C)(3)].

### **Compliance with nondiscrimination policies**

It is the policy of HACY to comply with all Federal, State, and local nondiscrimination laws and regulations, including but not limited to the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973. No person shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the FSS program on the grounds of race, color, sex, religion, national or ethnic origin, family status, source of income, disability or perceived gender identity and sexual orientation. In addition, HACY's FSS staff will, upon request, provide reasonable accommodation to persons with disabilities to ensure they are able to take advantage of the services provided by the FSS program (see Requests for Reasonable Accommodations).

The FSS program staff has the primary responsibility to make sure that participants are not discriminated against in the selection process. For families or individuals whose potential enrollment is in question, the FSS coordinators will review the file in the staff review meeting to ensure that non-selection is not based on discriminatory factors before the final decision is made. Applicants will be notified in writing of the reason(s) they were not selected for participation and will have the opportunity to appeal the decision (see Hearing Procedures). At all times, HACY will select families for participation in the FSS program in accordance with FSS Regulations and HUD guidelines.

### **Other Selection Factors**

In addition to motivational screening, PHA may also wish to screen families for other factors.

#### PHA Policy

HACY will not utilize other selection factors.

### ***PHA Debt Selection Factor***

HACY may deny FSS participation to a family if the family owes HACY, or another PHA, money in connection with HCV or public housing assistance [Notice PIH 93-24, B-18].

#### PHA Policy

HACY will deny FSS participation to a family if the family owes HACY, or another PHA, money in connection with HCV or public housing assistance. Families that owe money to a PHA who have entered into a repayment agreement and are current on that repayment agreement will not be denied FSS participation.

### ***Unavailable Support Services Selection Factor***

If PHA determines, after consulting with the family, that a missing service is essential to the family's needs, PHA may skip that family (and other similar families) and offer the FSS slot to the next family for which there are available services [Notice PIH 93-24, B-8].

### ***Previous Participation Selection Factor***

A PHA may refuse to select a family for participation in the FSS program a second time if that family previously participated unsuccessfully (i.e., the family participated, did not meet its FSS obligations, and was terminated from the FSS program) [Notice PIH 93-24, B-14].

#### **PHA Policy**

The following FSS families will be allowed to re-enroll in HACY's FSS program:

FSS program graduates, **must wait three consecutive months from graduation, before reenrollment.**

FSS participants who have withdrawn voluntarily, **must wait three consecutive months from termination, before reenrollment.**

Families terminated with escrow disbursement, **must wait three consecutive months from termination, before reenrollment.**

Families involuntarily terminated, **must wait three consecutive months from termination, before reenrollment.**

Family members who were not Heads of FSS Family previously, may enroll once the previous Head of FSS Family has been exited from the FSS program.

The following condition applies to re-enrollment:

HACY will accept Head of FSS Family graduates for participation in the FSS Program for a maximum of two successful graduations.

### ***Head of FSS Family***

The head of the FSS family is designated by the participating family. HACY may make itself available to consult with families on this decision but it is the assisted household that chooses the head of FSS family that is most suitable for their individual household circumstances. The designation or any changes by the household to the Head of FSS Family must be submitted to HACY in writing.

## **PART III. ACTIVITIES AND SUPPORT SERVICES**

### **4-III.A. OVERVIEW**

Once families are admitted to the FSS program, HACY becomes responsible for making sure these families are adequately served. The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of public housing assistance and assistance under the housing choice voucher programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. As such, upon selection, families are matched with the appropriate activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. This is a vital element of the FSS program.

### **4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS**

#### **[24 CFR 984.201(d)(8)]**

Before a PHA can determine the services and activities it will provide to FSS families, it must identify the services and activities appropriate to each family. The action plan must contain a description of how the program will identify the needs of FSS families and deliver the services and activities according to these needs.

#### PHA Policy

Supportive services needs will be identified by completion of an informal needs assessment with the FSS coordinator or case manager which focuses on issues such as but not limited to: employment readiness and employment training needs, educational needs related to secondary and post-secondary education, financial health, and other topics, depending on the needs and interests of the family before completion of the initial individual training and services plan and signing of the contract of participation.

All families who participate in the FSS program will be assigned an FSS coordinator who will provide coaching services to help each participating family to:

- Understand the benefits of participating in the FSS program and how the program can help the family achieve its goals.
- Identify achievable, but challenging interim and final goals for participation in the FSS program, break down the goals into achievable steps and accompany the family through the process.
- Identify existing family strengths and skills.
- Understand the needs that the family has for services and supports that may help the family make progress toward their goals.
- Access services available in the community through referral to appropriate service providers.
- Overcome obstacles in the way of achieving a family's goals.



#### 4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION

##### [24 CFR 984.201(d)(7)]

As part of the required contents of the action plan, PHAs must both describe the activities and supportive services to be provided by public and private resources to FSS families, and identify the public and private resources that are expected to provide the supportive services.

Of course, this task assumes that HACY has first identified the needed activities and supportive services.

