

Orange County Housing Authority

FSS ACTION PLAN

FOR THE

FAMILY SELF-SUFFICIENCY PROGRAM

**Family Self-Sufficiency Program
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 Orange County Housing Authority (OCHA) for the jurisdiction of the County of Orange.

1-I.B. APPLICABLE REGULATIONS

Applicable regulations for Housing Choice Voucher FSS programs include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 4 CFR Part 903: Public Housing Agency Plans
- 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 FSS Action Plan is required by HUD. The purpose of the FSS Action Plan is to establish policies for carrying out the FSS 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 FSS 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 FSS regulations, as well as all Housing Choice Voucher (HCV) regulations, in addition to federal, state, and local fair housing laws and regulations.

PART II. REQUIREMENTS OF THE FSS ACTION PLAN

1-II.A. OVERVIEW

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

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

1-II.B. HUD APPROACH TO POLICY DEVELOPMENT

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

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

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

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

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

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

When developing an FSS Action Plan, a PHA must do so in consultation with the Chief Executive Officer of the applicable unit of general local government and the Program Coordinating Committee (PCC).

In addition, 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).

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.

OCHA Policy

OCHA will revise the Action Plan as needed, and will submit for HUD approval, in accordance with above.

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

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

- Family demographics, including a description of the number, size, characteristics, and other demographics such as racial and ethnic data, in addition to the supportive service needs of the families expected to participate in the program. (Chapter 1)
- Estimate of participating families, which means the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Eligible families from any other local self-sufficiency program who are expected to agree to execute an FSS contract of participation. (Chapter 2)
- Timetable for program implementation, including the schedule for filling FSS slots with eligible families. (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)
 - 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 HCV program. (Chapter 4)
 - 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)
 - A description of the PHA's policies regarding program termination, withholding of services or terminating or withholding Section 8 assistance on the basis of a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)
- Optional additional information, which involves such other information that would help HUD determine the soundness of the PHA's proposed FSS program. (All Chapters)

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

As part of the required contents of the FSS Action Plan, family demographics of the HCV 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.

Housing Choice Voucher Program	Total Households 9700	Percent of Total
		100%
Female Head of Household	5881	61%
Male Head of Household	3819	39%
Race		
White	5001	52%
Black/African American	638	7%
American Indian/Alaska Native	59	<1%
Asian	3905	40%
Native Hawaiian/Other Pacific Islander	26	<1%
Other	71	<1%
Ethnicity		
Hispanic or Latino	1637	17%
Not Hispanic or Latino	8063	83%
Income		
Extremely Low-Income	6998	72%
Very Low-Income	1404	14.5%
Low-Income	1298	13.4%
Households' Number of Children		
0	7637	79%
1-2	1580	16.3%
3-4	428	4.4%
5 or more	55	<1%
Households' Number of Family Members		
1-2	7174	74%
3-4	1842	19%
5 or more	684	7%
Households with 1 or More Disabled Persons	4400	45%
Households with 1 or More Elderly Persons	5242	54%

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 OCHA'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 OCHA'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 OCHA is expected to have attained full enrollment.

Part IV: The Definitions of Terms Used in OCHA's FSS program: This section contains both HUD and OCHA 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 housing assistance under the HCV 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, OCHA also establishes a local goal consistent with OCHA's mission statement to serve as a guide for establishing policy and implementing the FSS program.

OCHA Policy

OCHA's goal is to provide a comprehensive FSS Program that gives participants the skills and experience to enable them to obtain employment that pays a living wage.

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

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

OCHA Policy

On the local level, OCHA will achieve the national program objective by establishing and maintain partnerships. to offer low-income families a broad range of services, including education, job training, counseling, and other forms of social service assistance so that families may achieve economic self-sufficiency, as defined in Section 2-I.A. of this document.

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

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

PART II: SCOPE OF THE FSS PROGRAM

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

Each PHA that received funding for 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 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.

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 HCV 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 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, 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 HCV program; funding for families affected by the sale of a HUD-owned project; and funding for families affected by the prepayment of a mortgage or voluntary termination of mortgage insurance.

PHA Minimum Program Size

OCHA's HCV FSS MMPS is **465**. This MMPS 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.

