



10400 Detrick Avenue
 Kensington, MD 20895-2484
 (240) 627-9425



ADMINISTRATIVE AND REGULATORY COMMITTEE

August 1, 2022
4:00 p.m. via Zoom

Livestream: <https://youtu.be/llh-VGLavMM>

Approval of Minutes:

Title	Page
1. Minutes: Approval of Administrative and Regulatory Committee Minutes of May 16, 2022	3

Action Items:

Title	Page
1. Authorization to Submit FY 2022 Section Eight Management Assessment Program (SEMAP) Certification to HUD	7
2. Authorization to Submit the Family Self-Sufficiency ("FSS") Action Plan to HUD Pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program	16

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Administrative and Regulatory Committee Minutes

May 16, 2022

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Administrative and Regulatory Committee was conducted via an online platform and teleconference on Monday, May 16, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. There was a livestream of the meeting held on YouTube, available for viewing [here](#). Those in attendance were:

Present

Frances Kelleher, Chair – Administrative and Regulatory Committee
Pamela Byrd – Commissioner
Linda Croom - Commissioner

Also Attending

Kayrine Brown, Acting Executive Director
Heather Gentry
Lynn Hayes
Billy Buttrey
Rita Harris
Karlos Taylor
Patrick Mattingly
Tisha Lockett
Jennifer Arrington
Gail Willison

Aisha Memon, General Counsel
Darcel Cox
Timothy Goetzinger
Guidy Paul
Venita Julian
Irma Rodriguez
Ira Levy
Elliot Rule
David Brody

IT Support

Aries Cruz, IT Support

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

Vice Chair Kelleher informed that at the request of the Acting Executive Director there would be a modification to the published agenda. After the approval of the Minutes, the first item of discussion will be the Housing Choice Voucher - Authorization to Revise Administrative Plan (item #5 in the published agenda).

APPROVAL OF MINUTES

The minutes of the March 21, 2022 Administrative and Regulatory Committee meeting was approved upon a motion by Commissioner Byrd and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Kelleher and Byrd. Commissioner Croom was necessarily absent due to technical difficulty and did not participate in the vote.

DISCUSSION/ACTION ITEMS

1. Housing Choice Voucher: Authorization to Revise Administrative Plan for the Housing Choice Voucher Program to add Clarity to Chapters 4, 7, 8, and 21

Lynn Hayes, Director of Housing Resources Division, introduced Guidy Paul, Assistant Director of Housing Resources Division, and Venita Julian, Family Self-Sufficiency Program Coordinator, who both provided an overview requesting the Administrative and Regulatory Committee to recommend to the full Commission adoption of the revisions and clarifications to Chapters 4, 7, 8, and 21 of HOC's Administrative Plan for the Housing Choice Voucher Program.

Staff addressed Commissioners questions. A motion was made by Commissioner Byrd and seconded by Commissioner Croom, to recommend to the full Commission, at the July 13, 2022 meeting, approval of the updates. Affirmative votes were cast by Commissioners Kelleher, Byrd, and Croom.

2. Discussion of HOC's Response to Management Letter: Comments in the FY2021 Audited Financial Statements

Kayrine Brown, Acting Executive Director, provided an overview requesting the Administrative and Regulatory Committee to recommend to the full Commission the acceptance of HOC's response in addressing the Management Letter comments by CliftonLarsonAllen, LLP for the FY2021 annual agency audit and the accompanying supporting documents as it relates to Information Technology.

Irma Rodriguez, Help Desk Supervisor, and Karlos Taylor, Chief Technology Officer, provided an overview addressing concerns of the Management Letter as it relates to strengthening controls of HOC's Information Technology.

Staff addressed questions of Commissioners. Commissioner Byrd suggested adding ongoing training to one of the five initiatives of the Strategic Plan to staff and stakeholders. A motion was made by Commissioner Croom and seconded by Commissioner Byrd to move forward for full Commission approval at its June 8, 2022 Board Meeting. Affirmative votes were cast by Commissioners Kelleher, Byrd, and Croom.

3. Technology Policy and Acceptable Use Policy: Approval of Information Technology and Acceptable Use Policy of Information Technology Infrastructure and Resources Policy to Reflect Current Processes and Risks

Karlos Taylor, Chief Technology Officer, provided an overview. A motion was made by Commissioner Byrd and seconded by Commissioner Croom to move forward for full Commission approval at its June 8, 2022 Board Meeting. Affirmative votes were cast by Commissioners Kelleher, Byrd and Croom.

4. **Information Security Assurance Policy and Telework Policy:** Approval of Information Technology Security Assurance Policy to Incorporate Changes in Systems Infrastructure, New Technology and User Environment to Reflect Current Processes and Risks, and Approval of the HOC Telework Policy

Karlos Taylor, Chief Technology Officer, provided an overview. A motion was made by Commissioner Byrd and seconded by Commissioner Croom to move forward for full Commission approval at its June 8, 2022 Board Meeting. Affirmative votes were cast by Commissioners Kelleher, Byrd and Croom.

A motion was made by Commissioner Byrd and seconded by Commissioners Croom to adjourn the meeting. Affirmative votes were cast by Commissioners Kelleher, Byrd, and Croom. The meeting adjourned at 5:11 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Deliberation and/or Action

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County
Administrative and Regulatory Committee

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Elliot Rule, Management and Compliance Analyst Ext. 9647
Division: Executive/Compliance

Darcel Cox, Chief Compliance Officer Ext. 9427
Division: Executive/Compliance

RE: Authorization to Submit HOC’s Fiscal Year 2022 Section Eight Management Assessment Program Certification to HUD

DATE: August 1, 2022

STATUS: Consent ____ Deliberation X Status Report ____ Future Action ____

OVERALL GOAL & OBJECTIVE:

To authorize the Executive Director of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), or their designee, to submit HOC’s Fiscal Year (“FY”) 2022 Section Eight Management Assessment Program certification to the U.S. Department of Housing and Urban Development (“HUD”).

BACKGROUND:

The Section Eight Management Assessment Program (“SEMAP”) is designed to measure whether the Section Eight tenant-based programs operate to help eligible families afford decent rental units at the correct subsidy cost. SEMAP also establishes an objective system for HUD to measure Public Housing Authority (“PHA”) performance in key Section Eight program areas so as to enable program integrity and accountability.

HUD published a Final Rule in the Federal Register on June 20, 2000. This rule mandates the submission of the Form HUD 52648, SEMAP Certification, to HUD annually by PHAs that administer the Section Eight tenant-based rental assistance program. The certification, which measures the status of HOC’s administration of the Section Eight program for the prior fiscal year, is submitted to HUD annually within 60 days of the end of the given fiscal year. For HOC, this date is August 29, 2022.

This SEMAP certification includes HOC’s assessment of program administration in 14 areas. The HOC Compliance Division performs quality control reviews for all areas.

The first seven indicators are also verified by the independent auditors’ annual report for the year ending June 30, 2022. The remaining seven indicators are verified through HUD’s systems.

The chart below identifies the individual indicator areas, the maximum points possible, the points HOC received in 2019, and what HOC will certify in its 2022 submission.

Indicator	Indicator Title	Maximum Possible Points	2019 Rating	2022 Certification
1	Wait List Selection	15	15	15
2	Reasonable Rent	20	15	15
3	Determination of Adjusted Income	20	20	15
4	Utility Allowance	5	5	5
5	HQS Quality Control	5	5	5
6	HQS Enforcement	10	10	0
7	Expanding Housing Opportunities	5	5	5
8	Payment Standards	5	5	5
9	Timely Annual Recertification	10	10	10
10	Correct Tenant Rent	5	5	0
11	Pre-Contract HQS Inspection	5	5	5
12	Annual HQS Inspection	10	10	0
13	Lease Up	20	20	20
14	Family Self-Sufficiency (FSS)	10	8	10
	Program Points	145	138	110
Bonus	Deconcentration Bonus	5	5	5
	Total Points		143	115
	Overall Percentage		99%	79%

There are three possible categories for the final SEMAP score and overall performance rating as described at 24 CFR 985.103. They are as follows:

1. **High performer rating:** PHAs with a SEMAP score of at least 90 percent are rated high performers. High performers may receive national recognition by HUD and may be given competitive advantage under HUD Notices of Fund Availability (“NOFA”).
2. **Standard rating:** PHAs with a SEMAP score of 60-89 percent are rated standard.
3. **Troubled rating:** PHAs with a SEMAP score of less than 60 percent are rated troubled.

HOC’s FY 2022 SEMAP Certification submission equals 115 points, or 79% percent of the overall total program points. HOC’s program profile status as submitted is Standard. HOC decreased from its FY 2019 submission by 28 points for FY 2022.

This decrease in points resulted from quality control related indicators for determining adjusted income and calculating tenant rent.

Points were also lost as a result of deficiencies in the timely completion of annual HQS inspections and HQS enforcement.

Discussion

Indicators Two (2) (Reasonable Rent) and Three (3) (Determination of Adjusted Income) received scores less than the total possible points. Reasonable Rent refers to comparing rents to similar units prior to approving an increase in rent to owners. Determination of Adjusted Income includes verification of income, assets, and allowable deductions, as well as using the correct utility allowance where applicable. The decreased scores were the result of quality control findings at the processing level. Within HRD, the Housing Specialist processes Rent Reasonableness when owners request an increase in rent. They also process initial, annual, and interim certifications, which require Determination of Adjusted income.

The Rent Reasonableness indicator includes a compliance review of 66 actions. A total of 58 passed, resulting in a score of 87.87%. A score of 98% or higher is required to receive the full 20 points for this indicator.

The Determination of Adjusted Income indicator includes a compliance review of 117 actions. A total of 100 passed, resulting in a score of 85.47%. A score of 90% or above is required to receive the full 20 points for this indicator.

The Compliance and HRD teams will meet quarterly to discuss quality control review outcomes and identify training needs. The HRD team will work with staff at the processing level to correct any deficiencies identified.

Indicator 10 (Correct Tenant Rent) received a score of zero. The score for this indicator is based on a sample of quality control files that the Compliance Division reviewed, which included initial, annual, and interim certifications. The findings included issues with factors related to the calculation of tenant rent portions

The Compliance and HRD teams will meet quarterly to discuss quality control review outcomes and identify training needs. The HRD team will take corrective action immediately upon confirmation of any oversight.

Two inspection related indicators also received a score of zero. Indicator Six (HQS Enforcement) measures the degree to which inspection deficiencies are corrected within the required time frame (24 hours for emergency repairs and 30 days for other repairs), as well as abatement of Housing Assistance Payments due to the owner's failure to correct these issues. Indicator 12 (Annual Inspections) measures the degree to which we perform annual HQS inspections timely (every 12 months).

HOC's Inspection Services Department experienced critical staffing turnover and organizational restructuring during FY 2022. Inspection Services is now housed within the Housing Resources Division ("HRD") and is under the direct control of the Director of HRD. HRD is currently working to correct any issues that may have contributed to the deficiencies of the inspection related indicators.

HOC staff continues to work diligently to improve the accuracy of all HCV program activities. Specific attention is placed on quality control reviews for the items outlined above; customer annual re-certifications; third party income, asset and deduction verifications; inspections; income and rent calculations; rent reasonableness activity; and enrollment and progress in the Family Self Sufficiency (“FSS”) program.

Over the past two years, HOC increased the score for Indicator 14 (Family Self Sufficiency) by increasing the FSS enrollment rate from 66.94% to 81.63%. HRD also increased the percentage of families with escrow balances from 55.51% to 66.38%. The threshold for receiving points for this indicator is 30% for the escrow related portion. HRD recognizes the importance of the FSS program to voucher participants and continues to strive for increased participation and participant progress.

