



# Suffolk Redevelopment & Housing Authority

## FSS Action Plan for the Family Self-Sufficiency Program

Approved by Suffolk Redevelopment & Housing Authority Board of Commissioners on 09/27/22  
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## Chapter 1

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

#### INTRODUCTION

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

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

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

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

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

The origins of the FSS program are in two pilot projects implemented in 1986 and 1990, Project Self-Sufficiency and Operation Bootstrap, respectively. These projects were set up to test self-sufficiency programs for families with housing subsidies, and both demonstrated that families needed essential services 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 **Suffolk Redevelopment and Housing Authority** for the jurisdiction of **City of Suffolk, Smithfield, Carrollton and Rescue, Virginia**.

## **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

The PHA is implementing both a public housing and 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), and Foster Youth to Independence Initiative (FYI). The PHA will submit one action plan, the policies in which apply to both programs.

### **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

The PHA 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

The PHA 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 Section 8 and public housing program participants serve to provide a description of the number, size, characteristics, and other descriptive data (including racial and ethnic data of those participants). These data may later be used to help the housing authority and the program coordinating committee (PCC) to identify supportive service needs of the families expected to participate in the FSS program.

#### PHA Policy

<b>Section 8 and Public Housing</b>	<b>Total Families</b>	<b>Percent of Total</b>
<b>All Families</b>	<b>1256</b>	<b>100%</b>
Single	1236	98%
Female HOH	1176	93%
Male HOH	61	4%
<b>Race</b>		
White	107	8%
Black/African American	1132	90%
American Indian/Alaska Native	10	1%
Asian	7	1%
Native Hawaiian/Other Pacific Islander	0	0%
<b>Ethnicity</b>		
Hispanic or Latino	<b>19</b>	1%
Not Hispanic or Latino	<b>1237</b>	99%
<b>Income</b>		
Extremely Low-Income	686	54%
Very Low-Income	536	42%
Low-Income	34	4%
HOH Income from Wages	433	34%
Other Member Income from Wages	127	10%
HOH Income from TANF	60	1%
Other Member Income from TANF	2	10%
HOH Income from SSI	324	25%
Other Member Income from SSI	26	1%

<b>Number of Children</b>		
0	206	21%
1-2	452	46%
3-4	274	28%
5 or more	46	1%
<b>Total Number of Family Members</b>		
1-2	<b>495</b>	<b>39%</b>
3-4	<b>545</b>	<b>43%</b>
5 or more	<b>216</b>	<b>17%</b>
<b>Persons with Disabilities</b>		
HOH Person w/ Disabilities (HUD)	387	30%
Family Members w/ Disabilities	26	1%

## 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

The PHA will employ appropriate staff, including one or more FSS coordinators or program coordinators 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

The PHA will not require the FSS Program Coordinator to perform the routine Section 8 or public housing program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds.

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

The Consolidated Appropriations Act of 2014 combined funding streams for the Section 8 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 Section 8 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 Section 8 programs, 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.

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

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

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

#### PHA Policy

The PHA will make *public housing operating funds* available to provide administrative costs under the *public housing program*.

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

#### **Section 8 FSS Supportive Services**

In the Section 8 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.

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

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

FSS public housing supportive services can also be funded through other HUD grants or related government and foundation grants, when available.

##### PHA Policy

The PHA will make *public housing operating funds* available to provide supportive service costs under the *public housing program*.

### 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

The PHA 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.

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

The PHA 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)

The PHA 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).

The PHA 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 indetermined period, provide such a resource.

The PHA 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.

The PHA 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, the PHA 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 and public housing Admissions and Continued Occupancy Policy 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.

#### PHA Policy

When the PHA office is open to the public, the PHA will make use of investment centers, conference meeting rooms and office space available to provide supportive service. Should the office be closed to the public, the PHA will make virtual meeting rooms and conference lines available to provide supportive services through the Section 8 and Public Housing Programs.



## **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

The PHA's representatives to the program coordinating committee will be **director(s) of the Section 8 and/or the public housing programs** and at least one FSS Program Coordinator and one or more participants from each of the housing programs in which there is an FSS program: Section 8, public housing, and multifamily assisted housing, as applicable.