Year Funded	Type of Award	Units
1992	Incentive Award	60
1994	Fair Share Award	84
1995	Fair Share Award	151
1997	Family Unification Program Award	120
1998	Family Unification Program Award	50
TOTAL AWARDED		465

Maintaining Mandatory Minimum Program Size

Although the discretion to do so ultimately rests with OCHA, mandatory minimum program size can decrease as FSS participants graduate. Per the regulation, for each family that graduates from the program by fulfilling its FSS contract of participation on or after October 21, 1998, the mandatory minimum program size for a PHA's HCV FSS program is reduced by one slot. However, if an FSS slot is vacated by a family that has not completed its FSS contract of participation obligations, the slot must be filled by a replacement family which has been selected in accordance with the FSS family selection procedures [24 CFR 984.105(b)(3)].

OCHA Policy

OCHA will reduce its FSS mandatory minimum program size by one for each family that graduates from the program by fulfilling its FSS contract of participation.

Option to Operate Larger FSS Program

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

OCHA Policy

OCHA will operate an FSS program of a size larger than its mandatory minimum program size when funding, staffing and resources permit.

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

The requirement to establish and carry out a HCV FSS program may be waived with approval from HUD. In order to waive the requirement, OCHA 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 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 HCV FSS program that is smaller than the minimum program size. As with the full exception, HUD may grant PHA such a partial exception if 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, 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)]

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

Estimate of Eligible Families

179 eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.

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

If applicable, OCHA 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.

OCHA Policy

OCHA 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.

OCHA Policy

OCHA will not operate a joint 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 OCHA is expected to have attained full enrollment. A timetable illustrating when OCHA intends to meet these deadlines is included as part of the required contents of the Action Plan.

2-III.B. PROGRAM IMPLEMENTATION DEADLINE

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

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

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

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

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

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

Unless a 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 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 a PHA requests an extension and HUD determines that despite best efforts on the part of a 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.

OCHA Policy

OCHA had an implementation deadline to begin operating a local FSS Program within 12 months from HUD's notification that the incentive award application for rental certificates and vouchers was approved. As a result OCHA began outreach, participant selection and enrollment in the FSS program prior to May 1, 1993. This timetable has therefore been met.

OCHA's "Fair Share Allocations" in FY 94, FY 95, and "Family Unification Program" (FUP) awarded in FY 97 resulted in an increase of 355 FSS slots. These allocations required outreach, participant selection and enrollment to be completed within 24 months of the date of HUD execution of the Annual Contributions Contracts. These timetables also have been met.

An additional allocation of 50 FUP OCHA units awarded in FY 98 created 50 additional FSS slots, which were enrolled by September 30, 2000.

PART IV: DEFINITIONS

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

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

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

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

Certification means a written assertion based on supporting evidence, provided by the FSS family or OCHA, which must be maintained by OCHA in the case of the family's certification, or by HUD in the case of OCHA's certification; made available for inspection by HUD, OCHA, and the public, as appropriate; and be deemed to be accurate, unless the secretary or OCHA 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 OCHA 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 OCHA entered into the contract of participation.

Eligible families for the HCV FSS program, means current HCV program participants. Eligible families also include current residents of public housing and participants in the HCV 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 OCHA.

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 OCHA to the participating family's FSS account.

FSS family or participating family means a family that 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 rental vouchers that comprise the minimum size of a PHA's 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 OCHA 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 OCHA and the participating family member, and is attached to and incorporated as part of the contract of participation. An ITSP must be prepared for the head of the FSS family.

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

Knowledgeable professional

OCHA Policy

Knowledgeable professional means a person who has professional knowledge of the situation, is competent to render a professional opinion, and is not in a position to gain, monetarily or otherwise, from an OCHA FSS program decision in the area to which they are certifying.

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

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

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

Self-sufficiency means that an FSS family is no longer receiving Section 8, public, or Indian housing assistance, or any federal, state, or local rent or homeownership subsidies or welfare

assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds.