Federal regulations require HUD to issue its final ratings to HOC within 120 days of HOC’s Fiscal Year end. The notification letter from HUD will require HOC to respond within 45 days if there are any corrective actions for any SEMAP deficiencies. HOC staff will promptly address and correct any issues that HUD identifies.

Notwithstanding the regulatory requirement for timely response to any identified deficiencies and stated corrective actions, staff has begun to discuss procedures to be implemented to ensure quick response to any noted concerns within the voucher program. Staff will also include a quarterly update as part of the HRD report to the Commission.

ISSUES FOR CONSIDERATION:

Does the Administrative and Regulatory Committee wish to join staff’s recommendation to the Commission to authorize the Executive Director, or her designee, to submit the FY 2022 SEMAP Certification to HUD on or before August 29, 2022?

TIME FRAME:

For discussion by the Administrative and Regulatory Committee at its meeting on July 25, 2022.
For formal Commission action on August 10, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Administrative and Regulatory Committee join staff’s recommendation to the Commission to authorize the Executive Director, or her designee, to submit the FY 2022 SEMAP Certification to HUD on or before August 29, 2022.

Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0215
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name Housing Opportunities Commission of Montgomery	For PHA FY Ending (mm/dd/yyyy) 06/30/2022	Submission Date (mm/dd/yyyy)
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Check here if the PHA expends less than \$300,000 a year in Federal awards

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes No

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response At least 98% of units sampled 80 to 97% of units sampled Less than 80% of units sampled

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response At least 90% of files sampled 80 to 89% of files sampled Less than 80% of files sampled

4. Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes No

5. HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes No

6. HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response At least 98% of cases sampled Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes No

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes No

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes No

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes No

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes No

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes No

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes No

Enter current FMRs and payment standards (PS)

0-BR FMR See attached 1-BR FMR See attached 2-BR FMR See attached 3-BR FMR See attached 4-BR FMR See attached
PS See attached PS See attached PS See attached PS See attached PS See attached

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes No

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes No

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes No

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes No

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes No

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

441

or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

360

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

0

Percent of FSS slots filled (b + c divided by a)

81.63

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program .

Check here if not applicable

PHA Response Yes No

66.38

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
 - (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;
- or
- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes No If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) _____

Date (mm/dd/yyyy) _____

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) _____

PHA Name Housing Opportunities Commission of Montgomery County, MD

Principal Operating Area of PHA Montgomery County, MD
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area 6.7%

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) 2,160 a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- 3,230 b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- 66.87 c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).

Is line c 50% or more? Yes No

- 2) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- _____ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes No

- 3) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- _____ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes No

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY
PAYMENT STANDARDS FY 2022**

Zip Code	Cities	0	1	2	3	4	5	6	7
20899	Gaithersburg	957	990	1155	1518	1881	2163	2445	2727
21797	Woodbine	1122	1320	1639	2123	2442	2808	3175	3541
20842	Dickerson	1133	1144	1309	1661	1991	2290	2588	2887
20839	Beallsville	1386	1408	1606	2046	2442	2808	3175	3541
20912	Takoma Park	1386	1408	1606	2035	2442	2808	3175	3541
20838	Barnesville	1452	1474	1683	2134	2563	2947	3332	3716
21771	Mount Airy	1452	1584	1892	2431	2849	3276	3704	4131
20872	Damascus	1529	1551	1771	2244	2695	3099	3504	3908
20705	Beltsville	1551	1584	1804	2288	2739	3150	3561	3972
20901	Silver Spring	1551	1573	1793	2266	2728	3137	3546	3956
20853	Rockville (Shared w/ RHE)	1595	1617	1848	2343	2805	3226	3647	4067
20886	Montgomery Village	1595	1617	1848	2343	2805	3226	3647	4067
20707	Laurel	1628	1661	1892	2398	2871	3302	3732	4163
20903	Silver Spring	1628	1661	1892	2398	2871	3302	3732	4163
20877	Gaithersburg	1650	1683	1914	2420	2904	3340	3775	4211
20777	Highland	1672	1903	2332	3014	3476	3997	4519	5040
20879	Gaithersburg	1727	1760	2002	2530	3047	3504	3961	4418
20880	Washington Grove	1727	1760	2002	2541	3047	3504	3961	4418
20874	Germantown	1738	1771	2013	2552	3058	3517	3975	4434
20902	Silver Spring	1749	1771	2024	2563	3080	3542	4004	4466
20906	Silver Spring	1749	1771	2024	2563	3080	3542	4004	4466
20824	Bethesda	1760	1782	2035	2574	3091	3555	4018	4482
20825	Chevy Chase	1760	1782	2035	2574	3091	3555	4018	4482
20827	Bethesda	1760	1782	2035	2574	3091	3555	4018	4482
20830	Olney	1760	1782	2035	2574	3091	3555	4018	4482
20847	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20848	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20849	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20851	Rockville (Shared w/ RHE)	1760	1782	2035	2574	3091	3555	4018	4482
20859	Potomac	1760	1782	2035	2574	3091	3555	4018	4482
20875	Germantown	1760	1782	2035	2574	3091	3555	4018	4482
20883	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20884	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20885	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20891	Kensington	1760	1782	2035	2574	3091	3555	4018	4482
20898	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20907	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20911	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20913	Takoma Park	1760	1782	2035	2574	3091	3555	4018	4482
20914	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20915	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20916	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20918	Silver spring	1760	1782	2035	2574	3091	3555	4018	4482
20904	Silver Spring	1771	1804	2057	2607	3124	3593	4061	4530
20876	Germantown	1804	1837	2090	2651	3179	3656	4133	4610
20878	Gaithersburg	1826	1859	2112	2673	3212	3694	4176	4657
20895	Kensington	1837	1870	2134	2706	3245	3732	4219	4705
20837	Poolesville	1848	1881	2145	2717	3256	3744	4233	4721
20866	Burtonsville	1848	1881	2145	2717	3256	3744	4233	4721
20868	Spencerville	1859	1892	2156	2728	3278	3770	4261	4753
20905	Silver Spring	1859	1892	2156	2728	3278	3770	4261	4753
20832	Olney	1936	1969	2244	2838	3410	3922	4433	4945
20882	Gaithersburg	1958	2002	2277	2882	3465	3985	4505	5024
20855	Derwood (Shared w/ RHE)	1991	2024	2310	2926	3509	4035	4562	5088
20910	Silver Spring	1991	2024	2310	2926	3509	4035	4562	5088
20861	Ashton	2002	2035	2321	2937	3531	4061	4590	5120
20896	Garrett Park	2013	2046	2332	2959	3553	4086	4619	5152
20860	Sandy Spring	2035	2068	2354	2981	3575	4111	4648	5184
20814	Bethesda	2068	2101	2398	3036	3641	4187	4733	5279
20852	Rockville (Shared w/ RHE)	2101	2134	2431	3080	3696	4250	4805	5359
20850	Rockville (Shared w/ RHE)	2123	2167	2464	3124	3740	4301	4862	5423
20871	Clarksburg	2167	2211	2519	3190	3828	4402	4976	5551
20815	Chevy Chase	2211	2255	2563	3245	3894	4478	5062	5646
20817	Bethesda	2233	2266	2585	3267	3927	4516	5105	5694
20862	Brinklow	2244	2321	2684	3410	4059	4668	5277	5886
20816	Bethesda	2299	2332	2662	3366	4048	4655	5262	5870
20812	Glen Echo	2354	2398	2728	3454	4147	4769	5391	6013
20818	Cabin John	2354	2387	2728	3454	4147	4769	5391	6013
20833	Brookeville	2376	2420	2761	3498	4191	4820	5448	6077
20841	Boyd's	2541	2585	2948	3729	4477	5149	5820	6492
20854	Potomac (Shared w/ RHE)	2541	2585	2948	3729	4477	5149	5820	6492

- Veterans Affairs Supportive Housing (“VASH”),
- HCV Homeownership,
- Single Room Occupancy (“SRO”), and
- Moderate Rehabilitation Program (“MR”).

HUD published the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency (“FSS”) Program on May 17, 2022, effective June 16, 2022. The final rule mandates numerous changes to the FSS program that must be implemented no later than November 14, 2022. HOC must update the FSS Action Plan, that describes the policies and procedures used to operate the FSS program by September 30, 2022. Changes to the FSS Action Plan require HUD approval.

The *regulatory changes* to the FSS Program include: i) updating the mandatory size of a Public Housing Authority’s (“PHAs”) required FSS Program, ii) allowing family members other than the Head of Household to execute the FSS Contract of Participation (“CoP”), iii) changing the term of the CoP, iv) amending the management of the escrow account including forfeiture of the escrow funds, and v) making changes to portability provisions. The aforementioned requirements are documented in the proposed FSS Action Plan. The final rule also allows Project-Based Voucher Rental Assistance (“PBRA”) Owners to administer FSS Programs.

The FSS Action Plan provides details about operations, program participants, supportive services, as well as the Agency’s strategy to help low-income families increase their earned income and eliminate their need for welfare assistance. The FSS Action Plan must also address the implementation of *discretionary policies*, for HUD to determine the soundness of the program. As such, staff recommend approval of the policies and procedures outlined in the FSS Action Plan, which are safe harbor or FSS best practices.

A high level overview of the discretionary policies that staff recommend include:

Chapter 1 – FSS Introduction

- HOC will review and update the action plan at least once per year to reflect regulatory & operational changes

Chapter 2 - Purpose, Scope and Applicability of the FSS Program

- Maintaining its Mandatory Minimum Program Size (“MMPS”) of 441 families. HOC can reduce the program size by one for each family that graduates from the program. Additionally, HOC can choose to operate an FSS program of a larger size than its MMPS.
- HOC will not enter into a Cooperative Agreement with Multi-Family owners to voluntarily make its FSS program available to those owner’s residents.

Chapter 3 – Program Administration

- HOC will utilize a combination of HCV Administrative Fees and grant funds from Montgomery County Government to pay for FSS salaries not covered in the FSS grant.

- HOC will not use Unrestricted Net Position funds to pay for supportive services. HOC will use forfeited escrow account funds and refer FSS families to partnering agencies for supportive services.
- HOC will use forfeited escrow account payments for FSS participants in good standing, as requested to complete an interim goal or task in the Individual Training and Service Plan (“ITSP”).
- HOC will prioritize funds from the forfeited escrow accounts on a first come first served basis, based on the date/time of the request.
- HOC will seek assistance from the Resident Advisory Board (“RAB”) in identifying potential members to serve on the Program Coordinating Committee (“PCC”).

Chapter 4 – Selecting and Serving FSS Families

- HOC will offer monthly case management, information and referrals, educational workshops, priority in homeownership programs & escrow accounts, as incentives to join the FSS program.
- HOC will conduct outreach efforts in English and Spanish. Upon request, translation in other languages will be made available.
- HOC will establish a wait list for the FSS Program when enrollment exceeds 400 participants. Applicants will be selected for program participation in the order of the date/time of the application submission.
- HOC will conduct motivational screening for interest in the FSS program. The screening will simply require the family’s attendance of an orientation/workshop.
- HOC will deny program participation if the family owes a debt to the PHA. Families who have entered into a repayment agreement and are current in the repayment terms will not be denied participation in the FSS Program.
- HOC will allow a family to re-enroll in the FSS Program a second time if they did not successfully complete the obligations of the executed Contract of Participation (“CoP”).
- HOC will require each adult member of the household to certify their agreement as to their designated head of the FSS family.
- HOC will conduct an informal needs assessment before executing the CoP. After enrollment a formal assessment will be completed by a partnering agency.

Chapter 5 – Contract of Participation

- HOC will not terminate the FSS CoP if the family has violated the terms of the lease, if the family has requested and Informal Hearing and prevailed.
- HOC will not terminate the CoP if the family fails to meet the contract obligations for good cause.
- HOC will modify the CoP upon mutual agreement from the FSS Head of Household and the FSS Counselor.
- HOC will continue to offer supportive services to former FSS families, free of charge.
- The grievance and Informal Hearing procedures for the FSS program is the same process adopted for the HCV Program; Chapter 19 of the HOC Administrative Plan.