##### PHA Policy

HACY's FSS program, through its partners on the program coordinating committee, will provide the following activities and support services to FSS families:

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Assessment</b>	Vocational Assessment Educational Assessment Vocational Planning Educational Planning Disability Assessment Disability Vocational Drug/Alcohol Assessment Drug/Alcohol Planning	Adult Basic Education Career Center Community College Community Based Organizations Behavioral Health Providers
<b>Child Care</b>	Infant Care / Toddler Care Preschool Care Afterschool Care	DES Community
<b>Education</b>	English as a Second Language GED Post-secondary Financial and Budgeting Homeownership	Education Community College Community

<b>Training</b>	Skills Training Emerging Technologies Training On-the-Job Training	Community College Community-based Organizations Workforce Investment
<b>Job Search Assistance</b>	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Adult Basic Education Community College Community-based Organizations Workforce Investment
<b>Micro and Small Business Development</b>	Small business development services Small business Mentoring Entrepreneurship Training	AWC SBDC PPEP Comite de Bien Estar Community
<b>Transportation</b>	Bus Train/Trolley	Y-CAT
<b>Health Care</b>	Alcohol and Drug Prevention Alcohol and Drug Treatment	Horizon Health and Wellness Community Partners Integrated HOPE MIKID The Healing Journey Community

<b>Mentoring</b>	Workforce Investment Act	Community College
<b>Crisis Services</b>	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Behavioral Health Providers Amberly's Place The Healing Journey
<b>Child/Adult Protective Services</b>	Needs Assessment Case Planning Information Referral Crisis Management	Police Department CPS/DES Amberly's Place The Healing Journey
<b>Legal Services</b>	Representation Document Review Counsel or Advice	Community Legal Services
<b>Debt Resolution</b>	Needs Assessment Case Planning Advocacy Negotiation	Public Housing Authority Community Base Organizations

#### **4-III.D. CERTIFICATION OF COORDINATION [24 CFR 984.201(d)(12)]**

The FSS action plan is required to contain a certification that the development of the activities and services under the FSS program has been coordinated with the JOBS program (now Welfare to Work under TANF), the programs provided under the JTPA (now Workforce Investment Act programs), and any other relevant employment, child care, transportation, training, and education programs in the applicable area. The implementation of the FSS program's activities and services must continue to be coordinated as such in order to avoid duplication of activities and services.

##### PHA Policy

HACY certifies that its FSS program has developed its services and activities in coordination with the Workforce Innovation Opportunity Act (formerly JTPA), Workforce Investment Board and American Jobs Centers or One Stop Centers, Welfare to Work (formerly JOBS program), and any other relevant employment, child care, transportation, training, and education programs in the applicable area. The implementation of these activities and services will continue to be coordinated in this manner in order to avoid duplication of activities and services.

## Chapter 5

### CONTRACT OF PARTICIPATION

#### INTRODUCTION

Each family that is selected to participate in an FSS program must enter into a contract of participation with HACY. This contract, which is signed by the head of the FSS family, sets forth the principal terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS family and of HACY, the services to be provided to the head of the FSS family and each adult member of the family who elects to participate in the program, and the activities to be completed by them. The contract also incorporates the individual training and services plan [24 CFR 984.303].

This chapter contains two parts:

**Part I: Overview and Family Obligations:** This part provides an overview of the form and content of the contract of participation and describes what the contract requires of FSS families.

**Part II: Contract Specifications:** This part explains the specifications of the contract, including terms and conditions, contract modification, contract terminations, and grievance procedures.

#### **PART I: OVERVIEW AND FAMILY OBLIGATIONS 5-**

##### **I.A. OVERVIEW**

The purpose of the FSS contract of participation is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation the individual training and services plan (ITSP) as part of the contract's required contents. The ITSP is meant to establish goals for an FSS family to meet along the family's way to completing the contract and becoming self-sufficient. In addition to the goals specified in the ITSP, the contract also lists the responsibilities of the family and HACY. This part covers the ITSP as part of the required contents of the contract of participation, and the family's obligations under the contract.

## **5-I.B. CONTENTS OF THE CONTRACT OF PARTICIPATION**

### **Individual Training and Services Plan**

The ITSP, incorporated in the CoP, shall establish specific interim and final goals by which the PHA or owner, and the family, measures the FSS family's progress towards fulfilling its obligations under the CoP and becoming self-sufficient. For any FSS family that is a recipient of welfare assistance at the outset of the CoP or that receives welfare assistance while in the FSS program, the PHA or owner must establish as a final goal for each FSS participant that every member of the family become independent from welfare assistance before the expiration of the term of the CoP, including any extension thereof. Also, see the employment obligation described in paragraph (b)(4) of this section. Aside from the goals specifically required in this section, PHAs or owners must work with each participant to establish realistic and individualized goals and may not include additional mandatory goals or mandatory modifications of the two mandatory goals [24 CFR 984.303(b)(2)].

#### PHA Policy

Each individual's ITSP will establish specific interim and final goals by which HACY and the family will measure the family's progress towards fulfilling its obligations under the CoP. For any FSS family that is a recipient of welfare assistance at the outset of the CoP or that receives welfare assistance while in the FSS program, HACY will establish as a final goal that every member of the family become independent from welfare assistance before the expiration of the CoP. The ITSP of the head of FSS family will also include as a final goal that they seek and maintain suitable employment. The FSS coordinator will work with each participating individual to identify additional ITSP goals that are relevant, feasible and desirable. Any such additional goals will be realistic and individualized.

#### ***Individual Training & Service Plans for Other than FSS Head***

An individual training and services plan is only required for the head of the FSS family. This means that it is HACY's decision, after consulting with the family, whether to create an ITSP and provide supportive services to other family members aged 18 or over if they want to participate in the FSS program and supportive services are available [Notice PIH 93-24, G-16].

#### PHA Policy

HACY will permit additional family members to have an ITSP.

## **5-I.C. FAMILY OBLIGATIONS**

### **Compliance with Lease Terms**

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the public housing lease or housing choice voucher program assisted lease [24 CFR 984.303(b)(3)].