Supportive services mean those appropriate services that a PHA will make available or cause to be made available to an FSS family under a contract of participation. These may include child care of a type that provides sufficient hours of operation and serves an appropriate range of ages; transportation necessary to enable a participating family to receive available services or to commute to their places of employment; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation; substance/alcohol abuse treatment and counseling; training in homemaking and parenting skills; household management; money management; counseling regarding homeownership or opportunities available for affordable rental and homeownership in the private housing market (including information on an individual's rights under the Fair Housing Act) and money management; and any other services and resources, including case management and reasonable accommodations for individuals with disabilities, that OCHA 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, or are not intended to meet recurrent or ongoing needs and will not extend beyond four months; work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training); supportive services such as child care and transportation provided to families who are employed; refundable earned income tax credits; contributions to, and distributions from, individual development accounts under TANF; services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic income support; transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Social Security Act, to an individual who is not otherwise receiving assistance; amounts solely directed to meeting housing expenses; amounts for health care; food stamps and emergency rental and utilities assistance; and SSI, SSDI, or social security.

Chapter 3

PROGRAM ADMINISTRATION

INTRODUCTION

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

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

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

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

3-I.A. OVERVIEW

Several functions of program administration are crucial to running an FSS program. A PHA may need to employ a program coordinator, or decide to contract with another organization to administer the program. In addition to staffing issues, PHAs should understand how program funding and expenses work in order to keep the program running smoothly.

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.

OCHA Policy

OCHA has employed appropriate staff, including one or more FSS Coordinators and continues to administer its FSS program.

3-I.C. ADMINISTRATIVE FEES AND COSTS

HCV FSS Program

In the HCV 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

Supportive services fees and costs include childcare expenses, transportation funds, and the costs of training, work equipment, or GED classes, among others.

HCV Supportive Services

In the HCV 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.

OCHA Policy

Refer to Chapter 4 regarding OCHA's Enhancement Program.

PART II: PROGRAM COORDINATING COMMITTEE

3-II.A. OVERVIEW

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

The PCC must consist of certain members, which are dependent upon whether the PHA is operating a HCV 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 an HCV FSS program, the PCC membership must consist of representatives of the PHA and participants of the HCV program or HUD's public or Indian housing programs.

OCHA Policy

OCHA's representatives on the PCC are FSS Coordinators assigned to the Family Self Sufficiency Program. OCHA and its partners recruit and invite HCV program participants to join the PCC and attend quarterly meetings.

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.

OCHA Policy

OCHA and its partner PHAs recruit and invite representatives from a variety of resource providers, including, but not limited to: social services agencies, regional occupational programs, colleges, employment services providers, subsidized childcare programs, and agencies that provide assistance with basic needs.

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).

OCHA Policy

OCHA established a PCC upon FSS Program implementation and continues to maintain the committee at this time. However, should OCHA deem necessary, a transition to an alternative committee may be made.

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 HCV program. 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

OCHA Policy

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

FSS Escrow Account:

The FSS escrow account offers a family the opportunity to build financial resources for the future. During the term of the contract of participation, OCHA will establish an interest bearing escrow account. The housing authority will contribute, on behalf of the family, all or a part (depending on the income level of the family) of any amount the family would pay as increased rent due to an increase in their earned income. If eligible, upon satisfactory completion of COP requirements funds from the escrow account will be disbursed to the FSS Head of Household.

Enhancement Program:

When available, OCHA may provide funding for an Enhancement Program that offers reimbursement for eligible expenditures such as, tuition, childcare, transportation, etc., paid participants who have demonstrated progress towards meeting the goals of their ITSP. An annual maximum reimbursable amount is allocated for each verified expense or allowable incentive.

Eligibility for reimbursements and/or incentives begins on the effective date of the COP, therefore, expenses incurred and/or goals achieved prior to the effective date of the COP are not eligible for reimbursement. At OCHA's discretion, reimbursements for educational expenses may be allowed up to 90 days after expense was incurred.

Denial of a request for reimbursement is not subject to the Informal Review and/or Informal Hearing processes.

OCHA staff will collaborate with FSS participants to assess, plan, facilitate, coordinate, evaluate, and advocate for options and services to meet their comprehensive needs through communication and available resources to promote self-sufficiency.

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.

