FSS Action Plan
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Chapter 1

THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

INTRODUCTION

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

> Part I: The Family Self-Sufficiency (FSS) Program and FSS Action Plan: This part provides an overview of the family self-sufficiency program and the purpose of the FSS action plan.
>
> Part II: Requirements of the FSS Action Plan: This part covers action plan requirements, including development, revision, and contents of the action plan. It also contains information on family demographics, which is part of the required contents of the action plan.

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

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

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

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

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

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

This family self-sufficiency program is administered by the Santa Clara County Housing Authority (SCCHA) for the jurisdictions of the City of San Jose (CA056)/ County of Santa Clara (CA059).

1-I.B. APPLICABLE REGULATIONS

Applicable regulations for HCV FSS programs include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 965: PHA-Owned or Leased Projects—General Provisions
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 984: Section 8 and Public Housing Family Self-Sufficiency Program

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

The family self-sufficiency (FSS) action plan is required by HUD. The purpose of the FSS action plan is to establish policies for carrying out the family self-sufficiency program in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's Agency Plan. This FSS action plan is a supporting document to 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 be in compliance with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all public housing and HCV regulations, in addition to federal, state, and local fair housing laws and regulations.

PART II: REQUIREMENTS OF THE FSS ACTION PLAN

1-II.A. FSS ACTION PLAN DEVELOPMENT AND REVISION

Development of Action Plan [24 CFR 984.201(b) and (c)]
A PHA that is establishing its FSS program must submit an action plan to HUD for approval within 90 days after the PHA receives notice from HUD of approval of the PHA's application for funding that establishes the obligation to operate an FSS program. This deadline is required unless the dates are extended by HUD for good cause.

For voluntary FSS programs, 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.

<u>PHA Policy</u>

SCCHA administers a voluntary housing choice voucher FSS program open to participants in SCCHA's housing assistance programs listed below:

- Housing Choice Voucher (HCV), including Enhanced Vouchers
- Project Based Voucher (PBV)
- Veterans Affairs Supportive Housing (VASH)
- Family Unification Program (FUP)
- Foster Youth to Independence (FYI)
- Non-elderly Disabled (NED)

SCCHA does not administer a public housing FSS program and will submit one action plan, in which the policies apply to all 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 or increase the size of a voluntary program, or to 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.

<u>PHA Policy</u>

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

1-II.B. 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)

- 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 on the basis of a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)

- Assurances of noninterference with rights of non-participating families which state that a family's election to not participate in the FSS program will not affect the family's admission to the public housing or HCV program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)

- Timetable for program implementation, including the schedule for filling FSS slots with eligible families. (Chapter 2)

- Certification of coordination, which is a certification that the development of services and activities under the FSS program has been coordinated with the Workforce Investment Act (formerly JTPA), Workforce Investment Board and One Stop Centers (formerly JOBS program), and any other relevant employment, child care, transportation, training, and education programs in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities. (Chapter 4)

- Optional additional information, which involves such other information that would help HUD determine the soundness of the PHA's proposed FSS program. **(**All Chapters)

1-II.C. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]
As part of the required contents of the FSS action plan, family demographics of the housing choice voucher and public housing program participants serve to provide a description of the number, size, characteristics, and other descriptive data (including racial and ethnic data of those participants). These data may later be used to help the housing authority and the program coordinating committee (PCC) to identify supportive service needs of the families expected to participate in the FSS program.

All Families	
Single	44.9%
Female HOH	65.8%
Male HOH	33.1%
Race	
White	45.9%
Black/African American	13.4%
American Indian/Alaska Native	0.01%
Asian	38.6%
Native Hawaiian/Other Pacific Islander	0.004%
Ethnicity	
Hispanic or Latino	30.8%
Not Hispanic or Latino	69.1%
Income	
Extremely Low-Income	86.1%
Very Low-Income	11.2%
Low-Income	2.1%
HOH Income from Wages	26.7%
Other Member Income from Wages	20.3%
HOH Income from TANF	0.05%

Other Member Income from TANF	0.01%
HOH Income from SSI	40.4%
Other Member Income from SSI	16.3%
Number of Children	
0	N/A
1-2	0.06%
3-4	41%
5 or more	52.5%
Total Number of Family Members	
1-2	69.1%
3-4	20.8%
5 or more	9.9%
Persons with Disabilities	
HOH Person w/ Disabilities (HUD)	72.4%
Family Members w/ Disabilities	27.5%

Chapter 2

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

INTRODUCTION

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

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

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

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

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

PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM

2-I.A. PURPOSE

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

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

> PHA Policy
>
> The PHA's goal in operating an FSS program is to match housing-assisted families with existing services so that they may reduce their dependency on housing, welfare, and other government subsidies and complete the contract of participation.

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

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

> PHA Policy
>
> On the local level, the PHA will achieve the national program objective by offering low-income families services, or referring low-income families to services that provide education, training, and other forms of support so that families may achieve self-sufficiency as defined in Section 2-I.A. of this document.

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

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

PART II: SCOPE OF THE FSS PROGRAM

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

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

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

Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]
PHAs that must operate an FSS program under 24 CFR 984.101 are subject to a minimum program size requirement.

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

> <u>PHA Minimum Program Size</u>
>
> The PHA has no mandatory minimum program size requirement and operates a voluntary FSS program.

Exception to Program Operation [24 CFR 984.105(c)]
The requirement to establish and carry out a public housing or a housing choice voucher FSS program may be waived with approval from HUD. In order to waive the requirement, the PHA must provide a certification to HUD that the establishment and operation of an FSS program is not feasible because of a lack of accessible supportive services funding, including lack of the availability of programs under JTPA or JOBS; a lack of funding for reasonable administrative costs; a lack of cooperation by other units of state or local government; or a lack of interest in participating in the FSS program on the part of eligible families.