Chapter 6 – Escrow Account

- HOC will disburse interim payouts from the escrow account before completion of the CoP when the funds are needed to complete an interim goal or for a one-time payment. The FSS participant must be enrolled in the program for a minimum of 12 months and the amount of the withdrawal is limited to 25% of the accrued escrow.
- Before disbursing interim and final payouts, HOC will follow HUDs verification hierarchy to confirm that the FSS family has completed interim goals, the contract of participation, or is no longer a recipient of welfare assistance.
- HOC will provide FSS participants with an annual statement of their FSS escrow balance.

Chapter 7 – Portability in Housing Choice Voucher FSS Programs

- If the FSS family has established residency in Montgomery County for at least 12 months prior to admission to the HCV Program, HOC will approve the FSS family’s request to port to another jurisdiction during the first 12 months after the effective date of the CoP.

The suggested policies and procedures as outlined in Exhibit A remove arbitrary decisions and provide transparency in the administration of the FSS Program, while fostering positive relationships with external partners and customers.

As part of the process for making revisions to the FSS Action Plan, public comment is required. Accordingly, HOC will provide a 45-day public comment period, which is concluded with a public hearing on September 12, 2022, on the FSS Action Plan revisions. During the comment period, HOC will make a draft of the proposed revisions to the FSS Action Plan available on the Agency’s website as well as in hard copy form at all four of HOC’s primary offices. Also during the comment period, HOC staff will meet and discuss these proposed revisions with HOC’s Resident Advisory Board (“RAB”), seeking the RAB’s comments and endorsement of these proposed changes. Notice of the comment period and public hearing will be advertised in a local newspaper in Montgomery County.

ISSUES FOR CONSIDERATION:

Does the Administrative and Regulatory Committee wish join staff’s recommendation to the Housing Opportunities Commission of Montgomery County, to adopt revisions to HOC’s FSS Action Plan for the Housing Choice Voucher program to incorporate federally mandated program changes pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the Family Self Sufficiency Program, and authorize the Executive Director, or her designee, to implement the revisions to the FSS Action Plan for the Housing Choice Voucher Program?

TIME FRAME:

For discussion by the Administrative and Regulatory Committee at its meeting on August 1, 2022.
For formal Commission action on September 14, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Administrative and Regulatory Committee join its recommendation to the Housing Opportunities Commission of Montgomery County to adopt revisions to HOC's FSS Action Plan for the Housing Choice Voucher program to incorporate federally mandated program changes pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the Family Self Sufficiency Program, and authorize the Executive Director, or her designee, to implement the revisions to the FSS Action Plan for the Housing Choice Voucher Program.

Exhibit A

**FSS Action Plan
TABLE OF CONTENTS**

CHAPTER 1

THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

PART I: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM AND FSS ACTION PLAN.....1.1

- 1-I.A. OVERVIEW OF THE FAMILY SELF-SUFFICIENCY PROGRAM.....1.1
- 1-I.B. APPLICABLE REGULATIONS.....1.2
- 1-I.C. THE FAMILY SELF-SUFFICIENCY ACTION PLAN..... 1.2

PART II: REQUIREMENTS OF THE FSS ACTION PLAN.....1.3

- 1-II.A. OVERVIEW.....1.3
- 1-II.B. HUD APPROACH TO POLICY DEVELOPMENT.....1.3
- 1-II.C. FSS ACTION PLAN DEVELOPMENT AND REVISION.....1.4
 - Development of Action Plan [24 CFR 984.201(b) and (c)].....1.4
 - Single Action Plan [24 CFR 984.201(f)]1.4
 - Revision to the FSS Action Plan [24 CFR 984.201(c)(2)]1.4
- 1-II.D. CONTENTS OF THE PLAN [24CFR 984.201(d)]1.5
 - Optional Additional Information [24 CFR 984.201(d)(13)].1.6
- 1-II.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]1.7

**CHAPTER 2
PURPOSE, SCOPE, AND APPLICABILITY OF THE
FAMILY SELF-SUFFICIENCY PROGRAM**

PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM.....2.2
 2-I.A. PURPOSE.....2.2
 2-I.B. PROGRAM OBJECTIVES [24 CFR 984.102].....2.2
 2-I.C. BASIC REQUIREMENTS OF THE FSS PROGRAM [24 CFR 984.104]2.2

PART II: SCOPE OF THE FSS PROGRAM..... 2.3
 2-II.A. HOUSING-ASSISTED FAMILIES ELIGIBLE TO PARTICIPATE IN FSS ... 2.3
 2-II.B. PHAs REQUIRED TO OPERATE AN FSS PROGRAM..... 2.3
 Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]..... 2.3
 2-II.C. COOPERATIVE AGREEMENTS [24 CFR 984.106]..... 2.4
 2-II.D. ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]..... 2.4
 2-II.E. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS
 [24 CFR 984.201(d)(3)] 2.5
 2-II.F. ELIGIBILITY OF A COMBINED PROGRAM [24 CFR 984.201(e)] 2.5

PART III: PROGRAM OPERATION..... 2.6
 2-III.A. OVERVIEW 2.6
 2-III.B. PROGRAM IMPLEMENTATION DEADLINE..... 2.6
 Voluntary Program [24 CFR 984.301(a)] 2.6
 2-III.C. TIMETABLE FOR PROGRAM IMPLEMENTATION
 [24 CFR 984.201(d)(13)] 2.6

PART IV: DEFINITIONS 2.8
 2-IV.A. DEFINITIONS [24 CFR 984.103] 2.8

**CHAPTER 3
PROGRAM ADMINISTRATION**

PART I: STAFFING, FEES AND COSTS, AND ON-SITE FACILITIES 1

 3-I.A. OVERVIEW..... 3.2

 3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS [24
CFR 984.301(b)]..... 3.2

 3-I.C. FSS PROGRAM COORDINATOR RESPONSIBILITIES 3.2

 Primary Role of the FSS Program Coordinator 3.2

 3-I.D. ADMINISTRATIVE FEES AND COSTS 3.3

 Section 8 FSS Program 3.3

 3-I.E. SUPPORTIVE SERVICES FEES AND COSTS..... 3.3

 Section 8 FSS Supportive Services..... 3.3

 3-I.F. USE OF FORFEITED ESCROW ACCOUNTS FUNDS 3.4

 3-I.G. ON-SITE FACILITIES 3.5

PART II: PROGRAM COORDINATING COMMITTEE 3.6

 3-II.A. OVERVIEW 3.6

 3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP 3.6

 Required PCC Membership [24 CFR 984.202(b)(1)]..... 3.6

 Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)] 3.6

 Recommended PCC Membership [24 CFR 984.202(b)(2)] 8

 3-II.C. ALTERNATIVE PCC COMMITTEE [24 CFR 984.202(c)] 8.7

EXHIBIT 3-1: CHART FOR DETERMINING PCC MEMBERSHIP 3.8

**CHAPTER 4
SELECTING AND SERVING FSS FAMILIES**

PART I: INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE.....	4.2
4-I.A. OVERVIEW.....	4.2
4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)].....	4.3
4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)].....	4.4
4-I.D. ASSURANCE OF NONINTERFERENCE WITH THE RIGHTS OF NONPARTICIPATING FAMILIES [24 CFR 984.201(d)(10)].....	4.5
PART II: FAMILY SELECTION	4.6
4-II.A. OVERVIEW	4.6
4-II.B. FSS SELECTION PREFERENCES	4.6
4-II.C. SELECTION FACTORS	4.7
Motivation Selection Factors [24 CFR 984.203(d)(1)].....	4.8
Other Selection Factors.....	4.8
4-II.D. SELECTION OF HEAD OF HOUSEHOLD.....	4.9
PART III: ACTIVITIES AND SUPPORT SERVICES	4.10
4-III.A. OVERVIEW	4.10
4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS [24 CFR 984.201(d)(8)].....	4.10
4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION [24 CFR 984.201(d)(7)].....	4.11
4-III.D. CERTIFICATION OF COORDINATION [24 CFR 984.201(D)(12)].....	4.14

**CHAPTER 5
CONTRACT OF PARTICIPATION**

PART I: OVERVIEW AND FAMILY OBLIGATIONS..... 5.1

 5-I.A. OVERVIEW..... 5.1

 5-I.B. CONTENTS OF THE CONTRACT OF PARTICIPATION 5.2

 Individual Training and Services Plan..... 5.2

 5-I.C. FAMILY OBLIGATIONS 5.2

 Compliance with Lease Terms [24 CFR 984.303(b)(3)] 5.2

 Employment Obligation [24 CFR 984.303 (b)(4)] 5.3

 5-I.D. CONSEQUENCES OF NONCOMPLIANCE WITH THE CONTRACT 5.3

PART II: CONTRACT SPECIFICATIONS 5.6

 5-II.A. OVERVIEW 5.6

 5-II.B. CONTRACT TERM [24 CFR 984.303(c)]..... 5.6

 Contract Extension [24 CFR 984.303(d)]..... 5.6

 5-II.C. MODIFICATION OF THE CONTRACT 5.6

 5-II.D. COMPLETION OF THE CONTRACT 5.7

 5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE..... 5.7

 5-II.F. TERMINATION OF THE CONTRACT 5.7

 Termination of the Contract with Escrow Distribution
[24 CFR 984.303(k)]..... 5.8

 Termination of the Contract without Escrow Distribution
[24 CFR 984.303(h)]..... 5.8

 5-II.G. OPTION TO WITHHOLD SUPPORTIVE SERVICE
[24 CFR 984.303(b)(5)(i)] 5.8

 5-II.H. PHA OBLIGATION TO MAKE GOOD FAITH EFFORT TO REPLACE
UNAVAILABLE SUPPORT SERVICES [24 CFR 984.303(e)]..... 5.9

 5-II.I. GRIEVANCE PROCEDURES 5.9

**CHAPTER 6
ESCROW ACCOUNT**

PART I: THE ESCROW ACCOUNT 6.1

 6-I.A. OVERVIEW..... 6.1

 6-I.B. CALCULATING THE FSS CREDIT AMOUNT 6.2

 Determination of Baseline Annual Earned Income and Baseline Monthly Rent 6.2

 Determination of the Escrow Credit 6.2

 Determination of Escrow Credit for Families Who Are Not Low Income..... 6.2

 Increases in FSS Family Income [24 CFR 984.304] 6.2

 Cessation of FSS Credit [24 CFR 984.305(b)(4)] 6.2

 6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS 6.3

 Disbursement Before Completion of Contract 6.3

 Disbursement at Completion of Contract [24 CFR 984.305(c)(1) and 24 984.305(c)(2)(i)]..... 6.3

 Disbursement at Contract Termination [24 CFR 984.305(c)(3)]..... 6.4

 Verification of Family Certification at Disbursement 6.4

 Succession to FSS Account [24 CFR 984.305(d)]..... 6.4

 6-I.D. USE OF FSS ACCOUNT FUNDS FOR HOMEOWNERSHIP 6.5

 6-I.E. USE OF FORFEITURE OF FSS ACCOUNT FUNDS 6.5

 Treatment of Forfeited FSS Account Funds 6.5

PART II: ESCROW FUND ACCOUNTING AND REPORTING 6.6

 6-II.A. OVERVIEW 6.6

 6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS..... 6.6

 Crediting the Escrow Account [24 CFR 984.305(a)(2)(i)] 6.6

 Proration of Investment Income [24 CFR 984.305(a)(2)(ii)] 6.6

 Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii)] 6.6

 6-II.C. REPORTING ON THE FSS ACCOUNT 6.7

CHAPTER 7
PORTABILITY IN SECTION 8 FSS PROGRAMS

PART I: PORTABILITY IN THE FSS PROGRAM	7.1
7-I.A. OVERVIEW.....	7.1
7-I.B. DEFINITIONS	7.2
7-I.C. RESIDENCY REQUIREMENTS	7.3
7-I.D. PORTABILITY REQUIREMENTS FOR FSS PARTICIPANTS	7.3
Receiving PHA Administers an FSS Program [24 CFR 984.306(b)].....	7.3
Receiving PHA Does Not Administer an FSS Program [24 CFR 984.306(c)] ...	7.3
Single Contract of Participation.....	7.5
Termination of FSS contract and Forfeiture of Escrow Account [984.306(e)] ...	7.5
7-I.E. NEW FSS ENROLLMENT INTO RECEIVING PHA’S FSS PROGRAM	7.7
Administering and Billing of the Voucher.....	7.7
Absorption of the Voucher.....	7.7
PART II: REPORTING	7.8
7-II.A. OVERVIEW	7.8
7-II.B. CONTENTS OF THE FSS REPORT [24 CFR 984.401].....	7.8
7-II.C. FAMILY SELF-SUFFICIENCY GRANT PROGRAM REVIEW	
PHA SELF-ASSESSMENT	7.8

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 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). In 2018, expansive changes were made to the FSS program by the Economic Growth, Regulatory Relief, and Consumer Protection Act known as “the Economic Growth Act” or “the Act.”