Inability to comply with the lease represents an inability to comply with the contract, therefore regulations regarding noncompliance with the FSS contract apply [see 24 CFR 984.303(b)(5)]. It is up to HACY to determine the plan of action for FSS families found in noncompliance with the lease and how HACY will precisely define the term *comply with the lease*.

### PHA Policy

*Comply with the lease* means the FSS family has not been evicted for repeated or serious violations of the lease; or if they have been evicted for serious or repeated violations of the lease, the family has prevailed in either the grievance hearing or the informal hearing process.

HACY's FSS program will terminate the FSS contract of participation for failure to comply with the terms of the lease.

### **Employment Obligation [24 CFR 984.303 (b)(4)]**

Another obligation set forth by the contract of participation is for the head of the FSS family to *seek and maintain suitable employment* during the term of the contract and any extension.

Although other members of the FSS family may seek and maintain employment during the term of the contract, it is only a requirement for the head of the FSS family.

The obligation for the head of the FSS family to *seek employment* is defined in the regulatory language as meaning that the head of the FSS family has applied for employment, attended job interviews, and has otherwise followed through on employment opportunities. However, this definition still leaves room for policy decisions on the part of HACY because it does not define the level of activity involved in “seeking.”

There is no regulatory definition of *maintain employment*. For this reason, it is up to HACY to define the term.

In addition, there is no minimum period of time that an FSS head of household needs to be employed in order to meet its contract of participation requirements [Notice PIH 93-24, G-9]. According to regulation, HACY makes a determination of *suitable employment* based on the skills, education, and job training of the FSS head of household, and based on the available job opportunities within the jurisdiction served by HACY [24 CFR 984.303(b)(4)(iii)]. This means that HACY has the ultimate responsibility for making the decision regarding the suitability of employment. However, this decision must be made in conjunction with the head of the FSS family [Notice PIH 93-24, G-3].

#### PHA Policy

For purposes of HACY’s FSS program, *seek employment* means the head of the FSS Family has applied for employment, attended job interviews, and otherwise followed through on employment opportunities as outlined in the individual training and services plan of his or her contract of participation.

*Maintain employment* means that the head of the FSS family will complete all of the obligations outlined in the individual training and services plan in his or her contract of participation (COP) and meet the suitable wage requirement on the last effective day of the COP. HACY will require verification of this employment or enrollment.

As defined in the FSS regulations (24 CFR 984.303(4)(iii)), a determination of what constitutes “suitable employment” for each family member with a goal of seeking and maintaining it will be made by HACY with the agreement of the affected participant, based on the skills, education, job training and receipt of other benefits of the family member and based on the available job opportunities within the community.

#### **5-I.D. CONSEQUENCES OF NONCOMPLIANCE WITH THE CONTRACT**

Consequences apply for families who do not meet the terms and conditions of the contract. The regulations require that the contract of participation specify that if the FSS family fails to comply, without good cause, with the terms and conditions of the contract (including compliance with the public housing lease or the HCV-assisted lease), HACY may:

- Withhold supportive services
- Terminate the family's participation in the FSS program

## PHA Policy

The contract of participation (COP) will be terminated before the expiration of the contract term if the participant fails to meet, without “good cause,” their obligations as outlined in the COP. If the participant fails to meet its obligations outlined in the COP, the FSS coordinator, or their designee, will first meet with the family to reassess the need for supportive services or a change in the individual training and services plan (ITSP). If neither of these alternatives is successful, the FSS coordinator will terminate the COP for failure to complete the tasks, interim goals, or final goals of the ITSP in a timely manner, and thus failure to complete the obligations outlined in the COP.

The FSS coordinator will make an exception to the actions in terminating the COP if the participant can demonstrate “good cause” for the failure to meet its obligations as outlined in the COP.

For purposes of HACY FSS program, *good cause*

includes: Family circumstances

Death in the family

Serious illness

Medical emergency

Mandatory court appearances

Involuntary loss of employment

Loss of head of household through death, incarceration, or removal from lease

Change in the ITSP improving progress toward economic self-sufficiency

Community circumstances

Government declared disaster

Significant reduction in workforce (over 20 percent reduction in employment field)

Significant interruption in service delivery (over 3 months interruption)

Provider noncompliance with regulation

Provider unable/unwilling to provide service

Provider offering inferior service

Victims of crimes

Other reasons the PHA deems as *good cause*

## PART II. CONTRACT SPECIFICATIONS

### 5-II.A. OVERVIEW

In addition to making clear the family's obligations under the program, the contract of participation contains specific terms and conditions, including those governing contract modifications, terminations, and grievance procedures. This part describes those specifications and associated policy.

### 5-II.B. CONTRACT TERM [24 CFR 984.303(c)]

The contract term is five years. This means that the family has no more than five years from the effective date of the contract of participation (COP) to fulfill their obligations as specified in the contract. This five-year term requirement will be specified in the COP.

### Contract Extension [24 CFR 984.303(d)]

The CoP will go into effect on the first day of the month following the execution of the CoP. The initial term of the CoP will run the effective date through the five-year anniversary of the first reexamination of income that follows the execution date. Families may request up to two one-year extensions and are required to submit a written request that documents the need for the extension. HACY will grant the extension if it finds that *good cause* exists to do so. In this context, *good cause* means:

- (i) Circumstances beyond the control of the FSS family, as determined by HACY, such as a serious illness or involuntary loss of employment;
- (ii) Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g. completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by HACY or
- (iii) Any other circumstances that HACY determines warrants an extension, including items listed under *good cause* in Chapter 5 section I.D.