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

Reduction in Program Size
Rather than a full exception to program operation, a PHA may also be permitted to operate a public housing or a housing choice voucher FSS program that is smaller than the minimum

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

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

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

The PHA must state the number of eligible FSS families who can reasonably be expected to receive supportive services under the FSS program over a five-year period based on available and anticipated federal, tribal, state, local, and private resources

<u>Estimate of Eligible Families</u>

Four hundred (400) eligible FSS families can reasonably be expected to receive supportive services under the FSS program over a five-year period, based on available and anticipated federal, tribal, state, local, and private resources.

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

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

<u>PHA Policy</u>

The PHA does not operate other self-sufficiency programs and therefore no additional families from other programs are expected to execute an FSS contract of participation.

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

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

<u>PHA Policy</u>

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

PART III: PROGRAM OPERATION

2-III.A. OVERVIEW

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

2-III.B. PROGRAM IMPLEMENTATION DEADLINE

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

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

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

2-III.C. FULL ENROLLMENT AND DELIVERY OF SERVICE [24 CFR 984.301(a)(2)(ii)]

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

2-III.D. EXTENSION OF PROGRAM DEADLINES FOR GOOD CAUSE [24 CFR 984.301(a)(2)(iii)]

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

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

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

> <u>PHA Policy</u>
>
> The PHA implemented its initial FSS program over a 12-month time period in calendar year 1994 and has met its former timetable deadlines.

PART IV: DEFINITIONS

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

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

The term *very low-income family* is defined in 24 CFR 813.102 and 24 CFR 913.102.
The terms used in this document have the following definitions as defined by 24 CFR 984.103 and this family self-sufficiency action plan.

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

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

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

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

Effective date of contract of participation means the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation.
Eligible families for the public housing FSS program, means current residents of public housing, and for the housing choice voucher FSS program, means current housing choice voucher program participants. Eligible families also include current residents of public housing and participants in the housing choice voucher program who are participants in other local self-sufficiency programs.

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

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

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

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

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

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

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

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

Head of FSS family means the adult member of the FSS family who is the head of the household for purposes of determining income eligibility and rent.

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

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

JTPA means the Job Training Partnership Act (29 U.S.C. 3101) now known as the Workforce Innovation and Opportunity Act.

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

Program coordinating committee (PCC) means the committee described in 24 CFR 984.202.
Public housing means housing assisted under the 1937 Act, excluding housing assisted under Section 8 of the 1937 Act.

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

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

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

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

Chapter 3

PROGRAM ADMINISTRATION

INTRODUCTION

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

> Part I: Staffing, Fees and Costs, and On-Site Facilities: This part describes identifying appropriate staff and contractors to operate the FSS program and provide the necessary direct services to FSS families. In addition, it describes how administrative fees, costs, and supportive services will be funded, and defines the use of on-site facilities.
>
> Part II: The Program Coordinating Committee: This part covers the establishment of a program coordinating committee (PCC), which is a regulatory requirement for the FSS program. It describes required and recommended PCC membership, in addition to the option for an alternative committee.

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

3-I.A. OVERVIEW

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

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

PHAs have the choice between hiring their own staff and contracting with an outside organization to administer their FSS program. If 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 the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

> <u>PHA Policy</u>
>
> SCCHA employs the appropriate staff, the Housing Services Coordinator, to administer its FSS program. The PHA contracts with an appropriate organization to provide case management services for FSS program participants.

3-I.C. ADMINISTRATIVE FEES AND COSTS

In the past, the ways in which administrative fees and costs were funded were different for public housing and housing choice voucher FSS programs, and the use of such funding was restricted to the applicable program. In the Consolidated Appropriations Act of 2014, however, funding streams for the PH FSS and HCV FSS programs were combined, and all FSS funding is now awarded through one NOFA. Use of this funding is no longer restricted to the applicable program—funding now may be used to serve both PH and HCV FSS participants.
Funding will be awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), similar to previous PH FSS awards; instead of an amendment to the PHA's Annual Contributions Contract (ACC), which was previously used for HCV awards.
PH FSS and HCV FSS funds awarded in prior years are still restricted to the applicable program, Rental Assistance Demonstration (RAD) programs exempted. Funding differences regarding previous years' funding is specified below.

Housing Choice Voucher FSS Program

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

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

3-I.D. SUPPORTIVE SERVICES FEES AND COSTS

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

Housing Choice Voucher Supportive Services

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

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

3-I.E. ON-SITE FACILITIES

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

> <u>PHA Policy</u>
>
> SCCHA has created designated office space at its affiliated properties to provide supportive case management services of the housing choice voucher FSS program. Case management services conducted in-person is available as needed.

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

3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP

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

For a housing choice voucher FSS program, the PCC membership must consist of representatives of the PHA and participants of the HCV program.

PHA Policy

SCCHA's representative to the program coordinating committee will be the Housing Services Coordinator, who serves as administrative support to the committee.

Recommended PCC Membership [24 CFR 984.202(b)(2)]
Membership on the PCC also may include representatives of the unit of general local government served by the PHA, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private 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 may include representatives from the following organizations:

AGENCY	TYPE OF SERVICE
Abode Services	Housing for Homeless
Access from AT&T	Low-cost Home Internet Service
ACT for Mental Health	Mental Health Services
Adult Immunization Clinic	Adult Immunizations
ALearn	Enhanced Child Education Services
Alum Rock Counseling Center	Youth Social Services
Apple One Employment Services	Employment Assistance
Asian Americans for Community Involvement (AACI)	Domestic Violence
Asian Law Alliance	Low Cost Legal Services
Asian American Recovery Services (AARS)	Health Services
Bay Area Cancer Connection	Cancer Recovery Support
Bay Area Furniture Bank	free furniture for homeless
Bay Area Legal Aid	Legal Counseling
Big Brothers Big Sisters	Youth Social Services
Bill Wilson Center	Youth Counseling Services
Breakthrough Silicon Valley	Grades 7-12 Education Services
Building Skills Partnership	Vocational Education
California Employment Development Department (EDD)	Employment
Campbell Adult & Community Education	Adult Education
Captain Jason Dahl Family Resource Center	Community Resources
CarHop Auto Sales & Finance	Inexpensive Transportation
Catholic Charities of Santa Clara County	Multi Services
Catholic Charities of Santa Clara County - Communities Organizing Resources to Advance Learning (CORAL)	Afterschool Programs
Center for Employment Training (CET)	Employment Training
Centro de Ayuda Legal para Inmigrantes (CALI)	Legal services (Immigration)
Charities Housing (HomeSafe Santa Clara)	Housing for DV survivors