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 Opportunities Commission (“HOC”)** for the jurisdiction of **Montgomery County, MD.**

1-I.B. APPLICABLE REGULATIONS

Applicable regulations for Section 8 and public housing 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 conducting 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 the PHA 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.

The PHA 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 comply with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all Section 8 and public housing 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 the PHA has regulatory discretion, or regarding 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 the PHA 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).

For all voluntary or mandatory FSS programs, the PHA 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 the PHA 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 the PHA decides to submit one plan for more than one program, the policies contained in the action plan would apply to both programs.

PHA Policy

HOC is implementing a Section 8 FSS program, which may include tenant-based and project-based Section 8, HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, Family Unification Program (FUP), Emergency Housing Voucher (EHV), and Foster Youth to Independence Initiative (FYI). The PHA will submit one action plan, the policies in which apply to the Housing Choice Voucher program.

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 the PHA proposes to make policy changes to the action plan, increase the size of a voluntary program, or revise the FSS action plan as needed to comply with changes in HUD regulations. The PHA must submit any changes to the action plan to HUD for approval.

PHA Policy

HOC 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 the PHA 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 the PHA 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 the PHA will take to ensure that both minority and nonminority groups are informed about the FSS program, and how the PHA 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 the PHA will identify the needs and deliver the services. (Chapter 4)
- A description of the PHA's policies regarding program termination or withholding of services based on 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 Section 8 or public housing program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)
- A timetable for implementation of the FSS program, including the schedule for filling FSS slots with eligible FSS families. (Chapter 2)

- A certification that development of the services and activities under the FSS program has been coordinated with programs under Title I of the Workforce Innovation and Opportunity Act, other relevant employment, childcare, transportation, training, education, and financial empowerment programs in the area, and will continue to be coordinated to avoid duplication of services and activities.

Optional Additional Information [24 CFR 984.201(d)(13)].

- HUD encourages additional information in the action plan that would help to determine the soundness of the PHAs proposed FSS program.

PHA Policy

HOC will submit additional optional information in this action plan that will help HUD determine the soundness of the proposed FSS program.

This information includes:

Policies related to the modification of goals in the ITSP. (Chapter 5)

Policies on the circumstances in which an extension of the contract of participation may be granted. (Chapter 5)

Policies on the interim disbursement of escrow, including any limitations on the use of the funds. (Chapter 6)

Policies regarding eligible uses of forfeited escrow funds by families in good standing. (Chapter 6)

Policies regarding the re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)

Policies on requirements for documentation for goal completion. (Chapter 4)

Policies on documentation of the household's designation of the "head of FSS family." (Chapter 4)

Policies for providing an FSS selection preference for porting families if the PHA elects to offer such a preference. (Chapter 7)

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 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.

PHA Policy

Families in FSS	Total Families	Percent of Total
All Families	358	100%
Single	336	94%
Female HOH	323	90%
Male HOH	35	10%
Race	358	100%
White	33	9%
Black/African American	323	90%
American Indian/Alaska Native	0	0%
Asian	2	1%
Native Hawaiian/Other Pacific Islander	0	1%
Ethnicity	358	100%
Hispanic or Latino	27	8%
Not Hispanic or Latino	331	92%
Income		
Extremely Low-Income	171	48%
Very Low-Income	51	14%
Low-Income	4	0%
HOH Income from Wages	226	63%
Other Member Income from Wages	64	18%
HOH Income from TANF	15	4%
Other Member Income from TANF	1	0%
HOH Income from SSI	27	8%
Other Member Income from SSI	20	8%
Number of Children		
0	100	28%
1-2	175	49%
3-4	71	20%
5 or more	40	11%

Total Number of Family Members		
1-2	139	39%
3-4	153	43%
5 or more	66	18%
Persons with Disabilities	59	16%
HOH Person w/ Disabilities (HUD)	39	11%
Family Members w/ Disabilities	20	6%

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 housing assistance programs eligible to participate in FSS, 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 voluntary FSS program implementation.

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.

Activity	Month and Date
Begin Contracting	Completed
Complete Contracting	Completed

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 Housing Choice Voucher and public housing assistance programs 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, the PHA 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

HOC'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, which pays a "living wage." This wage would pay for the family's basic needs without the use of government subsidies.

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 housing 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, 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, HOC 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 long-term 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. HOUSING-ASSISTED FAMILIES ELIGIBLE TO PARTICIPATE IN FSS

The Housing Choice Voucher and public housing programs through which families are eligible to participate in the FSS program was expanded by the 2018 Economic Growth Act to allow participants in HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, and Family Unification Program (FUP), including the Foster Youth to Independence (FYI) Initiative.

2-II.B. 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 Housing Choice Voucher rental certificates or vouchers under the combined FY 1991/1992 FSS incentive award competition also must operate a Housing Choice Voucher FSS program.

In addition, unless the PHA 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 Housing Choice Voucher 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.

Every PHA that was required to administer an FSS program on May 24, 2018 (the enactment date of the Economic Growth, Regulatory Relief, and Consumer Protection Act), must continue to operate that FSS program for the total number of families determined by HUD on that date unless the PHA receives an exception as described in 24 CFR 984.105(d).

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

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

PHA Minimum Program Size

As determined by HUD as of May 24, 2018, the PHA's FSS MMPS is **441**.

Maintaining Mandatory Minimum Program Size

Although the discretion to do so ultimately rests with the PHA, mandatory minimum program size can decrease as FSS participants successfully complete the program. Per the regulation, for each family that completes the program by fulfilling its FSS contract of participation on or after May 24, 2018, the mandatory minimum program size for a PHA's FSS program is reduced by one slot. However, if an FSS slot is vacated by a family that has not completed its FSS contract of participation obligations, the slot must be filled by a replacement family which has been selected in accordance with the FSS family selection procedures [24 CFR 984.105(b)(2)].

PHA Policy

HOC will not reduce the FSS mandatory minimum program size by one for each family that completes the program by fulfilling its FSS contract of participation.

Option to Operate Larger FSS Program

A PHA may choose to operate an FSS program of a larger size than the minimum required by HUD [24 CFR 984.105(a)(3)].

PHA Policy

HOC will not operate an FSS program of a larger size than its mandatory minimum program size.

Exception to Program Operation [24 CFR 984.105(c)]

The requirement to establish and carry out an FSS program may be waived with approval from HUD. In order to waive the requirement, the PHA must provide a certification to HUD that the establishment and operation of an FSS program is not feasible because of a lack of accessible supportive services funding, a lack of the availability of programs under the Workforce Innovation and Opportunity Act, a lack of funding for reasonable administrative costs, a lack of cooperation by other units of state or local government, or a lack of interest in participating in the FSS program on the part of eligible families.

An exception will not be granted if HUD determines that local circumstances do not preclude the PHA from effectively operating an FSS program that is smaller than the minimum program size.

Reduction in Program Size

Rather than a full exception to program operation, a PHA may also be permitted to operate an FSS program that is smaller than the minimum program size. As with the full exception, HUD may grant the PHA such a partial exception if the PHA provides to HUD a certification that the operation of an FSS program of the minimum program size is not feasible because of a decrease in or lack of accessible supportive services [24 CFR 984.105(d)].

Expiration of Exception

The approval for a full or partial exception to the FSS minimum program size requirement expires five years from the date of HUD approval of the exception. If a PHA seeks to continue an exception after its expiration, the PHA must submit a new request and a new certification to HUD for consideration [24 CFR 984.105(e)].

2-II.C. COOPERATIVE AGREEMENTS [24 CFR 984.106]

A PHA may enter into a Cooperative Agreement with one or more multifamily-assisted housing owners to voluntarily make the PHA's FSS program available to the owner's housing tenants. The Cooperative Agreement must include all the requirements for such agreements found in 24 CFR 984.106 and 24 CFR 887.107.

PHA Policy

HOC will not enter into a Cooperative Agreement with multifamily-assisted housing owner(s) to voluntarily make its FSS program available to those owner's housing residents:

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

The PHA 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.

PHA Policy

441 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.E. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201(d)(3)]

If applicable, the PHA 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

HOC administers Family Unification Program vouchers (FUP) and Veteran Affairs Supportive Housing Vouchers (VASH). HOC expects for 4 program participants of the Family Program Voucher and 24 program participants of Veteran Affairs Supportive Housing program to enroll into FSS.

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

A PHA that wishes to operate a joint FSS program with other PHAs or owners of multifamily-assisted housing may combine its resources with one or more of these entities 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

HOC 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 the PHA is expected to have attained full enrollment. A timetable illustrating when the PHA 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)]

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.).

2-III.C. TIMETABLE FOR PROGRAM IMPLEMENTATION [24 CFR 984.201(d)(13)]

A timetable for implementation of the FSS program is part of the required contents of the FSS action plan.

PHA Policy

For voluntary programs, the PHA will implement the FSS program within one year from the date of approval of either the FSS action plan by the HUD field office, or within the time identified in the applicable FSS funding contract with HUD.

For mandatory FSS programs, the PHA has the obligation to continue to fill their mandatory FSS slots effective May 24, 2018, as determined by the HUD field office.

The PHA will implement its FSS program according to the following timetable:

Activity	Month and Date
Update PCC	10/31/22
Conduct Program Needs Assessment	Completed
Resource Identification	Completed
Establish Policies	Completed
Design Service Delivery	Completed
Update Administrative Procedures	10/31/22
Begin Service Delivery	Completed
Conduct Outreach	Completed
Conduct Orientations	Completed
Conduct Individual Needs Assessment	Completed

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 *Housing Choice Voucher*, 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.

Baseline annual earned income means the FSS family's total annual earned income from wages and business income (if any) as of the effective date of the FSS contract. When calculating baseline annual earned income, all applicable exclusions of income must be applied, *except for* any disregarded earned income or other adjustments associated with self-sufficiency incentives that may apply to the determination of annual income.

Baseline monthly rent means 1) the FSS family's total tenant payment (TTP), as of the effective date of the FSS contract, for families paying an income-based rent as of the effective date of the FSS contract; or 2) the amount of the flat or ceiling rent (which includes the applicable utility allowance), and including any hardship discounts, as of the effective date of the FSS contract. For families paying a flat or ceiling rent this is as of the effective date of the FSS contract.

PHA Policy

Benefits means a government benefit of money or monetary value given to an individual by a federal, state, or local government agency for purposes of financial assistance, including but not limited to, Medicaid, supplemental nutritional assistance program benefits and Social Security, Temporary Assistance for Needy Families, and unemployment compensation benefits.