### **5-II.C. MODIFICATION OF THE CONTRACT**

The contract of participation (COP) does have the ability to be modified, as long as HACY and the FSS family mutually agree to modify it. This includes modifications in writing with respect to the individual training and services plans (ITSPs), the contract term (See Section 5-II.B. above), and designation of the head of FSS household [24 CFR 984.303(f)].

#### PHA Policy

In HACY's FSS program, the COP will be modified by mutual agreement between HACY and the head of the FSS Family:

When modifications to the ITSP improve the participant's ability to complete their obligations in the COP or progress toward economic self-sufficiency

When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members, after consultation with the public housing or HCV program representative, designate another family member to be the head of the FSS Family and receive escrow funds.

When a relocating family is entering the FSS program of a receiving PHA and the start date of the COP must be changed to reflect the date the new COP is signed with the receiving PHA.

HACY will not allow modification if the CoP is within 30 days from the end of the term. HACY reserves the right to review on a case by case basis to approve modifications after the allotted time.

### **5-II.D. COMPLETION OF THE CONTRACT**

By regulation, the contract of participation is considered to be completed, and a family's participation in the FSS program is considered to be concluded when ~~one of~~ the following occurs [24 CFR 984.303(g)]:

The FSS family has fulfilled all its obligations under the CoP, including all family members' ITSPs, on or before the expiration of the contract term. The family must provide appropriate documentation that each of the ITSP goals has been completed.

The CoP is completed, and a family's participation in the FSS program is concluded when the FSS family has fulfilled all its obligations under the CoP, including all family members' ITSPs, on or before the expiration of the contract term. The family must provide appropriate documentation that each of the ITSP goals has been completed. HACY will accept the following form of verification for completion of the ITSP goals: HACY will accept a combination of self-certification and third-party verification to document completion of ITSP goals.

Participant noncompliance with the CoP may result in termination from the FSS program.

#### PHA Policy

The CoP is completed, and a family's participation in the FSS program is concluded when the FSS family has fulfilled all its obligations under the CoP, including all family members' ITSPs, on or before the expiration of the contract term. The family must provide appropriate documentation that each of the ITSP goals has been completed. HACY will accept the following form of verification for completion of the ITSP goals:

HACY will accept a combination of self-certification and third-party verification to document completion of ITSP goals.

Participant noncompliance with the CoP may result in termination from the FSS program. See policy in termination of contract in section 5-II.F.

### **5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE**

Even after a family has completed the contract of participation, a PHA may continue to offer appropriate FSS supportive services to a former FSS family whose head of family is employed. If the family still resides in public housing, or HCV-assisted housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in public housing, HCV-assisted housing, or other assisted housing, these supportive services would be offered for remaining self-sufficient [24 CFR 984.303(j)].

#### PHA Policy

HACY will continue to offer supportive services to a former FSS family who has completed its contract of participation, and whose head of family is employed.

## **5-II.F. TERMINATION OF THE CONTRACT**

The contract of participation may be terminated before the expiration of the contract term and any extension of the contract by the following [24 CFR 984.303(h)]:

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in an HCV FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of HACY
- The family's withdrawal from the FSS program
- Such other act as is deemed inconsistent with the purpose of the FSS program
- Operation of law

### PHA Policy

The COP will be terminated before the expiration of the contract term, and any extension thereof, for any of the following reasons:

Mutual consent of the parties

Failure of the FSS family to meet its obligations under the contract of participation without good cause

In an HCV FSS program, failure to comply with the contract requirements because the family has moved outside the jurisdiction of HACY without continued assistance under portability

Family's withdrawal from the FSS program

Operation of law

If the FSS family faces termination due to failing to meet, without good cause, its obligations under the COP, HACY will follow the relevant policy specified in Section 5-I.D. of this action plan.

*Good cause* for the purposes of the FSS program is also defined in Section 5-I.D. In addition, the contract of participation is automatically terminated if the family's HCV assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

## **5-II.G. OPTION TO TERMINATE SECTION 8 HOUSING AND SUPPORTIVE SERVICE ASSISTANCE [Federal Register Notice Vol. 79 No. 248 Pages 78100-78101]**

Effective January 1, 2014 PHAs no longer have the option to terminate or withhold HCV housing assistance when an FSS family's Contract of Participation is terminated for failure to comply with its terms.

## **5-II.H. NULLIFICATION OF CONTRACT FOR UNAVAILABILITY OF SUPPORTIVE SERVICES [24 CFR 984.303(e)]**

In addition to termination, the contract of participation can also be ended ahead of time as a result of integral supportive services being unavailable. This, however, should only occur as a last resort:

- If a social service agency fails to deliver the supportive services pledged under an FSS family member's individual training and services plan (ITSP), HACY must make a good faith effort to obtain these services from another agency.
- If HACY is unable to obtain the services from another agency, HACY must reassess the family member's needs and determine whether other available services would achieve the same purpose.
- If other available services would not achieve the same purpose, HACY shall determine whether the unavailable services are integral to the FSS family's advancement or progress toward self-sufficiency.
- If the unavailable services are not integral to the FSS family's advancement toward self-sufficiency, HACY must revise the ITSP, delete these services, and modify the contract of participation to remove any obligation on the part of the FSS family to accept the unavailable services.
- If the unavailable services *are* determined to be integral to the FSS family's advancement toward self-sufficiency (which may be the case if the affected family member is the head of the FSS family), the PHA or owner shall terminate the CoP and follow the requirements in the following section regarding termination with escrow disbursement.