Choices For Children	Child Care
Community Action Agency	Energy Bill payment assistance
Community Child Care Council of Santa Clara County (4C)	Child Care
Community Health Awareness Council (CHAC)	Children programs for self-destructive behavior
Community Options	Disabled Adult Employment Svs
Community Solutions Gilroy	DV, Mental Health, Housing for Mental Health
Community Solutions Morgan Hill	DV, Mental Health, Housing for Mental Health
Community Solutions San Jose	DV, Mental Health, Housing for Mental Health
Consumer Credit Counseling Service	Financial Counseling
ConXion	Latino and NA Education Assistance
County Health Partnership	Low Income Health Services
Dependency Advocacy Center	Free Indigent Legal Services
Downtown Enrichment	Afterschool Enrichment Programs
Dress for Success San Jose	Employment (Suiting, Career Center, Employment Retention, Job Training)
East San Jose Community Law Center	Legal Services
East Side Union High School District	Adult Basic Education, Citizenship, GED, ESL, Career Technical Education, HS Diploma
Ecumenical Hunger	food, clothing, furniture, household essentials, support through immediate crises

Emergency Housing Consortium	Transitional Housing
Employment Connection	Career Center for Santa Clara County
Eritrean Community Santa Clara County	Job search, tutoring, computer learning
Expandability (powered by Goodwill)	Employment for disables
Family and Children Services of Silicon Valley	Individual and Family Counseling Services, Deaf/Hard-of-Hearing Program, LGBTQ Wellness, Family Violence & Abuse Prevention, Substance Use Disorder Services.
Family Violence Law Center	Crisis Intervention - Police Reports
First 5-Learning Together Initiative	Child Care
Futures Without Violence	Parent Education, Domestic Violence
Galivan College	Citizenship Class
Gardner Family Health Network	Health Care Services
Gateway Program County of Santa Clara	Managed Adult Care - Detox
Gavilan College	Adult Education/CalWORKS Coordinator/Fresh Success Program
Gilroy Compassion Center	Food - Meals (Homeless)
Gilroy Family Resource Center	CPS/DV/Drug and Alcohol Services
Gilroy One-Stop Center	Financial Literacy Education
Go Kids, Inc.	Child Development Center/Care
Goodwill of Silicon Valley	Employment
Goodwill of Silicon Valley - Veteran Family Services Program	Veteran's Family Assistance
Green Cadre	Youth
Head Start	Child Care
Healthier Kids Foundation (Santa Clara County)	Medical Insurance Enrolling and Education
Heart of the Valley, Services for Seniors, Inc.	Seniors Services
Holy Family Catholic Church	Family Resources Life Needs
HomeFirst	Homeless Services
House Keys	Home Ownership Program for Morgan Hill, Campbell (BMR)
Housing Choices Coalition	Housing Resources Dev. Disabled
Housing Industry Foundation (HIF)	Rental Assistance
Housing Trust Silicon Valley	Homebuyer Assistance

ICAN	Vietnamese American Services
Internet Essentials From Comcast	Low cost Internet & Computer
Junior Achievement of Northern California	Student Employment
Law Foundation of Silicon Valley	Legal
Law office of Katheryn and George Law Center	Legal Clinics
Lenders For Community Development	lender for low-income businesses
LifeMoves (a.k.a. InnVision Shelter Network)	Homeless Shelter
Live Oak Adult Day Services	Senior Services
Loaves and Fishes Family Kitchen	Food - Meals (at multiple locations)
Love Inc.	Multi-services. Connect local churches with needs of people
Love, Inc.	Faith Based Resource Referrals
Luther Burbank Child Development Center	Community Resources
Maitri Boutique	South Asian Support Resource
Martha's Kitchen	Food - Meals
Metro ED (Metropolitan Education District)	Adult Education, Technical Education for High School
Milpitas Adult Education	Adult Education
Milpitas Food Pantry and Clothing Closet	Emergency Basic Needs
Momentum for Mental Health	Mental Health Services
Morgan Hill Community & Cultural Center	Multi Services
National Alliance on Mental Health	Mental Health Services
Neighborhood Housing Services of Silicon Valley (NHSSV)	Home Ownership Counseling
New Eyes for the Needy	Eyeglasses for low income families
Next Door: Solutions to Domestic Violence	Domestic Violence & RO
NOVA Workforce Services	Employment
Occupational Training Institute (OTI)	Employment Skills Training
Office of the Public Defender (Expungement Program)	Legal
Office of the Public Defender, Santa Clara County	Legal Services
Opportunity Fund	Financial
Pacific Stroke Association	Stroke Recovery Support Group
Palo Alto Medical Foundation	Living Beyond Cancer
Parent Project	Parent Education
Parent Solutions	Parent Education
Parents Helping Parents	Family Resources
PATH San Jose	Homeless Services
Peace It Together	Counseling Services/ Mental Health
Peninsula Family Service	Financial Counseling, Early Learning, Senior Services
Pro Bono Project of Silicon Valley	Legal
Project Hired	Employment for disables