PHA Policy

Benefits cliff means the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. When income increases, families sometimes lose some or all economic supports.

PHA Policy

Certain interim goals means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date.

Certification means a written assertion based on supporting evidence, provided by the FSS family or the PHA or owner, which must be maintained by the PHA or owner in the case of the family's certification, or by HUD in the case of the PHA's or owner's certification. These must be made available for inspection by HUD, the PHA or owner, and the public, when appropriate. In addition, these will be considered accurate unless the Secretary or the PHA or owner, as applicable, 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 FSS 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 in between the PHA 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.

Current annual earned income means the FSS family's total annual earned income from wages and business income (if any) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract. When calculating current annual earned income, all applicable exclusions of income will apply, including any disregarded earned income and other adjustments associated with self-sufficiency incentives or other alternative rent structures that may be applicable to the determination of annual income.

Current monthly rent means either the FSS family's TTP as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying an income-based rent as of the most recent reexamination of income; or the amount of the flat rent, including applicable utility allowance or ceiling rent. This amount must include any hardship discounts, as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying a flat rent or ceiling rent as of the most recent reexamination of income.

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 the PHA entered into the contract of participation.

Eligible families for the FSS program means current participants in Housing Choice Voucher, residents of public housing, or residents in multifamily-assisted housing if a Cooperative Agreement exists.

PHA Policy

Enhance the effectiveness of the FSS program means a demonstrable improvement in the quality of an FSS program in which the enrollment ratio, escrow balance average, and graduation rate is at or above the national average as measured in HUD's Composite Scores in FR Notice 11/15/18.

Enrollment means the date that the FSS family entered 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 escrow account means the FSS escrow account authorized by section 23 of the 1937 Act.

FSS escrow credit means the amount credited by the PHA to the participating family's FSS account.

FSS family means a family that receives Housing Choice Voucher assistance or resides in public housing (section 9), that elects to participate in the FSS program, and whose designated adult member (head of FSS family) has signed the CoP.

FSS family in good standing means an FSS family that is in compliance with their FSS CoP, has either satisfied or are current on any debts owed the PHA or owner, and is in compliance with the regulations in 24 CFR Part 5 regarding participation in the relevant rental assistance program.

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 Housing Choice Voucher and public housing FSS program.

FSS Program Coordinator means the person(s) who runs 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; collaborating with the community and service partners; and tracking program performance.

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

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.

Individual Training and Services Plan (ITSP) means a written plan that is prepared by the PHA or owner in consultation with a participating FSS family member (the person with for and whom the ITSP is being developed), and which describes the final and interim goals for the participating FSS family member, the supportive services to be provided to the participating FSS family member, the activities to be completed by that family member, and the agreed upon completion dates for the goals, and activities. Each ITSP must be signed by the PHA or owner and the participating FSS family member and is attached to and incorporated as part of the CoP. An ITSP must be prepared for each adult family member who elects to participate in the FSS program, including the head of FSS family who has signed the CoP.

PHA Policy

Knowledgeable professional means a person who is knowledgeable about the situation, has training, education, certification, or licensure provided by recognized professional associations and institutions that legitimizes their professional opinion, is competent to render a professional opinion, and is not able to gain, monetarily or otherwise, from the PHA FSS program decision in the area to which they are certifying.

Multifamily-assisted housing, also known as project-based rental assistance (PBRA), means rental housing assisted by a Housing Choice Voucher Housing Payments Program, pursuant to 24 CFR Parts 880, 881, 883, 884, and 886.

PHA Policy

Other costs related to achieving obligations in the contract of participation means any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP.

Owner means the owner of multifamily-assisted housing.

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 Housing Choice Voucher of the 1937 Act.

Housing Choice Voucher means assistance provided under Housing Choice Voucher of the 1937 Act (42 U.S.C. 1437f). Specifically, multifamily-assisted housing, as defined in this section; tenant-based and project-based rental assistance under Housing Choice Voucher(o) of the 1937 Act; the HCV homeownership option under Housing Choice Voucher(y) of the 1937 Act; Family Unification Program (FUP) assistance under Housing Choice Voucher(x) of the 1937 Act; and the Housing Choice Voucher Moderate Rehabilitation (Mod Rehab) for low-income families and Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) for homeless individuals under 24 CFR part 882.

Self-sufficiency means that an FSS family is no longer receiving Housing Choice Voucher, public 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.

PHA Policy

Supports means, but is not limited to, transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator.

Supportive services mean those appropriate services that a PHA will coordinate on behalf of an FSS family under a CoP. 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; 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; and personal welfare services that include substance/alcohol abuse treatment and counseling, and health, dental, mental health and health insurance services; 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 financial empowerment that may include financial literacy, coaching, asset building, money management; and any other services and resources, including case management and reasonable accommodations for individuals with disabilities, that the PHA may determine to be appropriate in assisting FSS families to achieve economic independence and self-sufficiency.

Unit size or *size of unit* refers to the number of bedrooms in a dwelling unit.

Very low-income family is defined as set out in 24 CFR 813.102

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 non-recurrent, 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 in all FSS programs other than multifamily housing assistance. 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 to keep the program running smoothly. Finally, PHAs need to sort out whether and how to make common areas or unoccupied units available 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 the PHA should choose to employ its own staff, the staffing levels should be appropriate, and may include one or more FSS coordinators. If the PHA chooses to contract with an outside organization, the organization's staffing levels must likewise be appropriate to establish and administer the FSS program, and whether the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

PHA Policy

HOC will employ appropriate staff, including one FSS Program Coordinator and one or more FSS Counselors to administer its FSS program.

3-I.C. FSS PROGRAM COORDINATOR RESPONSIBILITIES

Primary Role of the FSS Program Coordinator

The FSS Program Coordinator is responsible for building partnerships with service providers in the community, working with the Program Coordinating Committee (PCC) and local service providers to ensure that FSS program participants are linked to the supportive services they need to achieve self-sufficiency, preparing an Individual Training and Services Plan (ITSP) for the head of the FSS family and each adult member of the FSS family who elects to participate in the FSS program, making certain that the services included in the participants' CoP are provided on a regular, ongoing, and satisfactory basis, ensuring FSS participants are fulfilling their responsibilities under the CoPs, monitoring progress of participants, and establishing and properly maintaining FSS escrow accounts for eligible families. FSS coordinators may also provide outreach, recruitment, goal setting, case management and coaching for FSS participants, and tracking of FSS program performance.

FSS Program Coordinators funded under the FSS Coordinator Notice of Funding Opportunity (NOFO) may not perform the routine public housing or Section 8 program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds unless doing so would enhance the effectiveness of the program. If conducting these functions would enhance the effectiveness of the FSS program, the PHA must seek prior approval from HUD of those enhancements to the FSS program and certify that doing so will neither interfere with the FSS Coordinator's ability to fulfill their primary role nor be used to balance or fill in for gaps in traditional staffing.

Performance of routine Section 8 or public housing functions for non-FSS families does not enhance the effectiveness of the FSS program and is therefore an ineligible use of FSS funds [2021 FSS NOFO, p. 36].

PHA Policy

HOC will not require the FSS Program Coordinator or FSS Counselors to perform the routine Housing Choice Voucher program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees.

3-I.D. ADMINISTRATIVE FEES AND COSTS

The Consolidated Appropriations Act of 2014 combined funding streams for the Housing Choice Voucher and public housing FSS programs. FSS funding is now awarded through one NOFO. Use of this funding is no longer restricted to the applicable program and funding now may be used to serve both Housing Choice Voucher and public housing FSS participants. Funding for FSS Coordinators salary, benefits, and training as well as limited administrative costs is awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), rather than as an amendment to the PHA's Annual Contributions Contract (ACC). These funds are separate from other available funds that may be used.

Section 8 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].

See 24 CFR 982.152 and PIH 2022-18 for details on the eligible use of administrative fees.

PHA Policy

HOC does not have a Public Housing program. HOC will make Housing Choice Voucher administrative fees and grant funds from Montgomery County Government available as needed to provide administrative costs under the Housing Choice Vouchers FSS program.

3-I.E. SUPPORTIVE SERVICES FEES AND COSTS

Section 8 FSS Supportive Services

In the Housing Choice Voucher program, the PHA may fund reasonable and eligible FSS supportive service costs in the FSS program from unrestricted net position [see Notice PIH 93-24, E-3].

The PHA may seek additional funds from HUD through submitting grant applications or seek grants from other sources when available.

In addition to unrestricted net position and other grant sources, the FSS forfeited escrow account can fund FSS supportive services. See Section 6-I.E. for eligible supportive services costs.

PHA Policy

HOC will not make funds available to provide supportive service costs under the Housing Choice Voucher FSS program in excess of the forfeited escrow account.

3-I.F. USE OF FORFEITED ESCROW ACCOUNTS FUNDS

In addition to Section 8 unrestricted net assets, public housing operating funds, and other grant sources, the FSS forfeited escrow account funds must be used for the benefit of FSS participants, which includes supports and other costs for FSS participants in good standing. HUD does not provide an exhaustive list of these supports. However, the supports include, but are not limited to, transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the contract of participation as well as training for FSS Program Coordinators.

PHA Policy

HOC will use forfeited escrow accounts for support and other costs for FSS participants in good standing when funds requested are needed to complete an interim goal or task in the ITSP and are not ongoing expenses or if the family can demonstrate that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals in the ITSP.

HOC will use forfeited escrow accounts for training provided to FSS Coordinators.

HOC will define *supports* as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s)

HOC will define *other costs related to achieving obligations in the CoP* as any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s).

HOC will define *necessary to complete* as meaning that no other resources are available in the community either because such a resource is non-existent or that resources are utilized above capacity and agencies cannot, for an undetermined period, provide such a resource.

HOC will provide funds from the forfeited escrow account to FSS participants in good standing before requiring the participant to use an “interim” disbursement from their current escrow account so long as:

The funds requested are needed to complete an interim goal or task within the CoP and are not ongoing expenses; or

If the family has demonstrated that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals.

HOC will prioritize requests for funds from forfeited escrow accounts initially on a first come first served basis based on the date and time of the request. After that order is established, while still preserving the first come first served basis, HOC will apply the following priorities:

Priority 1: Funds to meet a goal in the ITSP that is necessary to ensure the safety and wellbeing of victims of domestic violence, dating violence, sexual assault, and stalking as defined in the PHA's Section 8 Administrative Plan regarding VAWA.

Priority 2: Funds to meet a goal in the ITSP that is necessary to stabilize health, safety, and welfare of the FSS participant or family that if left unattended would jeopardize education, training, or employment.

Priority 3: Funds to meet a goal in the ITSP that is necessary to further education, training, and employment goals in the ITSP including childcare, transportation, and medical costs if the lack of any of these prevents completion of the education, training, and employment.

Priority 4: Funds to meet a goal in the ITSP that is necessary to further any other goal or tasks.

3-I.G. 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 Section 8 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 the PHA in securing commitments of public and private resources for the operation of the FSS program within the PHA's jurisdiction, including assistance in developing the action plan and in implementing the program [24 CFR 984.202(a)].

The PCC must consist of specific members, which are dependent upon whether the PHA is operating Section 8, public housing, or multifamily assisted housing FSS programs. 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)]

The PCC required members consist of representatives of the PHA, including at least one FSS Program Coordinator, and one or more participants from each HUD rental assistance program (Section 8, public housing, or multifamily assisted housing) served by the PHA's FSS program.

PHA Policy

HOC's representatives to the program coordinating committee will include the Director of the Housing Choice Voucher Program, the Director of the Resident Services Division, the FSS Program Coordinator, and one participant from the Housing Choice Voucher FSS Program.

Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)]

The PHA may seek assistance from area-wide, city-wide, or development-based resident councils, the resident management corporation, or the Resident Advisory Board, in identifying potential PCC members.

PHA Policy

HOC has no city-wide and development based resident councils or resident management corporations. HOC will seek assistance in identifying potential members of the PCC from the Resident Advisory Board.

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 the PHA, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Innovation and Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private education or training institutions, 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

HOC's FSS Program Coordinating Committee (PCC) membership will include leadership from the organizations listed in Exhibit 3-1:

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

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

PHA Policy

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

EXHIBIT 3-1: CHART FOR DETERMINING PCC MEMBERSHIP

Organization or Service Type	Organization Name	PCC Member Title
Public Housing Authority	Housing Opportunities Commission	HCV Director
		Director of Resident Services
		FSS Coordinator
		FSS Participant
GED and Educational Training	Montgomery College	Director of Business & Community
		Director of Educational & Opportunity Center
	Work Source Montgomery Inc.	Director of Community Engagement
		Community Engagement Manager
High School	Montgomery County Public Schools	Food & Nutrition Services Supervisor
Job Training	Montgomery College	Director of Business & Community
	Work Source Montgomery, Inc.	Director of Community Engagement

Organization or Service Type	Organization Name	PCC Member Title
Job Search, Placement, Retention	Montgomery College	Director Business & Community
	Work Source Montgomery Inc.	Director of Community Engagement
	A Wider Circle	Program Coordinator, Workforce Development
Health Care	Adventist Healthcare	Manager Community Health & Outreach
	Holy Cross Health Inc.	Coordinator, Community & Minority Outreach
	Suburban Hospital	Program Coordinator, Community Health & Wellness
	Innovative Therapeutic Services	Clinical Director
Homeownership	HOC First-Time Homebuyers Program	Homeownership Specialist
Individual Development Accounts	HOC	Financial Literacy Counselor
	Capitol Area Asset Builders (CAAB) Emmanuel Brinklow Church	Director of Programs Community Outreach Director
Social Service Funding and Coordination Organizations	A Wider Circle	Vice President

Organization or Service Type	Organization Name	PCC Member Title
Religious Organizations	Emmanuel Brinklow SDA Church Jewish Social Service Agency	Senior Pastor Community Outreach Director Community Support Services, Senior Services
Financial Institutions	PNC Bank	Vice President, Community Consultant

Chapter 4

SELECTING AND SERVING FSS FAMILIES

INTRODUCTION

FSS regulations require that the PHA 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, the PHA'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, 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 the PHA will offer and the outreach efforts the PHA will use to encourage participation and recruit eligible families for the FSS program and contains the required assurance of noninterference with the rights of nonparticipating families.

Part II: Family Selection: This part covers whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so. In addition, this part describes the selection factors the PHA 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 the PHA 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, coaching, 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 Housing Choice Voucher or public housing programs, nor will it affect their right to occupancy. This part describes the PHA'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 the PHA intends to offer eligible families to encourage their participation in the FSS program. The incentives plan provides for the establishment of the FSS escrow account and any other incentives designed by the PHA.

PHA Policy

HOC will offer the following services, as needed to complete obligations in the contract, to its FSS participants as incentives to participate in FSS.

Incentive	Provided By	Description
FSS escrow account	HOC	Individual escrow savings will be established for FSS Participants pursuant to HUD guidelines
Case management/Coaching	HOC	FSS Program Coordinator/FSS Counselors will meet with participants monthly to identify, implement and modify self-sufficiency goals
Information and referrals to services	HOC	FSS Program Coordinator/FSS Counselors will meet with participants monthly to identify barriers to self-sufficiency and provide appropriate referrals
Educational workshops	Community Partners	Ongoing collaboration with community partners and local service providers to provide monthly workshops and supportive services
Priority in homeownership programs	HOC	FSS participants & Graduates have priority in the HCV Homeownership Program as referenced in Chapter 21 of HOC’s Administrative Plan

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 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 the PHA will take to assure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known.

PHA Policy

HOC 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. Promotional materials are published in English and Spanish. Presentations include a sign language interpreter and/or a Spanish interpreter, as needed. Upon request, promotional information and translation in other languages will be made available.

Location/Activity	Staff/Partner	Method	Language
Briefings/Orientations	HOC Specialist, FSS Coordinator	Flyer Presentation	English/Spanish
Interims/Recertifications	HOC Specialist	Flyer Referral Form	English/Spanish
Transfers/Portability	HOC Specialist, FSS Coordinator	Flyer Presentation	English/Spanish
Lobby	Receptionist	Flyer Posters	English/Spanish
Waiting Room	Receptionist	Flyer Posters	English/Spanish
Telephone Calls	FSS Coordinator	Telephone Call	English/Spanish
HOC Website	HOC	FSS Program Information	English

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, the PHA'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 Housing Choice Voucher or public housing 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. Housing Choice Voucher participants will be notified in all literature and media presentations related to the FSS program that should they decide not to participate in the FSS program, it will not affect their Housing Choice Voucher. 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 the PHA will do so without regard to race, color, religion, sex (including actual or perceived gender identity), familial status, or national origin. This part describes these procedures, considering whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so, in addition to defining the factors the PHA 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, the PHA may choose whether to employ the use of preferences. If the PHA so chooses, it has the option of giving a selection preference for up to 50 percent of its FSS program slots 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 the PHA 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

HOC does not currently have a waitlist for the FSS Program. HOC will establish a waitlist when enrollment exceeds 400 participants. The waitlist will remain open. Applicants will be selected for program participation in the order of the date/time of the application submission.

The PHA may use either of the following to select among applicants on the FSS waiting list with the same preference status [24 CFR 984.203(b)]:

- Date and time of application to the FSS program; or
- A drawing or other random choice technique.

PHA Policy

HOC will use the date/time that the family expressed an interest in participating in the FSS program to fill the FSS slots.

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 the PHA screen families for admission, and ultimately contribute to the PHA's decision to either allow or deny a family's admission into the FSS program.

Motivation Selection Factors [24 CFR 984.203(d)(1)]

A PHA may screen families for interest and motivation to participate in the FSS program provided that the factors utilized by the PHA 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 or 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, abilities, or disabilities, if any. Reasonable accommodations must be made for individuals whose disability (mobility, manual, sensory, speech impairments, mental, or developmental disabilities) creates a barrier to accomplishing the tasks [24 CFR 984.203(d)(2)].

PHA Policy

HOC will screen families for interest and motivation to participate in the FSS program by assigning a meeting or workshop which is the same type of meeting or workshop for each family. The PHA will only use the fact that the family attended as a screening factor, even if tasks or exercises are not completed in the meeting. In addition, if the family needs either childcare or transportation to be able to attend, or requests an accommodation for a disability, the PHA will either refer the family to available services or exempt the family from this screening factor.

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(d)(3)].

Other Selection Factors

In addition to motivational screening, the PHA may also wish to screen families for the following additional factors.

PHA Debt Selection Factor

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

PHA Policy

HOC will deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Housing Choice Voucher 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 the PHA determines, after consulting with the family, that a missing service is essential to the family’s needs, the 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].

PHA Policy

HOC will not skip an FSS applicant if a service is unavailable. HOC will accept applicants into the FSS program, address barriers and obtain assessments and needed guidance from community partners to obtain the required service.

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

HOC will not refuse to select a family for participation in the FSS program a second time if that family previously participated and did not complete the obligations of the executed Contract of Participation

HOC will not enroll a family for participation in the FSS program a second time if that family previously participated, completed the CoP, and received a final distribution of their escrow account.

4-II.D. SELECTION OF HEAD OF HOUSEHOLD

Each eligible family that is selected to participate in an FSS program must enter a contract of participation with the PHA. There will be no more than one contract at any time for each family. There may be an ITSP for as many members of the family who wish to participate. The contract shall be signed by a representative of the PHA and the head of FSS family, as designated by the family. This head of FSS family does not have to be the same as the official head of household for rental assistance purposes [24 CFR 984.303(a)].

PHA Policy

HOC will meet with the family and detail the obligations, rights, and privileges that pertain to the FSS head of household and require each adult family member to certify their agreement as to their designated head of the FSS family. These certifications will be a permanent part of the FSS family's record and will be updated with each change of head of household.

PART III: ACTIVITIES AND SUPPORT SERVICES

4-III.A. OVERVIEW

Once families are admitted to the FSS program, the PHA 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 Housing Choice Voucher and public housing assistance 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. The PHA must make a good faith effort to replace the obtained services from another agency.

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 or coach before completion of the initial individual training and services plan and signing of the contract of participation. After enrollment in the PHA's FSS program, a formal needs assessment, including vocational assessment and counseling, educational assessment and counseling, and employment planning, is conducted by the following partners on the PCC:

- Adult basic education,
- Community college,
- WIA One Stop Center,
- DHHS.

These results are used to modify the ITSP, in mutual agreement with the family.

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 the PHA has first identified the needed activities and supportive services.

PHA Policy

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

Support Service General	Support Service Specific	Source/Partner
Assessment	Vocational Assessment Educational Assessment Vocational Planning Educational Planning Disability Assessment Disability Vocational Assessment/Planning Disability Educational Assessment/Planning	Community College Community Based Organizations Career Center Health Department
Education	High School English as a Second Language GED Post-secondary College	High School Adult Basic Education Community College University
Training	Skills Training Emerging Technologies Training Biomedical Training On-the-Job Training Functional Context Training	Adult Basic Education Community College University Community-based Organizations Workforce Innovation/American Job Centers

Support Service General	Support Service Specific	Source/Partner
Job Search Assistance	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Adult Basic Education Community College University Community-based Organizations Workforce Innovation/American Job Centers
Transportation	Bus Train Gas Cards	Metropolitan Transit
Child Care	Infant Care Toddler Care Preschool Care Afterschool Care	Child Care Resource
Financial Literacy	Financial Education Financial Coaching Debt Resolution Credit Repair	Adult Basic Education Community College University Community-based Organizations Credit Unions
Legal Services	Representation Document Review Counsel or Advice	Legal Aid
Child/Adult Protective Services ?	Needs Assessment Case Planning Information Referral Crisis Management	Senior Services Adult Services In-home Support Services Adult Abuse Hotline Child Abuse Hotline Foster Care Adoption Services
Crisis Services	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Crisis Team Senior Crisis Team Domestic Violence Shelter
Mentoring	Mentoring Match	Community College
Micro and Small Business Development	Training Planning Technical Assistance Mentoring	Small Business Administration Business Incubator

Support Service General	Support Service Specific	Source/Partner
Homeownership	Training Planning Debt Resolution	Public Housing Authority Housing Counseling Organization Community-based Organizations Local Banks/ Credit Unions

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 under title I of the Workforce Innovation and Opportunity Act, 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 to avoid duplication of activities and services.

PHA Policy

HOC certifies that its FSS program has developed its services and activities in coordination with programs under Title I of the Workforce Innovation and Opportunity Act, Workforce Investment Board and American Job Centers (also known as Workforce Centers or One Stop Career Centers), 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 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 (CoP) with the PHA. 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 the PHA, 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 of the individual training and services plan (ITSP) as part of the contract's required contents. The ITSP is meant to establish goals the FSS family will 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 the PHA. 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

There will only ever be one FSS contract of participation (CoP) at any time for each FSS family. As part of the required contents of the FSS CoP, the individual training and services plan (ITSP) establishes specific interim and final goals by which the PHA and the family measure the family's progress toward fulfilling its obligations under the contract of participation and becoming self-sufficient. Interim and final goals will differ depending on the family's individual needs. Regulations require the establishment of a final goal that includes both employment for the head of the FSS family and independence from welfare assistance for all family members regardless of age.

Interim Goals [24 CFR 984.303(b)(2)]

PHAs 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.