#### **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

The PHA will seek assistance in identifying potential members of the PCC from area-wide, city-wide, and development-based resident councils, the resident management corporation, or 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

The PHA's FSS program coordinating committee membership will include leadership from the following organizations:

**Suffolk Redevelopment & Housing Authority**  
**Suffolk Commonwealth Attorney's Office**  
**Suffolk Public Library**  
**Suffolk Workforce Center**  
**Virginia Cooperative Extension**  
**Western Tidewater Community Service Board**  
**Dress for Success**  
**C.E.B. Financial Services**  
**Tidewater Community College**  
**Farmers Bank**  
**Optima Health**  
**Suffolk Public Schools**  
**Suffolk Department of Social Services**  
**Suffolk Parks and Recreation**  
**Catholic Charities**  
**The Children's Center**  
**ForKids Inc.**  
**Paul D. Camp Community College**  
**The Pruden Center**  
**Gateway Services**  
**Southeastern Virginia Health System**  
**Coalition Against Poverty**  
**The STOP Organization**  
**FSS Participant Section 8 Program**  
**FSS Participant Public Housing Program**

### **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

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

**EXHIBIT 3-1: CHART FOR DETERMINING PCC MEMBERSHIP**

<b>Organization or Service Type</b>	<b>Organization Name</b>	<b>PCC Member Title</b>	<b>PCC Member Name</b>
Housing	SRHA Housing Counseling Agencies Continuum of Care Emergency Shelters Transitional Housing Habitat for Humanity	Section 8 Director Housing Operations Director Development Director FSS Coordinator FSS Coordinator Director of Family Services	Keva L. Newsome Michell Layne Tammy Jackson Dinah Lewis Patricia Mizelle Ayesha Wiggins
GED	Purden Center	Adult Education Administrator	Robin Rose
High School	Public High School Charter High School	Chair, Vocational Education Principal	To be determined
Job Training	Suffolk Workforce Development Center Paul D. Camp Community College C.E.B. Financial Services TANF SSI/PASS Program	Development Center Coordinator Out of School Youth Coordinator Career Coach Work Program Counselor Suffolk Social Services Owner/C.E.O.	Susan Stubenrauch Crystal McNair-Babb Lisha Wolfe  Joette Claude
Job Search, Placement, Retention	Suffolk Workforce Center Adult Education Workforce Investment Center TANF	Development Center Coordinator Counselor Head of Displaced Homemaker Program Director	Susan Stubenrauch
Transportation	Office of Public Transportation Dial-a-Ride	To be determined	To be determined

<b>Organization or Service Type</b>	<b>Organization Name</b>	<b>PCC Member Title</b>	<b>PCC Member Name</b>
Health Care	Optima Health Services Hospital Public Health Office Veteran's Administration	Outreach Coordinator	Tenisha Jones Shelby Williams
Alcohol and Drug Prevention	Bright View Health Hospital Narcotics Anonymous Alcoholics Anonymous Drug and Alcohol Rehab Centers	Community Outreach Manager	Timothy Howard Laura Dugan
Mentoring	Jakafi Gateway Services	Owner CEO Vice President	Robert Anderson Marquita Walker
Homeownership	SRHA First-Time Homebuyers Habitat for Humanity	Development Director Program Specialist	Tammy Jackson Anita Jackson
Individual Development Accounts	PHA TANF Banks Lending Institutions	FSS Coordinator FSS Coordinator	Dinah Lewis Patricia Mizelle
Child Care	The Children Center TANF	Family Advocate	Kathryn Padgett Latoya Richardson Sharon Daughtery
City, State, or County Government	Suffolk Commonwealth's Attorney's Office	Community Outreach Coordinator Governor or Chief Aide Chairperson or Chief Aide	Joan Turner
Community-Based Organizations	Urban League Neighborhood House Union of Pan Asian Communities	To be determined	To be determined