Project Sentinel	Homeownership
Project Shine (San Jose State University)	Prepare for Citizenship and Work
Rebekah Children's Services	Low Income Children's Services
Resources to Empower Fathers & Men in Santa Clara County	Multi-service
Sacred Heart Community Service	Employment, Taxes, Financial Coaching, Food Pantry, Clothing, After-school/Summer Program, Rental/Deposit Assistance, Energy Bills (LIHEAP), Home Repairs…
Salvation Army	Rent/Deposit/Utilities/Groceries Assistance, Bus Pass, Clothing
San Jose Grail Family Services	Parents, Children Multi-Services
San Jose Job Corps Center	Employment Resources
San Jose State University (Record Clearance Project)	Legal
San Jose Water Company	Discounted Water Bills (WRAP)
Santa Clara Adult Education	Adult Education
Santa Clara County Better Health Pharmacy	Free Prescriptions
Santa Clara County Child Car Seat Program	Child Car Seat Safety
Santa Clara County Department of Behavioral Health	Low Cost MH Services
Santa Clara County Family Resource Center	Family Resources
Santa Clara County Office of Education	Educational Services
Santa Clara County Office of Emergency Services	Disaster Preparedness
Santa Clara County Opportunity Youth Program	Education, Employment for youths
Santa Clara County Parks and Recreation	Recreational Services
Santa Clara County Transit Assistance Program (TAP)	Discounted Transportation Passes
Santa Teresa Branch Library	Citizenship/ESL
SCORE	Financial
Second Harvest Food Bank	Food - Groceries
Silicon Valley Adult Education	Adult Education - ESL
Silicon Valley Credit Repair	Credit Counseling
Silicon Valley Independent Living Center	Peer Support/Classes VARIOUS
SIREN	Low Cost Immigration /Legal
SJB Child Development Center	subsidized child development services for 18 months to 12 years
Social Security Administration (SSA)	Social Security Benefits
Society of St. Vincent de Paul	rent, utilities assistance, food, clothing
Sourcewise (f.k.a. National Council on Aging)	Health Insurance Counseling, Senior Employment, Meals on Wheels, Care Management
St Joseph Family Center	Multi services
Strive for College	Financial help for college students

Stroke Info	Stroke Prevention/Recovery
Sunday Friends	Multi-services.
Sunnyvale Community Services	Rental/Utility Assistance
Support Network for Battered Women	Domestic Violence & RO
Sure Path Financial Solutions	Homeownership Counseling
Teen Force	Employment for teens
The Health Trust Resource Centers (FRCs) Blackford & Catholic Charities	Kids' health services (i.e. Zumba for kids, Family Yoga, Tumbling)
The HealthTrust	Family Resources (AIDS, Meals on Wheels, Health Insurance, Children's Dental)
Think Together	After-school, Summer Program, Early Learning, College & Career Rep.
Third Street Community Center	After School Program, Young Engineers Program (YEP), Summer Camp
United Way Silicon Valley	211, CAPP, Emergency Assistance Network, Emergency Food & Shelter, Financial, Saving, Jobs, Youth Employment Program
Uplift Family Services (formerly EMQ Families First)	Family Counseling
VIA Service	Disability Services
Vietnamese Voluntary Foundation (VIVO)	ESL, Citizenship Classes
Ways To Work	Car Loan Program
West Valley Community Services	Emergency Financial Assistance
Women’s Achievement Network and Development Alliance (WANDA)	Savings match program for single moms for home, retirement, education.
Work2Future	Employment
Working Partnerships, USA Union Community Resources	rental assistance, medical bills, urgent needs
YWCA Silicon Valley	Multi-services

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, as long as the membership of the existing entity consists or will consist of the individuals required by regulation (See section 3-II.B. above).

PHA Policy

The PHA may utilize an existing entity as its program coordinating committee if such an entity is in existence and in agreement.

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, and business and social skills necessary to achieve self-sufficiency. A description of such activities and supportive services is also a requirement of the FSS action plan.

This chapter contains three parts:

> Part I: Incentives, Outreach, and Assurance of Noninterference: This part describes the incentives the PHA will offer and the outreach efforts the PHA will use in order to encourage participation and recruit eligible families for the FSS program. It also contains the required assurance of noninterference with the rights of nonparticipating families.
>
> Part II: Family Selection: This part covers whether 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, and other supportive services that not only encourage participation, but also help families achieve self-sufficiency. In addition to encouraging program participation through such incentives, PHAs also conduct outreach to recruit FSS participants from among eligible families. As part of this process, families need to know that their choice as to whether to participate in the FSS program will not affect their admission to the public housing or housing choice voucher programs, nor will it affect their right to occupancy. This part describes 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

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

Incentive	**Provided By**	**Description**
FSS escrow account	SCCHA	Escrow accounts will be established for all participating FSS families in accordance with HUD regulations.
Case management	Third Party	FSS participants will have the ability to work one-on-one with an assigned case manager to identify goals of the Individual Training and Services Plan and develop strategies to meet these goals.
Information on and referrals to services	SCCHA/Third Party	FSS participants will be referred to service organizations by their assigned case manager.
Scholarships	SCCHA	FSS participants will have access to apply to all SCCHA provided scholarships for education and employment expenses.

4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)]
In addition to offering incentives for FSS participation, PHAs also conduct outreach in order to recruit more FSS participants from eligible families. The FSS action plan must include a description of these efforts to recruit FSS participants, including notification and outreach, the actions 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. Interpreters will be used as needed and a family may contact staff to express interest in person, by telephone or email.

PHA Policy

SCCHA 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.

Location/Activity	**Staff/Partner**	**Method**	**Language**
Briefings/Orientations	SCCHA Housing Services Coordinator	Flyer Presentation	English, Spanish, Vietnamese
Recertifications	SCCHA Staff	Flyer Presentation Referral Form	English, Spanish, Vietnamese
Lobby	SCCHA Staff	Flyer Referral Form	English, Spanish, Vietnamese
Online/Virtual	SCCHA Staff	Informational Video Recording	English with Closed Captioning in other languages
Online/Virtual	SCCHA Staff	Informational Live Webinar	English, Spanish, Vietnamese
Online	SCCHA Website	Link to Flyer Link to Informational Video Recording	English, Spanish Vietnamese,

Outreach informational material about the FSS Program will include information about:

- Program overview

- Program benefits
- Available resources
- Participant responsibilities
- Program outcomes

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

Additional outreach and education efforts will be targeted to FUP families and youth and FYI youth in order to encourage FSS participation from these groups, as incentivized by HUD through FUP and FYI notice of funding opportunities:

- FSS informational briefings/trainings for FUP/FYI partner agencies, including the Department of Family and Children's Services, Office of Supportive Housing, and third-party service providers.