Individual Training and Service Plans for Other than FSS Head [24 CFR 984.103]

An individual training and services plan is required for the head of the FSS family and all adults choosing to participate. ITSPs must be prepared for each adult family member participating. ITSPs are prepared by the PHA, in consultation with the participating family member [Notice PIH 93-24, G-16.

5-I.C. FAMILY OBLIGATIONS

Compliance with Lease Terms [24 CFR 984.303(b)(3)]

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the Housing Choice Voucher or public housing lease.

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 the PHA to determine the plan of action for FSS families found in noncompliance with the lease and how the PHA will precisely define the term *comply with the lease*. All considerations allowed for other assisted residents regarding violations of the lease, must also be allowed for FSS participants.

PHA Policy

HOC will define *comply with the lease* to mean the FSS family has not been evicted for repeated or serious violations of the lease as defined in the Housing Choice Voucher Administrative Plan or if they have been evicted for repeated and serious violations of the lease, the family has pursued their right to grieve, and the family has prevailed in either the grievance hearing or the informal hearing process.

HOC's FSS program will not terminate the FSS contract of participation for failure to comply with the terms of the lease if the family has requested an Informal Hearing and prevailed in the Informal Hearing process. If the family does not prevail in the Informal Hearing process and is terminated from the HCV Program, the FSS Contract of Participation will be terminated.

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 suitable 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 searched for jobs, 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 the PHA because it does not define the level of activity involved in “seeking.”

There is no regulatory definition of *maintain suitable employment*. For this reason, it is up to the PHA to define the term. However, there can be no minimum period of time that the head of the FSS family must work.

With the agreement of the FSS family member, the PHA makes a determination of what it means to maintain suitable employment based on the skills, education, and job training of the FSS head of household, receipt of other benefits of the family member, and the available job opportunities within the jurisdiction served by the PHA. This means that the PHA must consult with the family member and agreement must be reached as to what *maintain suitable employment* is for that family member [24 CFR 984.303 (b)(4), Notice PIH 93-24, G-3].

PHA Policy

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

Maintain suitable employment is employment, on the last day of the contract, that is outlined in the individual training and service plan and is based on the skills, education, job training, and receipt of other benefits of the head of the FSS family. The PHA will require verification of this employment or enrollment.

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 Housing Choice Voucher or public housing lease), the PHA may:

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

PHAs are not permitted to terminate a family’s housing assistance due to the family’s failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

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 a reassessment of supportive services and a change in the ITSP is not successful in bringing the family in to compliance, the FSS coordinator will reassess the need for, and availability of, supportive services and refer the participant to a knowledgeable professional for a formal assessment of the challenges leading to the noncompliance.

The FSS Coordinator will use this formal assessment to identify and refer to resources that remove the challenge so the participant is able to meet their obligations outlined in the CoP.

Finally, 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, with the assistance of the FSS Coordinator, demonstrate “good cause” for the failure to meet its obligations as outlined in the CoP.

For purposes of the PHA FSS program, *good cause* includes circumstances beyond the control of the FSS family:

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;

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

Significant interruption in service delivery (over three month’s interruption),

Provider noncompliance with regulation,

Provider unable or unwilling to provide service,

Provider offering inferior service,

Active pursuit of a current or additional self-sufficiency goal;

Resolution of a barrier to employment,

Completion of a college degree or technical training,
Completion of a work-related certification,
Credit repair towards homeownership readiness.

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)]

While the term set forth in the contract of participation is for five years, contract extensions are available. According to regulation, PHAs must for "good cause" extend the term of the contract for a period not to exceed two years for any FSS family that requests an extension of the contract in writing or verbally. The family's written or verbal (documented by the FSS Coordinator) request for an extension must include a description of the need for the extension. *Good cause* means circumstances beyond the control of the FSS family, as determined by the PHA, such as a serious illness or involuntary loss of employment (further defined by PHA policy in Section 5-I.D.). Extension of the contract of participation will entitle the FSS family to continue to have amounts credited to the family's FSS account.

5-II.C. MODIFICATION OF THE CONTRACT

The contract of participation (CoP) may be modified, as long as the PHA 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 the family [24 CFR 984.303(f)]. The conditions under which the PHA will modify the contract are set forth in the policy below.

PHA Policy

In HOC's FSS program, the CoP will be modified by mutual agreement between the PHA and the FSS head of household:

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 actual end date of the CoP is determined by the effective date of the FSS family's first reexamination changes the end date of the CoP.

When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members designate another family member to be the FSS head of household and receive escrow funds.

When an FSS family moves to the jurisdiction of a receiving PHA that does not have an FSS program and the family may not continue participation in the FSS

program, and modification of the FSS contract will allow the family to complete the contract and receive an escrow disbursement or terminate the contract with escrow disbursement.

5-II.D. COMPLETION OF THE CONTRACT

By regulation, the contract of participation is considered to be completed when the head of household is employed and the FSS family has fulfilled all of its obligations under the contract of participation, including all family members' ITSPs, on or before the expiration of the contract term, including any extension thereof.

Policies on verifying completion of the contract of participation can be found in Section 6-I.C. of this action plan.

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 completed FSS family. If the family still resides in Housing Choice Voucher or public housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in Housing Choice Voucher or public housing, these supportive services would be offered for becoming self-sufficient or remaining self-sufficient. Transitional services for families who no longer reside in Housing Choice Voucher or public housing, may only be offered using sources that are not HUD funds or HUD restricted funds [24 CFR 984.303(j)].

PHA Policy

HOC will continue to offer supportive services to a former FSS family who has completed its contract of participation, and continues to receive HCV assistance. HOC will not pay for these services using HUD funds.

5-II.F. TERMINATION OF THE CONTRACT

Termination of the Contract with Escrow Distribution [24 CFR 984.303(k)]

The contract of participation will be terminated with escrow distribution before the expiration of the contract term, during any extension of the contract, or at end of the term of the contract if all obligations under such have not been met, when:

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable, as described in Section 5-II.H. of this Action Plan. This type of termination is also referred to as "nullification" in the FSS regulations at 24 CFR 984.
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family; or
- 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 and continuation of the CoP after the move or completion of the CoP prior to the move is not possible. PHAs must be

consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

Termination of the Contract without Escrow Distribution [24 CFR 984.303(h)]

The contract of participation may be terminated before the expiration of the contract term and any extension of the contract by the following:

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in a Housing Choice Voucher FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA
- 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;
- Family's withdrawal from the FSS program;
- Failure of the FSS family to meet its obligations under the contract of participation without good cause. *Good cause* for the purposes of the FSS program is also defined in Section 5-I.D. of this Action Plan;
- Such other act as is deemed inconsistent with the purpose of 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, the PHA will follow the relevant policy specified in Section 5-I.D. of this action plan.

Note: If the family is unable to meet the requirements of the contract of participation because essential services are not available, the contract is *nullified*, not terminated.

In addition, the contract of participation is automatically terminated if the family's Housing Choice Voucher assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

5-II.G. OPTION TO WITHHOLD SUPPORTIVE SERVICE [24 CFR 984.303(b)(5)(i)]

As touched upon in Section 5-I.D. of this action plan, the PHA has the option to withhold supportive services or the FSS family's participation in the FSS program if the PHA determines that the FSS family has failed to comply without good cause with the requirements of the contract of participation.

PHAs are not permitted to terminate Housing Choice Voucher assistance to a family due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

5-II.H. PHA OBLIGATION TO MAKE GOOD FAITH EFFORT TO REPLACE UNAVAILABLE SUPPORT SERVICES [24 CFR 984.303(e)]

PHAs must make an extensive good faith effort to replace services that community agencies either cannot or will not provide. If all of the steps below are exhausted without the provision of an integral service, the contract of participation can be ended ahead of time as a result. This, however, should only occur as a last resort. The PHAs good faith effort must be demonstrated by taking the following steps:

- If a social service agency fails to deliver the supportive services pledged under an FSS family member's individual training and services plan (ITSP), the PHA must make a good faith effort to obtain these services from another agency.
- If the PHA is unable to obtain the services from another agency, the PHA 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, the PHA 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, the PHA 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 shall terminate the contract of participation and follow the requirements in Section 5-II.F. of this Action Plan.

Termination of the contract of participation based on unavailability of supportive services shall never be grounds for termination of Housing Choice Voucher or public housing assistance.

5-II.I. GRIEVANCE PROCEDURES

When adverse action is taken by the PHA against a family, the PHA 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 the PHA 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 Housing Choice Voucher program in HOC's Administrative Plan, respectively. See Chapter 19 of the HOC Administrative Plan.

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 household;
- 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 either interim or final distribution of escrow account;
- Withholding of support services;
- Termination of the FSS CoP;
- Denial of request for termination with escrow;
- Denial of transitional services.

Chapter 6

ESCROW ACCOUNT

INTRODUCTION

The establishment of an escrow account is offered as a support and 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, and 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 and may become available earlier at the housing authority's option.

This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit, disbursing the funds, and 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 especially 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

Determination of Baseline Annual Earned Income and Baseline Monthly Rent

When determining the family's baseline annual earned income and the baseline monthly rent amounts for purposes of computing the FSS escrow credit, the PHA must use the amounts on the family's most recent income reexamination in effect.

For purposes of determining the FSS credit, baseline monthly rent for families paying an income-based rent is the family's Total Tenant Payment (TTP) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract.

For families in public housing who are paying either flat or ceiling rent, family rent is the amount of the flat rent (including the applicable utility allowance) or ceiling rent (including any hardship discounts) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract [24 CFR 984.103(b)].

Determination of the Escrow Credit

To calculate the FSS credit, the PHA must accurately determine the family's baseline earned income and baseline monthly rent and compare those figures with the family's current earned income and current monthly rent. The FSS credit is the lesser of 30 percent of one-twelfth or 2.5 percent of the amount by which the family's current annual earned income exceeds the family's baseline annual earned income; or the increase in the family's monthly rent. The increase in the family's monthly rent is the lower of either the amount by which the family's current monthly rent exceeds the family's baseline monthly rent, or for Housing Choice Voucher families, the difference between the baseline monthly rent and the current gross rent (*i.e.*, rent to owner plus any utility allowance) or the payment standard, whichever is lower [24 CFR 984.305(b)(2)].

Determination of Escrow Credit for Families Who Are Not Low Income

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

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 are 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 an asset 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.

Cessation of FSS Credit [24 CFR 984.305(b)(4)]

The PHA will not make any additional credits to the FSS family's FSS account when the family has completed the contract of participation, when the contract of participation is terminated, when the family is not low-income, or during the time a Housing Choice Voucher family is in the process of moving to a new unit.

6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS

Disbursement Before Completion of Contract

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. These interim disbursements 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

HOC will disburse a portion of the FSS escrow account funds before completion of the CoP when the family has met certain interim goals, which means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date, and:

Requested funds are needed to complete an interim goal or task within the CoP and are not ongoing expenses.

OR

The family has demonstrated that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals.

The FSS participant family must be enrolled in the FSS Program for a minimum of 12 months prior to the interim escrow disbursement. The maximum interim withdrawal is limited to 25% of the accrued escrow.

Disbursement at Completion of Contract [24 CFR 984.305(c)(1) and 24 984.305(c)(2)(i)]

When the contract has been completed, at or before the expiration date, according to regulation, the amount in the FSS account in excess of any amount the FSS family owes to the PHA under the lease will be paid to the head of the FSS family. To receive the disbursement, the head of the FSS family must submit a certification (as defined in 24 CFR 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.