<b>Organization or Service Type</b>	<b>Organization Name</b>	<b>PCC Member Title</b>	<b>PCC Member Name</b>
Social Service Funding and Coordination Organizations	United Way	Director, Information Referral Services Director, Volunteer Services	To be determined
Crisis Services	The Planning Council The Genieve Shelter The Salvation Army	Continuum of Care Coordinator Housing Specialist Social Service Worker	Natalie Jackson Talia Hall Tameka Lawrence
Child/Adult Protective Services	Senior Services Adult Services In-home Support Services Adult Abuse Hotline Child Abuse Hotline Foster Care Adoption Services	Department of Social Services	To be determined
Employment Development	Employment Development Department Unemployment Workforce Investment Act Disability Insurance	Development Center Coordinator	Susan Stubenrauch
Parks and Recreation	Suffolk Parks & Recreation	Youth Outreach Coordinator	Rickeda Fofana
Religious Organizations	Suffolk Christian Fellowship Center Catholic Charities Jewish Family Services Islamic Circle of North America St. Vincent de Paul	Suffolk Christian Fellowship Ministry	Lorna Slaughter
Financial Institutions	Farmers Bank Credit Unions Mortgage Lenders	Portfolio Manager	Kelly Clinton
Debt Resolution Services	Catholic Charities	Financial Counselor	Jason Wiedel



## 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 Section 8 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

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

<b>Incentive</b>	<b>Provided By</b>	<b>Description</b>
FSS escrow account	SRHA	See Chapter 6
Case management/Coaching	SRHA FSS Coordinators	Coordinators will meet with FSS participants as needed but no less than quarterly to assist with participant needs
Information and referrals to services	SRHA FSS Coordinators	Coordinators will provide ongoing referral through phone calls, letters and email, to participant in relevant services.

#### 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

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

<b>Location/Activity</b>	<b>Staff/Partner</b>	<b>Method</b>	<b>Language</b>
Briefings/Orientations	FSS Coordinator	Flyer Presentation	English/Spanish interpretation offered
Interims/Recertifications	PHA Staff Specialist	Flyer Referral Form Brochure	English/ Spanish interpretation offered
Transfers/Portability	PHA Staff Specialist	Flyer Brochure Referral Form	English/Spanish interpretation offered
Lobby	PHA Staff Receptionist	Flyer Referral Form Brochure	English/Spanish interpretation offered
Waiting Room	PHA Staff	Flyer Brochure	English/Spanish interpretation offered
Inspections	PHA Staff Inspector	Brochure Flyer Referral Form	English/Spanish interpretation offered
PHA Website Social Media	PHA Information Officer	Brochure Program Description	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 Section 8 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. Section 8 participants and public housing residents 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 Section 8 or public housing. 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

The PHA will not adopt the use of any other preferences when selecting families for participation in the FSS program.

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

The PHA will use the date 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

The PHA 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 Section 8 or public housing assistance [Notice PIH 93-24, B-18].

##### PHA Policy

The PHA will deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 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

The PHA will not skip families due to missing services. The PHA will work with families and the community to locate appropriate resources to support the family's needs.

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

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

##### PHA Policy

The PHA 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 PHA will 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 if their employment skills or wages are below the level needed to achieve economic self-sufficiency (a wage that pays for basic needs without the use of subsidies). For any FSS participant who has graduated and/or received escrow, there will be a six-month waiting period before eligible to reenter the program. Previous graduates will only be eligible for reentry into the program if the program is not full. Participants will be limited to graduating the FSS program and collecting escrow a maximum of two (2) times.

#### **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

The PHA 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 Section 8 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

WTW agencies

WIA One Stop Center

TANF

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

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

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Assessment and Planning</b>	Vocational Assessment Educational Assessment Vocational Planning Educational Planning Disability Assessment Disability Vocational Assessment/Planning Disability Educational Assessment/Planning Drug/Alcohol Assessment Drug/Alcohol Planning	Adult Basic Education Suffolk Workforce Center Paul D. Camp Community College The Pruden Center Career Center Community College Vocational Rehabilitation Health Department Career Center Community-based Organizations
<b>Education</b>	High School English as a Second Language GED Post-secondary College	Suffolk Public Schools Paul D Camp Community College Tidewater Community College Community College The Pruden Center
<b>Training</b>	Skills Training Emerging Technologies Training Biomedical Training On-the-Job Training Functional Context Training	Adult Basic Education Community College Suffolk Workforce Center Community-based Organizations Paul D Camp Community College