- Direct outreach to FUP- and FYI-eligible youth by the Housing Services Coordinator as well as FUP/FYI partner agency staff to promote and facilitate FSS enrollment.

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 public housing or housing choice voucher programs, nor will it affect the family's right to occupancy in accordance with the lease.

PHA Policy

Participation in the SCCHA FSS program is strictly voluntary. Housing Choice Voucher program participants will be notified in all literature and media presentations related to the FSS program that should they decide not to participate in the FSS program it will not affect their public housing or HCV housing assistance. This material will also specify that the family will retain the right to occupancy according to their lease and family obligations contract.

PART II. FAMILY SELECTION

4-II.A. OVERVIEW

The FSS action plan is required to contain a statement indicating the procedures for selecting families for FSS program participation, including a description of how the PHA will do so without regard to race, color, religion, sex, handicap, familial status, or national origin. This part describes these procedures, taking into account whether 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. In particular, if the PHA so chooses, it has the option of giving a selection preference for up to 50 percent of its public housing FSS slots and 50 percent of its HCV program FSS slots, respectively, to eligible families who have one or more family members currently enrolled in an FSS-related service program or who are on the waiting list for such a program. Such a preference may be further limited to participants in and applicants for one or more specific eligible FSS-related service programs.

Should 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

SCCHA will adopt a selection preference for FUP-youth and FYI-youth participants to increase their opportunity to participate in the FSS program and qualify for extended FUP/FYI voucher assistance under the Fostering Stable Housing Opportunities (FSHO) amendments.

Even with up to 50 percent of the total number of FSS slots filled via selection preferences, and the possibility of other slots being filled by means of additional preferences, open slots will remain. Regardless of whether the PHA adopts selection preferences, those FSS slots for which the PHA chooses **not** to exercise the selection preference must be filled with eligible families in accordance with an objective selection system such as a lottery, the length of time living in subsidized housing, or the date the family expressed an interest in participating in the FSS program. This system must be described in the action plan [24 CFR 984.203(b)].

PHA Policy

SCCHA will use the date the family expressed an interest in participating in the FSS program to fill openings in the FSS program slots.

In the event SCCHA's FSS Program reaches maximum enrollment, SCCHA's Housing Services Coordinator will establish and maintain a list of interested households. The list will be maintained in the order of the date that SCCHA received written notification of each household's interest in the FSS program. To maintain a position on the list, an interested household must attend an FSS orientation within 30-days of submission of the interest form. As necessary, each household's interest in the FSS program will be re-confirmed by the Housing Services Coordinator annually. Households who fail to respond within 30-days to an offer of enrollment or a written request to confirm their ongoing interest in the FSS program will be removed from the interest list.

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

PHA Policy

SCCHA's FSS program screening and selection process ensures selection without regard to ancestry, color, disability, familial or marital status, national origin, race, religion, gender, gender identity, sex, sexual orientation or source of income.

SCCHA 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. SCCHA 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 requests a reasonable accommodation, SCCHA will either refer the family to available services or exempt the family from this screening factor based on disability.

Prohibited Motivation Selection Factors

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

Other Selection Factors

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

SCCHA will allow a family to re-enroll in the FSS program any time after initial COP expiration date with no employment requirements if they did not receive escrow previously.

All re-enrolled households will be eligible for both case management support and escrow benefits.

Head of FSS Family

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

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 public housing assistance and assistance under the housing choice voucher programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. As such, upon selection, families are matched with the appropriate activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. This is a vital element of the FSS program.

4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS [24 CFR 984.201(d)(8)]

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

PHA Policy

Long-term interim and final goals are identified and recorded on the ITSP at the time of FSS enrollment. These goals will determine the services and activities that will be provided to each individual FSS family. The family may add additional long-term interim goals at any time during the contract of participation. The family may not remove interim goals from the ITSP with less than six (6) months remaining on the COP. At least annually the family and case manager will meet to identify short-term goals that the family must accomplish during the coming year.

The family and Case Manager may jointly revise the goals on the ITSP during the contract of participation. Any short-term goals that are removed must be replaced by a short-term goal that will similarly support the family in achieving the same long-term goal, unless that long-term goal has already been achieved. Any long-term goals that are removed must be replaced by a long-term goal that will similarly support the family in achieving the final goal of improved family self-sufficiency through enhanced employment.

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

SCCHA’s FSS program, through its partners, will provide referrals to support services from the following categories:

- Education
- Training
- Financial Awareness training
- Job Search Assistance
- Transportation
- Health Care
- Mentoring
- Homeownership
- Small Business Development
- Crisis Services
- Child Care
- Debt Retribution
- Legal 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:

> <u>Part I: Overview and Family Obligations:</u> This part provides an overview of the form and content of the contract of participation and describes what the contract requires of FSS families.
>
> <u>Part II: Contract Specifications:</u> This part explains the specifications of the contract, including terms and conditions, contract modification, contract terminations, and grievance procedures.

PART I: OVERVIEW AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

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

Income and Rent Assessment

The income and rent numbers to be inserted on the contract of participation (COP) will be taken from the amounts on the last reexamination or interim determination before the family's initial participation in the FSS program.

Individual Training and Services Plan

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. Further, regulations require the establishment of an interim goal regarding independence from welfare assistance.

Interim Goals

For each participating FSS family that receives welfare assistance, the PHA must establish as an interim goal that the family become independent from welfare assistance and remain independent from welfare assistance for at least one year before the expiration of the term of the contract of participation, including any extension thereof [24 CFR 984.303(b)(2)].

At its discretion, the PHA may also elect to suggest this as an interim goal in the ITSP regardless of whether a family is receiving welfare assistance at the time the COP is developed.