### **Termination with Escrow Disbursement**

In most cases, families whose FSS contracts are terminated will not be entitled to disbursement of their accrued FSS escrowed funds. However, the CoP will be terminated with FSS disbursement when one of the following situations occurs:

- (i) Services that HACY and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable.
- (ii) The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless HACY and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family.
- (iii) An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR §982.353) for good cause, as determined by the PHA, and continuation of the CoP after the move, or completion of the CoP prior to the move, is not possible.

### **5-II.I. GRIEVANCE PROCEDURES**

When adverse action is taken by HACY against a family, HACY is required to provide a grievance hearing in the public housing program, or an informal hearing in the housing choice voucher program [24 CFR 966 subpart B, 24 CFR 982.554].

According to regulatory requirements, the FSS action plan must contain the grievance and hearing procedures available for FSS families against whom HACY has taken adverse action with regards to FSS [24 CFR 984.201(d)(9)].

#### PHA Policy

The grievance and informal hearing procedures for the FSS program will be the same as the grievance and hearing procedures adopted for the rental assistance demonstration program and housing choice voucher programs in HACY's admissions and continued occupancy policy and administrative plan (See *Administration Plan Chapter 16-11*).

Adverse actions taken within the FSS program include:

- Denial of admission into the FSS program
- Denial of request for supportive services
- Denial of request to change the ITSP
- Denial of request to change the head of the FSS Family
- Denial of request for interim disbursement of the escrow account
- Denial of request to complete the COP
- Denial of a request for extension to the FSS COP
- Denial of request for final distribution of the escrow account or any portion thereof
- Termination of the FSS COP

## Chapter 6

### ESCROW ACCOUNT

#### INTRODUCTION

The establishment of an escrow account is offered as a financial incentive to families for participation in the FSS program. Generally, under this incentive, the amount of an increase in family rent resulting from an increase in earned income is escrowed. That is, usually a family's rent or share of the rent goes up when the family experiences an increase in earned income. In the FSS program, this is still the case, but the part of the rent representing the increase is deposited into an account as an escrow credit. The funds from this escrow account then become available to FSS families upon successful completion of their contracts of participation. This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit and disbursing the funds, and also covers the proper way for the PHA to manage and report on the account.

This chapter contains two parts:

Part I: The Escrow Account: This part provides an overview of how the escrow account works, including calculating the escrow credit and disbursing the funds upon completion of the contract of participation.

Part II: Escrow Fund Accounting and Reporting: This part describes the requirements for managing the escrow account, including both accounting and reporting requirements.

#### PART I. THE ESCROW ACCOUNT 6-

##### I.A. OVERVIEW

As an integral incentive to the FSS program, it is very important to have clear-cut policy spelling out how the escrow account works. This includes policy regarding the calculation of the FSS credit amount, the disbursement of FSS account funds, the use of account funds for homeownership, and forfeiture of the FSS escrow account.

## **6-I.B. CALCULATING THE FSS CREDIT AMOUNT**

For FSS families who are very low-income families, the FSS credit is the lesser of 30 percent of current monthly adjusted income less the family rent, or the current family rent less the family rent at the time of the effective date of the contract of participation. The family rent is obtained by disregarding any increases in earned income (as defined in 24 CFR 984.103) from the effective date of the contract of participation. For FSS families who are considered low-income families but not very low-income families, the FSS credit is calculated in the same manner but cannot exceed the amount computed for 80 percent of the median income [24 CFR 984.305(b)(1)].

FSS families who are not low-income families are not entitled to any FSS credit [24 CFR 984.305(b)(2)].

### **Determination of Family Rent and Total Tenant Payment**

For purposes of determining the FSS credit, *family rent* for the public housing program is the total tenant payment as defined in 24 CFR Part 5, subpart F. For the HCV program, *family rent* is 30 percent of adjusted monthly income [24 CFR 984.305(b)(1)].

Total tenant payment for a family participating in the public housing FSS program is determined in accordance with the regulations set forth in 24 CFR Part 913.

### **Increases in FSS Family Income [24 CFR 984.304]**

As described in the FSS credit calculations above, any increases in family earned income resulting in increases in family rent become deposited in the escrow account. For this reason, and because of the nature of the FSS account, any increase in the earned income of an FSS family during its participation in an FSS program may not be considered as income or a resource for purposes of eligibility of the FSS family for other benefits, or amount of benefits payable to the FSS family, under any other program administered by HUD, unless the income of the FSS family equals or exceeds 80 percent of the area median income (as determined by HUD, with adjustments for smaller and larger families).

### **Cessation of FSS Credit [24 CFR 984.305(b)(3)]**

The PHA will not make any additional credits to the FSS family's FSS account when the family has completed the contract of participation, or when the contract of participation is terminated or otherwise nullified.

## **6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS**

### **Disbursement at Completion of Contract [24 CFR 984.305(c)(1)]**

When the contract has been completed according to regulation, the amount in an FSS account in excess of any amount the FSS family owes to the PHA will be paid to the head of the FSS family. However, in order to receive the disbursement, the head of the FSS family must submit a certification (as defined in §984.103) to the PHA at the time of contract completion that, to the best of his or her knowledge and belief, no member of the FSS family is a recipient of welfare assistance.

#### PHA Policy

The PHA will disburse full funds when the family has met all its obligations under the COP to date.

### **Disbursement before Expiration of Contract Term**

FSS account funds may also be disbursed before the end of the contract term. If the PHA determines that the FSS family has fulfilled its obligations under the contract of participation before the expiration of the contract term and the head of the FSS family submits a certification that, to the best of his or her knowledge, no member of the FSS family is a recipient of welfare assistance, the amount in the family's FSS account in excess of any amount the family owes to the PHA will be paid to the head of the FSS family [24 984.305(c)(2)(i)].