OCHA Policy

When appropriate and applicable, OCHA will conduct FSS outreach to HCV recipients upon registration, briefing, recertification, and/or program recruitment. Additionally, OCHA will work with supportive services providers from the Veterans Affairs Supportive Housing (VASH) and Family Unification programs to encourage participants in the respective programs to participate in the FSS program.

OCHA employs bilingual staff in the threshold languages to accommodate persons with Limited English Proficiency (LEP). These strategies have been selected to ensure that both minority and non-minority groups are informed of the FSS Program.

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 HCV program, nor will it affect the family's right to occupancy in accordance with the lease.

OCHA Policy

Participation in the FSS program is strictly voluntary. HCV program participants will be notified via the Administrative Plan and supplemental FSS program material that should they decide not to participate in the FSS program it will not affect their HCV housing assistance.

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.

OCHA Policy

Participation in FSS is voluntary and is open to current participants in the HCV program without regard to race, color, religion, sex, handicap, familial status, or national origin.

OCHA has no selection preferences. The selection process is “first-come, first-served”, based upon time and date interest is expressed, until all mandatory slots have been filled.

Thereafter, OCHA’s voluntary slots will be filled in the same manner.

4. II. B. DENIAL OF PARTICIPATION

A request for participation in the FSS program may be denied under the following circumstances:

- The family previously participated in the FSS program and graduated.
- The family previously participated in the FSS program and did not meet their FSS obligations/goals and/or they were terminated from the FSS program.
- The family owes OCHA or another PHA money in connection with the HCV program.

PART III. ACTIVITIES AND SUPPORT SERVICES

4-III.A. OVERVIEW

Once families are admitted to the FSS program, the PHA becomes responsible for making sure these families are adequately served. The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of housing assistance under the HCV program 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 for 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.

OCHA Policy

The head of household must complete and sign an *Individual Training and Services Plan* (ITSP). The role of OCHA staff is to help guide and assist the FSS participant in developing their ITSP through the following processes:

- Evaluating current job skills, training, experience, and educational level.
- Selecting goals that are relevant and build upon and enhance current skills and/or educational achievements that a client can commit to accomplishing within the 5-year term of the Contract of Participation (COP).
- Identifying the available services and resources needed in order to achieve their established goals.

4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION [24 CFR 984.201(d)(7)]

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

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

OCHA Policy

As needed, and when available, FSS families will be linked to the following activities and supportive services:

Support Service General	Support Service Specific	Source/Partner
Assessment	Vocational Assessment Educational Assessment Vocational Planning Educational Planning	Adult Education Community College Community Based Organizations
Education	High School English as a Second Language GED College	Adult Education Community College University
Training	Skills Training Vocational Training On-The-Job Training	Adult Education Community College University Community-based Organizations
Job Search Assistance	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Adult Education Community College University Community-based Organizations
Transportation	Bus Emergency Car Repair	FSS Enhancement Program
Health Care	Emergency Care Preventative Care	Community Clinic General Hospital Health Care Agency Social Services Agency
Small Business Development	Training Planning Technical Assistance Mentoring	Small Business Administration Score
Homeownership	Training Planning Debt Resolution Counseling	Housing Choice Voucher Homeownership Program Housing Counseling Organization Community-Based Organizations

Support Service General	Support Service Specific	Source/Partner
Child Care	Infant Care Toddler Care Preschool Care Afterschool Care Homework Assistance	Children’s Home Society FSS Enhancement Program Local Park, Recreation, and Library System
Domestic Violence	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Police Department Sheriff’s Department Counseling Agencies Shelters
Child/Adult Protective Services	Needs Assessment Case Planning Information and Referrals Crisis Management	Senior Services- Office on Aging Adult Protective Services In-Home Supportive Services Social Services Agency
Legal Services	Representation Document Review Counsel or Advice	Fair Housing Counsel Legal Aid
Debt Resolution	Needs Assessment Case Planning Advocacy Negotiation	Consumer Credit Counseling Services
Mentoring	Guidance	Social Service Agency Boys Town

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

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

OCHA Policy

The development of activities and services for OCHA’s FSS program are coordinated, implemented, and continue to be administered in conjunction with the primary providers of basic needs, mainstream benefits, and ancillary services via the PCC and various other committees.