> <u>PHA Policy</u>
>
> SCCHA will require each family participating in the FSS program, regardless of whether the family is receiving welfare assistance at the time the contract of participation is being developed, to include an interim goal on its individual training and services plan for the family to become independent from welfare assistance at the expiration of the term of the contract of participation.
>
> Long-term interim and final goals are identified and recorded on the ITSP at the time of FSS enrollment. The family may add additional long-term interim goals at any time during the Contract of Participation The family may not remove interim goals from the ITSP with less than six (6) months remaining on the COP. At least annually the family and case manager will meet to identify short-term goals that the family must accomplish during the coming year. The purpose of these short-term goals is to move the family closer to achieving their long-term interim and final goals. These short-term goals will be added to the ITSP. If the family did not complete their short-term goals but fulfilled their long-term goal, then the short-term goals will either be marked as completed or removed.

Individual Training & Service Plans for Other than FSS Head

There may be an ITSP for as many members of the family as wish to participate. The COP shall be signed by a representative of the PHA or the owner 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.

5-I.C. FAMILY OBLIGATIONS

Compliance with Lease Terms

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

Inability to comply with the lease represents an inability to comply with the contract, therefore regulations regarding noncompliance with the FSS contract apply [see 24 CFR 984.303(b)(5)]. It is up to 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.*

> <u>PHA Policy</u>
>
> *Comply with the lease* means the FSS family has not been evicted for repeated or serious violations of the lease; or if they have been evicted for serious or repeated violations of the lease, the family has prevailed in either the grievance hearing or the informal hearing process.
>
> SCCHA will terminate the FSS Contract of Participation if the family fails to comply with the policies and regulations of SCCHA's Section 8 programs.

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

Another obligation set forth by the contract of participation is for the head of the FSS family to *seek and maintain suitable employment* during the term of the contract and any extension. Although other members of the FSS family may seek and maintain employment during the term of the contract, it is only a requirement for the head of the FSS family.

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

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

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

> <u>PHA Policy</u>

For purposes of SCCHA's FSS program, *seek employment* means an adult member of the household has applied for employment, attended job interviews, and has followed through on employment opportunities.

For purposes of the SCCHA's FSS program, *maintaining suitable employment* means:

i. Single adult family (no minors under 6 in household): employment averaging 30-hours per week.

ii. Single adult family (minors under 6 in household): employment averaging 20 hours per week.

iii. Multi-adult family (with or without minors): sum of all adults' average weekly employment is greater than or equal to 35 hours per week.

If a household does not meet one of those three definitions of suitable employment (i, ii, iii), the household must meet the following definition (iv):

iv. Sum of all adult wage earners' employment averaging at least 20 hours per week and total household income is in excess of the current Extremely Low Income limit for the household size for Santa Clara County.

The above definition of *maintaining suitable employment* will be included at the next modification of SCCHA's MTW Agreement and will not be applied until it is approved.

The disability status of any household member may be grounds for the family and case manager to establish an alternative definition of suitable employment for that household.

During the first 48 months of an initial Contract of Participation, if any adult family member is engaged in a course of study intended to improve employability, the family and case manager may establish an alternative definition of suitable employment for that family, which will be reviewed annually. This definition may include coursework, unpaid internship, or volunteer hours in lieu of employment. During the final 12 months of any contract of participation, the family must meet one of the definitions of maintaining suitable employment listed in i. – iv. above.

If the family is terminated from employment, then the FSS family has a maximum period of 90 days to meet their obligations under the initial Contract of Participation by maintaining suitable employment.

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

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

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

PHA Policy

The contract of participation (COP) will be terminated before the expiration of the contract term if the participant fails to meet, without "good cause," their obligations as outlined in the COP. If the participant fails to meet its obligations outlined in the COP, the FSS coordinator, or their designee, will first meet with the family to reassess the need for supportive services or a change in the individual training and services plan (ITSP). Then, if a reassessment of supportive services or a change in the ITSP is not successful in bringing the family in compliance, the FSS coordinator will continue to provide supportive services for a maximum period of 90 days. If the participant fails to comply within 90 days, then the FSS coordinator will cease to provide services 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 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:

Family circumstances

Death in the family

Serious illness

Medical emergency

Mandatory court appearances

Involuntary loss of employment

Loss of head of household through death or incarceration

Change in the ITSP improving progress toward economic self-sufficiency

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 family has no more than five years from the first re-examination of income after the execution 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, contract extensions are possible. According to regulation, PHAs will 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. The family's written 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:

1) A serious illness or involuntary loss of employment (further defined by PHA policy in Section 5-I.D.).
2) Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g. completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by the PHA or owner; or
3) Any other circumstance that the PHA or owner determines warrants an extension, as long as the PHA or owner is consistent in its determination as to which circumstances warrant an extension.

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) does have the ability to 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)].

Termination of HCV assistance is covered in further detail in Section 5-II.G.The conditions under which the PHA will modify the contract are set forth in the policy below.

PHA Policy

In SCCHA's FSS program, the COP will be modified by mutual agreement between SCCHA and the head of FSS family as long as the changes advance the household's self-sufficiency:

When modifications to the ITSP improve the participant's ability to complete their obligations in the COP and progress toward economic self- sufficiency. Examples may include an increase in wages, completing an education or job training program, or adding adult members of the family who are working and have chosen to participate in the FSS program.

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

When a participating FSS family ports in from another county with an existing FSS contract, the head of the FSS family must sign a COP within 90 days of the effective date of lease.

When a participant is granted a hardship. "Hardship" is defined as a situation that has occurred that negatively affects one's employment situation through no fault of the household. Extensions of up to two years (24 months) may be granted upon request in the event of hardship. An example may be a layoff or a temporary disability (excluding pregnancy).

Extensions will not be approved solely for the purpose of qualifying for the escrow.

5-II.D. COMPLETION OF THE CONTRACT

By regulation, the contract of participation is considered to be completed, and a family's participation in the FSS program is considered to be concluded when the FSS family has fulfilled all its obligations under the contract of participation on or before the expiration of the contract term, including any extension thereof [24 CFR 984.303(g)].