In addition, the PHA may at its sole option disburse FSS account funds before completion of the contract if the family needs a portion of the funds for purposes consistent with the contract of participation and the PHA determines that the FSS family has fulfilled certain interim goals established in the contract of participation. Such cases could include using the funds to assist the family in meeting expenses related to completion of higher education (e.g., college, graduate school) or job training, or to meet start-up expenses involved in creation of a small business [24 984.305(c)(2)(ii)].

#### PHA Policy

Families may request an interim disbursement from the escrow account once the FSS family has fulfilled at least one interim goal, in order to pay for specific goods or services that will help the family make progress toward achieving the goals in its Individual Training and Services Plan (ITSP). Requests may be made in writing. Requests may be made through the term of the Contract of Participation. Examples of potentially eligible activities include, but are not limited to, payments for post-secondary education, job training, credit repair, small business start-up costs, job start-up expenses, and transportation to/from a place of employment. A determination of whether the family qualifies for the requested interim disbursement will be made on a case-by-case basis by the FSS Coordinator and an administrative staff representative of HACY. The FSS coordinator will first explore options for services before a request for an interim disbursement will be approved.

Amount of interim disbursement from escrow may not exceed 70% of participant's current escrow balance, unless funds will be used in connection with homeownership escrow.



Participants are limited to a one-time interim disbursement, which cannot exceed 70% of the escrow balance during the current COP and any extensions. Additional interim disbursements may be allowed if required for homeownership purposes.

### **Verification of Family Certification at Disbursement**

Interim disbursement may only occur after the family has completed certain interim goals and funds are needed in order to complete other interim goals. Final disbursement can only occur after the family has completed the contract of participation and all members are welfare-free as defined by regulation. Because of this, it follows that the PHA may require verification for the completion of interim goals or the contract of participation.

Before final disbursement of the FSS account funds to the family, the PHA may verify that the FSS family is no longer a recipient of welfare assistance by requesting copies of any documents which may indicate whether the family is receiving any welfare assistance, and by contacting welfare agencies [24 CFR 984.305(c)(3)].

HUD provides verification guidance in Notice PIH 2010-19. This guidance is mandatory for the public housing and housing choice voucher programs. The PHA's ACOP and/or Administrative Plan must contain verification policies following the hierarchy in this notice. The policies contained in the PHA's ACOP and Administrative Plan cover verification policies related to the FSS program in general. However, determining the need for interim disbursements may require more clarification as to what constitutes an acceptable third-party source.

#### PHA Policy

The PHA will require verification that the FSS family has completed at least one interim goal in order to provide interim disbursement. Final disbursement requires the FSS family to complete the contract of participation and all family members be welfare free at time of completion of contract of participation.

The PHA will follow HUD's verification hierarchy set forth in Notice PIH 2010-19 to make these verifications. However, the PHA will use a *knowledgeable professional* as a third-party source to verify the need for interim disbursements.

### **Succession to FSS Account [24 CFR 984.305(d)]**

FSS account funds should be disbursed to the head of the FSS family. However, if the head of the FSS family no longer resides with the other family members in the public housing or the HCV-assisted unit, the remaining members of the FSS family, after consultation with the PHA, have the right to designate another family member to receive the funds.

#### **6-I.D. USE OF FSS ACCOUNT FUNDS FOR HOMEOWNERSHIP**

According to regulation, a public housing FSS family may use its FSS account funds for the purchase of a home, including the purchase of a home under one of HUD's homeownership programs, or other federal, state, or local homeownership programs, unless the use is prohibited by the statute or regulations governing the particular homeownership program [24 CFR 984.305(e)].

Homeownership is just one option for use of the FSS account funds. PHAs may not restrict the use of escrow funds at contract completion [Notice PIH 93-24, C-13].

## **6-I.E. FORFEITURE OF FSS ACCOUNT FUNDS**

Amounts in the FSS account will be forfeited when the contract of participation is terminated, or when the contract of participation is completed by the family (see Section 5-II.D. of this action plan) but the FSS family is receiving welfare assistance at the time of expiration of the term of the contract of participation, including any contract extension [24 CFR 984.305(f)(1)].

### PHA Policy

Amounts in the FSS account will be forfeited when the contract of participation is terminated, or when the contract of participation is completed by the family, but the FSS family is receiving welfare assistance at the time of expiration of the term of the contract of participation, including any contract extension.

Additionally, FSS families will automatically forfeit their FSS escrow when any of the following conditions apply:

The family fails to complete their contract of participation prior to contract expiration, voluntarily withdraws from the program, termination for non-FSS participation, relocation to a non-FSS active PHA, or removal from the HCV/PH for non-compliance of lease agreement and/or and rules.

### **Treatment of Forfeited FSS Account Funds**

FSS escrow account funds forfeited by the FSS family must be used by the PHA or owner for the benefit of the FSS participants. (i) Specifically, such funds may be used for the following eligible activities: (A) Support for FSS participants in good standing, including, but not limited to, transportation, child care, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the CoP; (B) Training for FSS Program Coordinator(s); or (C) Other eligible activities as determined by the Secretary. (ii) Such funds may not be used for salary and fringe benefits of FSS Program Coordinators; general administrative costs of the FSS program, for housing assistance payments (HAP) expenses or public housing operating funds; or any other activity determined ineligible by the Secretary.