Chapter 5

CONTRACT OF PARTICIPATION

INTRODUCTION

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

This chapter contains two parts:

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

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

PART I: OVERVIEW AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

The purpose of the FSS contract of participation is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation 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

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.

OCHA Policy

To participate in FSS, the head of household must enter into a COP with OCHA. The COP must be executed within 120 days of the last annual/interim reexamination. If more than 120 days have lapsed, a new reexamination review will be performed, prior to, or commensurate with the effective date of the COP

As part of the required contents of the FSS COP, the Individual Training and Services Plan (ITSP) establishes specific interim and final goals by which the PHA and the family measure the family's progress toward fulfilling its obligations under the contract of participation and becoming self-sufficient. Interim and final goals will differ depending on the family's individual needs. However, the COP must include an interim goal regarding independence from welfare assistance.

The head of household must complete and sign the ITSP. The role of OCHA staff is to help guide and assist the FSS participant in developing their ITSP through the following processes:

- Evaluating current job skills, training, experience, and educational level.
- Selecting goals that are relevant and build upon and enhance current skills and/or educational achievements that a client can commit to accomplishing within the 5-year term of the COP.
- Identifying the available services and resources needed in order to achieve their established goals.

Mandatory Goals

The ITSP must include the following goals:

- Interim – All household members must be independent from welfare assistance and remain independent from welfare assistance for at least one year before the expiration of the term of the COP, including any extension thereof [24 CFR 984.303(b)(2)].
- Final – Head of household must seek and maintain suitable employment. [24 CFR 984.303 (b)(4)]

The objective of the final goal is employment in more than minimum wage jobs, unless there is significant potential for advancement.

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

Maintain employment means that the FSS head of household will complete all of the obligations outlined in the individual training and services plan in his or her COP and be employed full-time on the last effective day of the COP.

Suitable employment is employment that is outlined in the individual training and services plan of the contract of participation and is based on the skills, education, and job training of the head of household.

Individual Training & Service Plans for Other than FSS Head

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

OCHA Policy

OCHA will permit additional family members to have an ITSP.

5-I.C. FAMILY OBLIGATIONS

Compliance with Lease Terms

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the HCV 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*.

OCHA Policy

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

OCHA will terminate the FSS COP if HCV program participation is terminated.

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 HCV-assisted lease), the PHA may:

- Withhold supportive services
- Terminate the family's participation in the FSS program
- In an HCV FSS program, terminate or withhold the family's HCV program assistance

However, the PHA may not terminate or withhold the family's HCV program assistance if the only basis for noncompliance with the contract of participation is noncompliance with the lease or failure to become independent from welfare assistance. Still, failure to become independent from welfare assistance because of failure of the head of household to meet the employment obligation specified in the contract, or failure of the FSS family to meet any other obligation under the contract of participation (except the interim goal concerning welfare assistance) is grounds for the PHA to terminate or withhold HCV program assistance [24 CFR 984.303(b)(5)]. PHA policy regarding termination of HCV program assistance due to failure to comply with the requirements of the COP without good cause is found in Section 5-II.G. of this Action Plan.

OCHA Policy

If after an annual case management review, it is determined that the head-of-household has made only a minimal or no effort in pursuing the goals established in their ITSP, OCHA has the option of terminating their COP and forfeiting any escrow, upon appropriate written notification to the family.

Prior to completing a COP and ITSP, if an FSS member is terminated from the HCV program for a noncompliance with HCV program regulations, their COP will terminate concurrently and any accrued escrow will be forfeited.

If upon completion of the COP and ITSP, it is determined that the FSS household is in violation of HCV program regulations, graduation from the program will be denied and any accrued escrow will be forfeited.

PART II. CONTRACT SPECIFICATIONS

5-II.A. OVERVIEW

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

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

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

Contract Extension [24 CFR 984.303(d)]

While the term set forth in the contract of participation is for five years, contract extensions are possible. Upon receipt of a written request for an extension, OCHA will conduct a review of the case and make a determination to approve or deny the request. Approval of an extension will be contingent upon verification that the circumstances preventing the participant from completing their COP within the established timeframe were beyond their control. If approved, the length of the extension is at OCHA's discretion, but in no instance will exceed two years.