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

5-II.F. TERMINATION OF THE CONTRACT

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

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in an HCV FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of 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

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

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

Family's withdrawal from the FSS program

Such other act as is deemed inconsistent with the purpose of the FSS program

Operation of law

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

Good cause for the purposes of the FSS program is also defined in Section 5-I.D.

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

5-II.G. TERMINATION WITH ESCROW DISBURSEMENT

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

(i) Services that SCCHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable.

(ii) The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless SCCHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family.

(iii) An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR §982.353) for good cause, as determined by the PHA, and continuation of the COP after the move, or completion of the COP prior to the move, is not possible.

5-II.H. OPTION TO WITHHOLD OR TERMINATE SUPPORTIVE SERVICE AND HOUSING ASSISTANCE [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 terminate or withhold supportive services and 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.

5-II.I. UNAVAILABILITY OF SUPPORTIVE SERVICES [24 CFR 984.303(e)]

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), PHA or owner shall terminate the CoP and follow the requirements regarding FSS escrow disbursement.

5-II.J. GRIEVANCE PROCEDURES

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

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

PHA Policy

An FSS Participant who wishes to file a grievance must submit a written request for an Informal Conference with the Housing Services Coordinator, unless the two parties agree that the case should be referred to the SCCHA Senior Policy Analyst for the FSS Program. The decision of the Housing Services Coordinator or SCCHA Senior Policy Analyst will be final.

The following FSS procedures are considered grievances:

- Interest list position/removal
- Corrections to the Contract of Participation
- Modifications (or denial of requested modifications) to the ITSP
- Escrow calculations
- FSS Program Terminations
- Contract extension denials

Chapter 6

ESCROW ACCOUNT

INTRODUCTION

The establishment of an escrow account is offered as a financial incentive to families for participation in the FSS program. Generally, under this incentive, the amount of an increase in family rent resulting from an increase in earned income is escrowed. That is, usually a family's rent or share of the rent goes up when the family experiences an increase in earned income. In the FSS program, this is still the case, but the part of the rent representing the increase is deposited into an account as an escrow credit. The funds from this escrow account then become available to FSS families upon successful completion of their contracts of participation.

This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit and disbursing the funds, and also covers the proper way for the PHA to manage and report on the account.

This chapter contains two parts:

> Part I: The Escrow Account: This part provides an overview of how the escrow account works, including calculating the escrow credit and disbursing the funds upon completion of the contract of participation.
>
> Part II: Escrow Fund Accounting and Reporting: This part describes the requirements for managing the escrow account, including both accounting and reporting requirements.

PART I. THE ESCROW ACCOUNT

6-I.A. OVERVIEW

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

6-I.B. CALCULATING THE FSS CREDIT AMOUNT

The FSS credit amount shall be the lower of [24 CFR 984.305(b)(2)]:

(i) Thirty (30) percent of one-twelfth (1⁄12) (*i.e.*, two and a half (2.5) percent) of the amount by which the family's current annual earned income exceeds the family's baseline annual earned income; or

(ii) The increase in the family's monthly rent. The increase in the family's monthly rent shall be the lower of:

   a. The amount by which the family's current monthly rent exceeds the family's baseline monthly rent;
   b. For HCV 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; or
   c. For PBV, Mod Rehab, including Mod Rehab SRO, and PBRA families, the difference between the baseline monthly rent and the current gross rent (*i.e.*, rent to owner or contract rent, as applicable, plus any utility allowance).

FSS families who are not low-income families are not entitled to any FSS credit [24 CFR 984.305(b)(3)].

Determination of Family Rent and Total Tenant Payment

For the HCV program, *family rent* is 30 percent of gross monthly income [24 CFR 984.305(b)(1).

Increases in FSS Family Income [24 CFR 984.304]

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

Cessation of FSS Credit [24 CFR 984.305(b)(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, during the time the FSS family is in the process of moving to a new unit and is not under a lease, or otherwise nullified.

6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS

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

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

Disbursement before Expiration of Contract Term

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

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

> <u>PHA Policy</u>
>
> SCCHA will only disburse the entire FSS escrow account to the family at COP completion when the FSS family completed all the goals on their ITSP, including being free of welfare assistance at the time of COP completion.
>
> SCCHA will disburse the entire FSS escrow account to the family before the expiration of contract term:
>
> - if the family voluntarily relinquishes their Section 8 assistance as a result of home purchase; or
> - if the family voluntarily relinquishes their Section 8 assistance and has been compliant with their ITSP and employment requirement at the time of their Section 8 program participation end date.

Verification of Family Certification at Disbursement

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

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

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

> PHA Policy
>
> SCCHA will not make interim disbursements from the FSS escrow account. SCCHA will only disburse the entire FSS escrow account to the family at COP completion when the FSS family has completed all of their goals on their ITSP.
>
> The family must provide appropriate documentation that each of the ITSP goals has been completed. SCCHA will require a combination of self-certification and third-party verification to document completion of ITSP goals.

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

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

> PHA Policy
>
> The newly designated head of the FSS family will need to establish ITSP goals and complete the mandatory obligations defined in the ITSP, so the participant is eligible to receive escrow.
>
> If the head of the FSS family leaves in the final year of the FSS program and the other household members cannot meet the requirements of maintaining suitable employment, then the escrow will be forfeited unless the family requests an extension.

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

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

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

6-I.E. FORFEITURE OF FSS ACCOUNT FUNDS

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

Treatment of Forfeited FSS Account Funds

FSS escrow account funds forfeited by the FSS family must be used by the PHA or owner for the benefit of the FSS participants. [24 CFR 984.305(f)(2)].

PHA Policy

FSS escrow account funds forfeited by the FSS family (if any) will be used to support FSS participants in good standing. Upon written request from a family, the FSS Coordinator and a member of the PCC will consider the available funds and make a determination.