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Job Search Assistance</b>	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Suffolk Workforce Center Community College University Community-based Organizations Workforce Innovation/American Job Centers
<b>Transportation</b>	Bus Train/Trolley	Suffolk Transit Suffolk I Ride
<b>Health Care</b>	Alcohol and Drug Prevention Alcohol and Drug Treatment	HMO Health Department Community Clinic General Hospital
<b>Child Care</b>	Infant Care Toddler Care Preschool Care Afterschool Care Homework Assistance	Child Care Resource Parks and Recreation The Children Center
<b>Financial Literacy</b>	Financial Education Financial Coaching Debt Resolution Credit Repair	Adult Basic Education Community College University Community-based Organizations Catholic Charities
<b>Legal Services</b>	Representation Document Review Counsel or Advice	ACLU Legal Aid
<b>Child/Adult Protective Services</b>	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
<b>Crisis Services</b>	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Crisis Team Senior Crisis Team Poison Center Domestic Violence Shelter

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source/Partner</b>
<b>Mentoring</b>	Mentoring Match	Adult Basic Education Community College Workforce Investment Act Youth Programs Community-based Organizations
<b>Micro and Small Business Development</b>	Training Planning Technical Assistance Mentoring	Microbusiness Assistance Program Small Business Administration Business Incubator
<b>Homeownership</b>	Training Planning Debt Resolution	Public Housing Authority Housing Counseling Organization Community-based Organizations
<b>Individual Development Accounts</b>	Match Savings Accounts Distribution of IDA Funds	Public Housing Authority TANF Office of Community Services in DHHS Office of Refugee Resettlement Beginner Farmers and Ranchers Community-based Organizations

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

The FSS action plan is required to contain a certification that the development of the activities and services under the FSS program has been coordinated with the JOBS program (now Welfare to Work under TANF), the programs 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

The PHA 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, childcare, 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 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 contract of participation (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 Section 8 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

The PHA 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 Section 8 Administrative Plan and public housing Admissions and Continued Occupancy Policy; 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.

The PHA's FSS program will not terminate the FSS contract of participation for failure to comply with the terms of the lease.

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

Another obligation set forth by the contract of participation is for the head of the FSS family to *seek and maintain suitable employment* during the term of the contract and any extension. Although other members of the FSS family may seek and maintain 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 the PHA’s FSS program, *seek employment* means the 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 Section 8 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 3 months 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 the PHA'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 Section 8 or public housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in Section 8 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 Section 8 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

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

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

### **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 Section 8 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.

The head of the FSS family becomes permanently disabled and other family members will not participate in FSS as the head of the FSS family.

In a Section 8 FSS program, failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA under portability without continued FSS participation.

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 Section 8 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 Section 8 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 Section 8 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 Section 8 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 Section 8 and public housing programs in the PHA's admissions and continued occupancy policy and administrative plan, respectively (See pages Administrative Plan informal hearing procedures pages 16-11 to 16-33 and ACOP pages 14-1 to 14-27).

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 Section 8 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 Section 8 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

The PHA 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.

### **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 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 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 Section 8 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

The PHA 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 Section 8 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 Section 8 or public housing FSS family may use their the 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 (Section 8 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 *public housing and/or Section 8* FSS account will be prorated and credited to each family's subsidiary line item after the deduction of unpaid rent and other amounts due under the *public housing and/or Section 8* lease.

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

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or Section 8 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 Section 8 FSS program) at the time of final disbursement of FSS escrow funds. If the FSS family has underreported income after the baseline annual income is set, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.

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

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

## Chapter 7

### PORTABILITY IN SECTION 8 FSS PROGRAMS

#### INTRODUCTION

PHAs operating Section 8 FSS programs must be familiar with the rules and regulations regarding portability under the Section 8 program. As with the case of portability in the Section 8 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 Section 8 program assistance.

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

##### 7-I.A. OVERVIEW

Portability is a statutory feature of the Section 8 program—it is included in the law. As such, PHAs operating an Section 8 FSS program need to understand the effects that portability will have on Section 8 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 Section 8 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

The PHA will approve a family's request to move outside its jurisdiction under portability during the first 12 months after the effective date of the contract of participation if the 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 Section 8 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

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 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

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.

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

If the receiving PHA does not administer an FSS program, 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.

## **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 Section 8 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.