Disbursement at Contract Termination [24 CFR 984.305(c)(3)]

The PHA must disburse to the family its FSS escrow account funds in excess of any amount owed to the PHA under the lease when the contract has been terminated in certain circumstances. These circumstances include services are not available to the family that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency, when the head of the FSS family becomes permanently disabled and unable to work during the period of the contract (unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family), or when an FSS family moves outside the jurisdiction of the PHA and continuation of the CoP after the move is not possible according to the regulations. In circumstances where a family is not able to continue in FSS after the move, it is also possible for the PHA and the family to determine if the contract can be modified to make completion and receipt of the escrow monies, possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

Verification of Family Certification at Disbursement

The PHA must verify that the family has met the requirements of either interim, final, or termination of contract with escrow. Interim disbursement may only occur after the family has completed certain interim goals and funds are needed 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. Disbursement at contract termination only occurs if the family circumstances involve an integral missing service, the disability of the FSS head of household, or an FSS family porting out of the jurisdiction of the PHA and HUD regulations do not allow continuation of the FSS contract. In each of these circumstances, it follows that the PHA may require verification for the completion of interim goals or the contract of participation.

At interim disbursement and before final disbursement of the FSS account funds to the family, the PHA must 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)(4)].

HUD provides verification guidance in Notice PIH 2018-18. This guidance is mandatory for the Housing Choice Voucher and public housing programs. The PHA's Administrative Plan or ACOP 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

HOC will require verification that the FSS family has completed certain interim goals, has completed the contract of participation, has met the requirements for termination with disbursement of escrow and that the FSS family is no longer a recipient of welfare assistance, as relevant, before making interim and final disbursements.

The PHA will follow HUD's verification hierarchy set forth in Notice PIH 2018-18 to make these verifications, including the guidance therein regarding documentation. 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 Housing Choice Voucher or public housing, 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 Housing Choice Voucher or public housing FSS family may use their final distribution of 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. USE OF FORFEITURE OF FSS ACCOUNT FUNDS

Amounts in the FSS account will be forfeited when the contract of participation is terminated without escrow disbursement, 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)].

Use of forfeited escrow accounts is described in detail in Section 3-I.F. of this FSS Action Plan.

Treatment of Forfeited FSS Account Funds

FSS escrow account funds forfeited by the FSS family must be used by the PHA for the benefit of the FSS participants. These funds may only be used for support for FSS participants in good standing. These supports include transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the CoP; or training for FSS Program Coordinator(s). Forfeited FSS escrow accounts 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.

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 (Housing Choice Voucher or public housing) program. These funds are determined at each reexamination after the effective date of the contract and must be deposited each month to each family's subsidiary line item in the PHAs escrow account. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

Crediting the Escrow Account [24 CFR 984.305(a)(2)(i)]

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 must credit the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account every month.

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 subsidiary line item. 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 quarter the full amount of the investment income for funds in the Housing Choice Voucher FSS account will be prorated and credited to each family's subsidiary line item.

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

At Completion Monies Owed

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or Housing Choice Voucher 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 Housing Choice Voucher FSS program) at the time of final disbursement of FSS escrow funds.

Before Completion Underreported Income

If the FSS family is found to have under-reported income in the reexamination used to set the baseline, the escrow for the entire period of the CoP will be recalculated using the correct income to set the baseline and then calculate subsequent escrow monies.

After Baseline Family in FSS

If the FSS family has underreported income after the baseline annual income is set, the amount credited to the FSS will be based on the income amounts originally reported by the FSS family.

At Baseline When Family Joins FSS

If the FSS family is found to have under-reported income in the reexamination used to set the baseline, the escrow for the entire period of the CoP will be recalculated using the correct income to set the baseline and then calculate subsequent escrow amounts.

6-II.C. REPORTING ON THE FSS ACCOUNT

Each PHA must 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

HOC 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 Housing Choice Voucher 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 Housing Choice Voucher 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 Housing Choice Voucher 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 Housing Choice Voucher FSS program need to understand the effects that portability will have on Housing Choice Voucher 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 a Housing Choice Voucher 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 if the move is in accordance with the regulations at 24 CFR 982.353 [24 CFR 984.306(a)(1)].

PHA Policy

If the FSS family has established residency in Montgomery County for at least 12 months prior to admission to the HCV Program, HOC 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 move is in accordance with the regulations for such moves at 24 CFR 982.353.

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(a)(2)].

7-I.D. PORTABILITY REQUIREMENTS FOR FSS PARTICIPANTS

Receiving PHA Administers an FSS Program [24 CFR 984.306(b)]

Whether the receiving PHA bills the initial PHA or absorbs the FSS family into its Housing Choice Voucher program, the receiving PHA must enroll an FSS family in good standing in its FSS program. However, if the receiving PHA is already serving the number of FSS families identified in its FSS Action Plan and determines that it does not have the resources to manage the FSS contract or the receiving PHA, the initial PHA may agree to the FSS family's continued participation in the initial PHA's FSS program. Prior to the PHAs agreeing to the continued participation, the initial PHA must determine that the relocating FSS family has demonstrated that, notwithstanding the move, it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

PHA Policy

HOC, as the initial housing authority, will agree to the participant's continued participation in their FSS program so long as the relocating family has demonstrated, with the assistance of the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

Where continued FSS participation is not possible, the initial PHA **must** clearly discuss the options that may be available to the family. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement in accordance with 24 CFR 984.303(k)(1)(iii), or termination of the FSS contract and forfeiture of escrow.

PHA Policy

HOC will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

Receiving PHA Does Not Administer an FSS Program [24 CFR 984.306(c)]

If the receiving PHA does not administer an FSS program, and the RHA is absorbing the voucher, the FSS family may not continue participation in the FSS program. The initial PHA must clearly discuss the options that may be available to the family. These may include, but are not limited to, modification of the FSS contract, locating a receiving PHA that administers an FSS program, termination of the FSS contract with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

PHA Policy

The PHA will, as stated above, clearly discuss the options that may be available to the family where continued FSS participation is not possible. Depending on the family's contract specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement in accordance with 24 CFR 984.303(k)(1)(iii), or termination of the FSS contract and forfeiture of escrow.

If the receiving PHA does not administer an FSS program and the RHA is administering the voucher, the FSS family may continue participation in the FSS program. The initial PHA must clearly discuss the options that may be available to the family. These may include, but are not limited to modification of the FSS contract, locating a receiving PHA that administers an FSS program. Termination of the FSS contract with FSS escrows disbursement or termination of the FSS contract and forfeiture of the escrow.

PHA Policy

The PHA, as the initial housing authority, will agree to the participant’s continued participation in their FSS program so long as the relocating family has demonstrated, with the assistance of the FSS Coordinator, that will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

<i>Family FSS Status</i>		<i>PHA FSS Status</i>	<i>Port Scenario</i>	<i>FSS Impact</i>	<i>PHA or HUD Decides</i>
1.	FSS family ports	Receiving PHA has FSS program Initial PHA has FSS program	Billed	Family may continue participation in initial PHA’s FSS program or Family may enroll in receiving PHA’s FSS program	Determined by the initial PHA Determined by the receiving PHA
2.	FSS family ports	Receiving PHA has FSS program Initial PHA has FSS program	Absorbed	Family may enroll in receiving PHA’s FSS program or Family may continue participation at initial PHA’s FSS program.	Determined by the receiving PHA Determined by the receiving PHA *Agreement from the receiving PHA is needed because they would be responsible for most of the FSS tasks under this scenario.
3.	FSS family ports	Receiving PHA does not have FSS program Initial PHA administers FSS program	Billed	Family may continue participation in initial PHA’s FSS program	First, determined by the initial PHA. Then, receiving PHA must agree *The receiving PHA would be responsible for submitting the FSS information for the family into IMS/PIC. Receiving PHA’s determination must be based on an undue financial or administrative hardship such as the cost of adding an FSS module to their existing systems. If continued participation is agreed to by the PHAs, the initial PHA must provide the receiving PHA with timely and complete FSS addendum information and the receiving PHA is responsible for timely and accurate submission of the FSS information into IMS/PIC.
4.	FSS family ports	Receiving PHA does not have FSS program Initial PHA administers FSS program	Absorbed	Family may not continue participation in initial PHA’s FSS program	HUD The receiving PHA would be responsible for managing escrow and the receiving PHA does not administer an FSS program.

Family FSS Status		PHA FSS Status	Port Scenario	FSS Impact	PHA or HUD Decides
1.	Non-FSS family ports	Initial PHA has FSS program Receiving PHA has FSS program	Billed	Family may enroll in receiving PHA's FSS program	Initial PHA * Initial PHA agreement is needed because they would be responsible for managing the FSS escrow account
2.	Non-FSS family ports	Initial PHA has FSS program Receiving PHA has FSS program	Absorbed	Family may enroll in receiving PHA's FSS program	Receiving PHA
3.	Non-FSS family ports	Initial PHA does not have FSS program Receiving PHA has FSS program	Billed	Family may not enroll in receiving PHA's FSS program	HUD *The initial PHA would be responsible for managing the FSS escrow account and the initial PHA does not administer an FSS program
4.	Non-FSS family ports	Initial PHA has FSS program Receiving PHA has FSS program	Absorbed	Family may enroll in receiving PHA's FSS program	Receiving PHA

Single Contract of Participation

If the FSS family enrolls in the receiving PHA's FSS program, the receiving PHA will enter a new contract with the FSS family for the term remaining on the contract with the initial PHA. The initial PHA will end its contract with the family.

If the FSS family remains in the FSS program of the initial PHA, pursuant to this section, the contract executed by the initial PHA will remain as the contract in place.

Termination of FSS contract and Forfeiture of Escrow Account [984.306(e)]

If an FSS family relocates to another jurisdiction and is unable to fulfill its obligations under the contract, including any modifications, the PHA, which is a party to the contract, **must terminate the FSS family from the FSS program**. The family's FSS escrow account will be forfeited.

Termination of FSS program participation and forfeiture of FSS escrow must be used only as a last resort after the PHA determines, in consultation with the family, that the family would be unable to fulfill its obligations under the contract after the move, that locating another receiving housing authority with a FSS program is not possible, that the current contract cannot be modified to allow for completion prior to porting, and that the current contract cannot be terminated with FSS escrow disbursement. When termination is the only option, the PHA must clearly notify the family that the move will result in the loss of escrow funds. The PHA must follow its policy for clearly notifying the FSS family of the forfeiture.

7-I.E. NEW FSS ENROLLMENT INTO RECEIVING PHA'S FSS PROGRAM

Administering and Billing of the Voucher

If the receiving PHA bills the initial PHA, the receiving PHA may, consistent with the receiving PHA's FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program, but only if the initial PHA manages an FSS program and agrees to such enrollment. If the receiving PHA bills the initial PHA, but the initial PHA does not manage an FSS program, the family may not enroll in the receiving PHA's FSS program.

PHA Policy

The PHA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

Absorption of the Voucher

If the receiving PHA absorbs the family into its Housing Choice Voucher program, the receiving PHA may, consistent with the receiving PHA's FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program.

Part II: Reporting

7-II.A. OVERVIEW

Each PHA that carries out an FSS program shall submit to HUD, in the form prescribed by HUD, a report regarding its FSS program.

7-II.B. CONTENTS OF THE FSS REPORT [24 CFR 984.401]

The report submitted to HUD must include a description of the activities carried out in the FSS program; a description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency, including the number of families enrolled and graduated and the number of established escrow accounts and positive escrow balances; a description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and any recommendations by the PHA or the appropriate local Program Coordinating Committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program.

7-II.C. FAMILY SELF-SUFFICIENCY GRANT PROGRAM REVIEW PHA SELF-ASSESSMENT

HUD provides a detailed checklist for PHAs to conduct their own self-assessment of their FSS program. The form is administered by the local field office and allows each PHA to gather concrete and comprehensive data covering aspects of the program from FSS Action Plans and Composite Scores through FSS program size, participants, and graduations to reductions in FSS grants and current Memoranda of Agreement with community partners. The detailed example of the FSS Self-Assessment is available at HUD's FSS Resource page, which can be located by searching "HUD FSS" on any browser.