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

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

Eligible Uses	**Guidelines**
Training for participants	Requests will be considered on a case-by-case basis
Training for FSS Program staff	Requests for funding must be approached by the Program Manager
Employment or Educational Costs, including employment training and education costs (books, fees, etc.)	Household member receiving funding support must verify completion of a finance/credit/budget workshop or training Requests will be considered on a case-by-case basis
Educational Scholarship Fund Program	Applying FSS household member must meet scholarship fund program eligibility criteria

Part II. Escrow Fund Accounting and Reporting

6-II.A. OVERVIEW

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

6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS

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

The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA credits the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account. Such escrow credit amount must be deposited each month by the PHA or owner to each family's FSS escrow account within the PHA's or owner's depository account [24 CFR 984.305(a)(2)(i)].

> <u>PHA Policy</u>
>
> SCCHA will credit the amount of the FSS credit(s) to each family's account on a monthly basis.

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

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

> <u>PHA Policy</u>
>
> Each year the full amount of the investment income for funds in the 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 HCV-assisted lease. The balances and transactions reflected on annual statements are not final and are subject to review and correction at any time.

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

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

6-II.C. REPORTING ON THE FSS ACCOUNT

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

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

- The balance at the beginning of the reporting period
- The amount of the family's rent payment that was credited to the FSS account, during the reporting period
- Any deductions made from the account for amounts due the PHA before interest is distributed
- The amount of interest earned on the account during the year
- The total in the account at the end of the reporting period

PHA Policy

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

Chapter 7

PORTABILITY IN HOUSING CHOICE VOUCHER FSS PROGRAMS

INTRODUCTION

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

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

This chapter contains two parts:

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

PART I: PORTABILITY IN THE FSS PROGRAM

7-I.A. OVERVIEW

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

7-I.B. DEFINITIONS

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

- *Initial PHA* means both:
  1. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

2. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

- *Receiving PHA* means a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA either absorbs the family into its program, including issuing a voucher and providing rental assistance to the family, or bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher.
- *Relocating FSS Family* refers to an FSS family that moves from the jurisdiction of a PHA at least 12 months after signing its contract of participation.

7-I.C. RESIDENCY REQUIREMENTS

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

> PHA Policy
>
> SCCHA 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 needed for training, education, employment, support services, or to meet personal family needs.

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

7-I.D. CONTRACT OF PARTICIPATION

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

Continued Participation in the FSS program of the Initial PHA

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

> PHA Policy
>
> SCCHA will approve a relocating family's request to continue in its FSS program under the following circumstances:
>
> 1. The receiving housing authority does not have a FSS program; or

2. The receiving housing authority is not accepting enrollment to their FSS program;
3. The family has not completed their contract of participation; and
4. The family is able to fulfill their responsibilities under the contract of participation despite living in a different jurisdiction.

If the situations above do not apply to the family, then SCCHA will transfer the family to the receiving housing authority's FSS program if available, or SCCHA will terminate the family's contract of participation. The family may not be eligible to receive accrued escrow if the contract of participation is not complete at the time of termination.

Should the relocating family stay in the initial PHA's FSS program, there will be only one contract of participation. This will be the same contract as originally executed by the initial PHA [24 CFR984.306(c)(2)].

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

<u>PHA Policy</u>

SCCHA, as the receiving housing authority, will allow a relocating FSS family to participate in its FSS program so long as an open FSS slot exists. If a port-in family is interested in participating in the FSS program and an FSS slot is not available, then SCCHA will place the family on the FSS waiting list. Port-in families will be given FSS waiting list priority and will be enrolled in order by the date that the family's FSS record was received from the initiating housing authority.

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

<u>PHA Policy</u>

A port-in FSS family participating in SCCHA's FSS program must sign the contract of participation (COP) within 90 days. If the port-in family does not sign SCCHA's COP within 90 days, then the initial PHA may terminate their COP and forfeit the family's escrow.

If a FSS family is porting out to a different jurisdiction and is being absorbed, the family must provide a signed and revised FSS COP, so the monies are transferred to the receiving PHA. The COP must be received by SCCHA from the receiving housing authority within 90-days of SCCHA's receipt of the notification that the household has leased up in that jurisdiction (form HUD_52665) or the family's participation in SCCHA's FSS program will be terminated and any escrow monies will be forfeited.

Part II: The Effects of Portability on FSS Regulations and Policy

7-II.A. OVERVIEW

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

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

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

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

Another point of consideration for PHAs is noncompliance with the contract of participation when the FSS participant family moves outside of the PHA's jurisdiction. In such cases, noncompliance with the contract is treated the same under portability as it is if the noncompliance occurred in the initial PHA's jurisdiction. According to the regulatory language, if an FSS family that relocates to another jurisdiction is unable to fulfill its obligations under the contract of participation (or any modifications to the contract), the PHA administering the contract may terminate the FSS family from the FSS program and the family's FSS account will be forfeited [24 CFR 984.306(f)(1)]. PHAs are no longer permitted to terminate a family's HCV program assistance if the family fails to meet its obligations under the contract of participation [FR Notice 12/29/14].

PHA policy regarding the consequences of noncompliance with the FSS contract of participation can be found in Section 5-I.D. of this action plan. *Good cause* is likewise defined in this section. In the event of forfeiture of the family's FSS account, the funds in the family's FSS account will revert to the PHA maintaining the FSS escrow account for the family [24 CFR 984.306(f)(2)].

7-II.D. FSS TERMINATION WITH DISBURSEMENT FOR PORTING FAMILIES

If an FSS family seeks to move to a jurisdiction that does not offer an FSS program, SCCHA will closely examine the family's progress to determine if it would be appropriate to exercise FSS Termination with Disbursement as discussed above in the section on Termination.

Where continued FSS participation is not possible, SCCHA will discuss the options that may be available to the family, depending on the family's specific circumstances, which may include, but are not limited to, modification of the FSS contract, termination of the FSS contract and forfeiture of escrow, termination with FSS escrow disbursement in accordance with 24 CFR § 984.303(k)(1)(iii), or locating a receiving PHA that has the capacity to enroll the family into its FSS program.