### PHA Policy

Escrow account funds forfeited by the FSS family (if any) will be used to support FSS participants in good standing. Upon written request from a family, HACY will consider the available funds and make a determination. At the discretion of the FSS coordinator, forfeited escrow funds may be considered in lieu of an interim escrow disbursement.

HACY may also initiate a request for the use of forfeited escrow funds.

Forfeited escrow funds may be deployed at any time during the term of a household's CoP.

Use of forfeited escrow funds for eligible uses may be requested by HACY and Head of the FSS family

Eligible uses of forfeited escrow funds include, but are not limited to:

Families may request funds from the forfeited escrow account once the FSS family has

fulfilled at least one interim goal, in order to pay for specific goods or services that will help the family make progress toward achieving the goals in its Individual Training and Services Plan (ITSP). Requests may be made in writing and requests may be made through the term of the Contract of Participation. Examples of potentially eligible activities include, but are not limited to, payments for childcare, post-secondary education, job training, credit repair, small business costs, job start-up expenses, legal matters and transportation. A determination of whether the family qualifies for the requested forfeited escrow disbursement will be made on a case-by-case basis by the FSS Coordinator and an administrative staff representative of HACY. The FSS coordinator will first explore options for services before a request for a disbursement will be approved.

HACY may also utilize funds from forfeited escrow funds for FSS Program staff training. Approval for use of such funds will be requested to HACY's higher management.

Amounts of forfeited escrow funds may not exceed \$500 per head of FSS family, during their five-year participation and any extensions therein, unless funds will be used in connection with business related expenses. Participants are limited to a one-time disbursement, which cannot exceed \$500.00 during the current COP and any extensions.

## **PART II. ESCROW FUND ACCOUNTING AND REPORTING**

### **6-II.A. OVERVIEW**

Regulations set forth specific requirements involving the accounting and reporting for the FSS escrow account. This part describes those requirements and the PHA policy necessary for managing the account from the PHA perspective.

### **6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS**

When establishing FSS escrow accounts, the PHA must deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account for each (public housing or HCV) program. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA periodically, but not less than annually, credits the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account [24 CFR 984.305(a)(2)(i)].

#### PHA Policy

The PHA will credit the amount of the FSS credit(s) to each family's account on a monthly basis.

#### **Proration of Investment Income [24 CFR 984.305(a)(2)(ii)]**

Because the FSS account funds are to be invested, the investment income for those funds in the FSS account will also need to be credited to each family's account. By regulation, these funds are to be prorated and credited to each family's FSS account based on the balance in each family's FSS account at the end of the period for which the investment income is credited.

#### PHA Policy

Each month the full amount of the investment income for funds in the Rental Assistance Demonstration and the Housing Choice Voucher FSS accounts will be prorated and credited to each family's subsidiary line item after the deduction of unpaid rent and other amounts due under the RAD and HCV-assisted lease.

#### **Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii)]**

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or HCV-assisted lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner to the PHA in the HCV FSS program) before prorating the interest income. If the FSS family has fraudulently underreported income, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.

### **6-II.C. REPORTING ON THE FSS ACCOUNT**

Each PHA is required to make a report, at least once annually, to each FSS family on the status of the family's FSS account.

At a minimum, the report must include [24 CFR 984.305(a)(3)]:

The balance at the beginning of the reporting period

The amount of the family's rent payment that was credited to the FSS account, during the reporting period

Any deductions made from the account for amounts due the PHA before interest is distributed

The amount of interest earned on the account during the year

The total in the account at the end of the reporting period

#### PHA Policy

The PHA will provide FSS participants an annual statement on the status of their FSS escrow account.

## Chapter 7

### PORTABILITY IN HOUSING CHOICE VOUCHER FSS PROGRAMS

#### INTRODUCTION

PHAs operating HCV FSS programs must be familiar with the rules and regulations regarding portability under the housing choice voucher program. As with the case of portability in the HCV program in general, the FSS family may move outside the initial PHA jurisdiction under portability procedures after the first 12 months of the FSS contract of participation [24 CFR 984.306].

In the event that an FSS family chooses to exercise portability, certain special requirements regarding the FSS program would apply. This chapter describes the obligations of the initial PHA, the receiving PHA, and the FSS family under portability, in addition to any special stipulations regarding portability in the FSS context.

This chapter contains two parts:

Part I: Portability in the FSS Program: This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

Part II: The Effects of Portability on FSS Regulations and Policy: This part describes the specific ways in which portability affects different aspects of the FSS program, including the escrow account, program termination, loss of the FSS account, and termination of HCV program assistance.

#### PART I: PORTABILITY IN THE FSS PROGRAM 7-

##### I.A. OVERVIEW

Portability is a statutory feature of the housing choice voucher program—it is included in the law. As such, PHAs operating an HCV FSS program need to understand the effects that portability will have on HCV FSS families and program operation. This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

### **7-I.B. DEFINITIONS**

For the purposes of portability with regards to the FSS program, the following definitions will be used [24 CFR 982.4, 24 CFR 984.306].

- *Initial PHA* means both:
  1. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
  2. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.
- *Receiving PHA* means a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA either absorbs the family into its program, including issuing a voucher and providing rental assistance to the family, or bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher.
- *Relocating FSS Family* refers to an FSS family that moves from the jurisdiction of a PHA at least 12 months after signing its contract of participation.

### **7-I.C. RESIDENCY REQUIREMENTS**

Families participating in an HCV FSS program are required to lease an assisted unit within the jurisdiction of the PHA that selected the family for the FSS program for a minimum period of 12 months after the effective date of the contract of participation. However, the initial PHA may approve a family's request to move outside its jurisdiction under portability during this period [24 CFR 984.306(b)(1)].

#### PHA Policy

The PHA will approve a family's request to move outside its jurisdiction under portability during the first 12 months after the effective date of the contract of participation. If the family is not in the first year of a lease with the HCV landlord and the move is needed for training, education, employment, support services, or to meet personal family needs if they are otherwise eligible for portability. A portability request form shall be submitted to the HCV Program; FSS portability is contingent upon receiving PHA's approval for their FSS program.

After the first 12 months of the FSS contract of participation, the FSS family may move outside the initial PHA jurisdiction under portability procedures regardless of PHA approval [24 CFR 984.306(b)(2)].

## **7-I.D. CONTRACT OF PARTICIPATION**

Once a family moves outside the initial PHA's jurisdiction, a determination will need to be made regarding whether the family will continue to participate in the initial PHA's FSS program or whether it will participate in the FSS program of the receiving PHA.

### **Continued Participation in the FSS program of the Initial PHA**

A relocating FSS family may continue in the FSS program of the initial PHA if the family demonstrates to the satisfaction of the initial PHA that, notwithstanding the move, the relocating FSS family will be able to fulfill its responsibilities under the initial or modified contract of participation at its new place of residence. For example, this could mean that the FSS family may be able to commute to the supportive services specified in the contract of participation, or the family may move to obtain employment as specified in the contract [24 CFR 984.306(c)].

#### PHA Policy

The PHA will approve a relocating family's request to continue in its FSS program if the family demonstrates to the PHA's satisfaction that, notwithstanding the move, the relocating FSS family will be able to fulfill its responsibilities under the existing or modified contract of participation at its new place of residence.

Should the relocating family stay in the initial PHA's FSS program, there will be only one contract of participation. This will be the same contract as originally executed by the initial PHA [24 CFR 984.306(c)(2)].

### **Participation in the FSS Program of the Receiving PHA**

When a family moves into the jurisdiction of another PHA, the relocating FSS family may participate in the FSS program of the receiving PHA if the receiving PHA allows the family to do so. However, a PHA is not obligated to enroll a relocating FSS family in its FSS program [24 CFR 984.306(d)(1)].

#### PHA Policy

The PHA, as the receiving housing authority, will allow a relocating FSS family to participate in its FSS program so long as an open FSS slot exists.

In the event, the family wishes to port into another jurisdiction, and plans to continue in the FSS program. The receiving PHA has 120 days from admission to the HCV program to execute its FSS Contract of Participation; failure to complete the FSS enrollment in allotted time will result in forfeit of any funds in the family's escrow account.

In the event the family wishes to port into another jurisdiction, but does not plan to continue in the FSS program at the receiving agency, the family's FSS Contract of Participation will be terminated and the family will forfeit any funds in the escrow account.

In cases where the receiving PHA allows the relocating FSS family to participate in its FSS program, the receiving PHA will enter into a new contract of participation with the FSS family for the term remaining on the contract with the initial PHA. The initial PHA will then terminate its contract of participation with the family [24 CFR 984.306(d)(2)].

## **PART II: THE EFFECTS OF PORTABILITY ON FSS REGULATIONS AND POLICY**

### **7-II.A. OVERVIEW**

The regulations set forth under the FSS program will sometimes be affected by the regulations of the public housing and housing choice voucher programs. Portability, as an integral part of the housing choice voucher program, is an excellent example of how HCV regulations can in turn affect FSS program operation. This part describes the specific ways in which portability affects different aspects of the FSS program, including the escrow account, program termination, loss of the FSS account, and termination of HCV program assistance.

### **7-II.B. PORTABILITY AND THE ESCROW ACCOUNT [24 CFR 984.306(e)]**

The escrow account is one aspect of the FSS program that could present an issue if a participant family decides to move under portability because the family's account is administered by the initial PHA. Regardless of whether the relocating FSS family remains in the FSS program of the initial PHA or is enrolled in the FSS program of the receiving PHA, FSS regulations specify that there will be a single FSS account to be maintained by the initial PHA so long as the initial PHA is ultimately paying the housing assistance payment. However, when an FSS family is absorbed by the receiving PHA, the initial PHA transfers the family's FSS account to the receiving PHA, and the receiving PHA begins administering the account.

### **7-II.C. PROGRAM TERMINATION, LOSS OF FSS ACCOUNT, AND TERMINATION OF SECTION 8 ASSISTANCE**

Another point of consideration for PHAs is noncompliance with the contract of participation when the FSS participant family moves outside of the PHA's jurisdiction. In such cases, noncompliance with the contract is treated the same under portability as it is if the noncompliance occurred in the initial PHA's jurisdiction. According to the regulatory language, if an FSS family that relocates to another jurisdiction is unable to fulfill its obligations under the contract of participation (or any modifications to the contract), the PHA administering the contract may either terminate the FSS family from the FSS program and the family's FSS account will be forfeited; or, the PHA may terminate the FSS family from the FSS program and the family's FSS account will be forfeited, **and** terminate the FSS family's HCV program assistance on the grounds that the family failed to meet its obligations under the contract of participation [24 CFR 984.306(f)(1)].

PHA policy regarding the consequences of noncompliance with the FSS contract of participation can be found in Section 5-I.D. of this action plan. *Good cause* is likewise defined in this section. PHA policy regarding the termination of HCV program assistance due to failure to comply with the contract of participation is written in Section 5-II.G. of this action plan.

In the event of forfeiture of the family's FSS account, the funds in the family's FSS account will revert to the PHA maintaining the FSS escrow account for the family [24 CFR 984.306(f)(2)].