5-II.C. MODIFICATION OF THE CONTRACT

The COP may be modified upon mutual agreement of the PHA and the FSS family. This includes modifications in writing with respect to the ITSPs, the contract term (See Section 5-II.B. above), and designation of the head of the family [24 CFR 984.303(f)].

OCHA Policy

Goals established on the ITSP may be revised at OCHA's discretion, providing that:

- The revised goals are comparable to those, which were initially established.
- The revised goals can be accomplished within the remaining term of the COP.

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 following occurs [24 CFR 984.303(g)]:

- The FSS family has fulfilled all of its obligations under the COP on or before the expiration of the contract term, including any extension thereof.
- 30% of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on OCHA's occupancy standards. The COP will be considered completed and the family's participation in the FSS program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the family members who have ITSPs have not completed all activities set forth in their plans.

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

5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE

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

PHA Policy

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

5-II.F. TERMINATION OF THE CONTRACT

The COP 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
- Termination of HCV program participation

5-II.G. OPTION TO TERMINATE SECTION 8 HOUSING AND SUPPORTIVE SERVICE ASSISTANCE [24 CFR 984.303(i)]

As touched upon in Section 5-I.D. of this Action Plan, the PHA has the option to terminate or withhold HCV housing assistance, supportive services, and the FSS family's participation in the FSS program, if the PHA determines (in accordance with the hearing procedures provided in 24 CFR 982.555) that the FSS family has failed to comply without good cause with the requirements of the contract of participation.

OCHA Policy

OCHA will not withhold or terminate HCV housing assistance if the PHA determines that the FSS family failed to comply without good cause with the requirements of the COP unless the actions prompting termination of the FSS COP would also, independently, prompt termination of the HCV.

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

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

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

Nullification of the contract of participation on the basis of unavailability of supportive services shall not be grounds for termination of HCV assistance.

5-II.I. GRIEVANCE PROCEDURES

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

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

OCHA Policy

The informal hearing procedures for the FSS program are the same as those adopted for OCHA's HCV program. Said procedures are located in Chapter 16 of OCHA's Administrative Plan.

Chapter 6

ESCROW ACCOUNT

INTRODUCTION

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

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

This chapter contains two parts:

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

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

PART I. THE ESCROW ACCOUNT

6-I.A. OVERVIEW

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

6-I.B. CALCULATING THE FSS CREDIT AMOUNT

For FSS families who are very low-income families, the FSS credit is the lesser of 30% of current monthly adjusted income less the family rent, or the current family rent less the family rent at the time of the effective date of the contract of participation. The family rent is obtained by disregarding any increases in earned income (as defined in 24 CFR 984.103) from the effective date of the contract of participation. For FSS families who are considered low-income families but not very low-income families, the FSS credit is calculated in the same manner but cannot exceed the amount computed for 50 percent of the median income [24 CFR 984.305(b)(1)].

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

Determination of Family Rent and Total Tenant Payment

For purposes of determining the FSS credit, *family rent* is 30 percent of adjusted 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)(3)]

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

6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS

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

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

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)].

Verification of Family Certification at Disbursement

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 HCV program. OCHA's Administrative Plan contains verification policies following the hierarchy in this notice. The policies contained in OCHA's Administrative Plan cover verification policies related to the FSS program in general.

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 HCV-assisted unit, the remaining members of the FSS family, after consultation with the PHA, have the right to designate another family member to receive the funds.

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

According to regulation, an 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 a 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

Treatment of Forfeited FSS Account Funds

In the HCV program, forfeited FSS account funds will be treated as program receipts for payment of program expenses under the PHA budget for the program, and will be used in accordance with HUD requirements governing the use of program receipts [24 CFR 984.305(f)(2)(i)].

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 HCV program. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

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

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 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

OCHA 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 HCV program. As with the case of portability in the HCV program in general, the FSS family may move outside the initial PHA jurisdiction under portability procedures after the first 12 months of the FSS contract of participation [24 CFR 984.306].

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

This chapter contains two parts:

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

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

PART I: PORTABILITY IN THE FSS PROGRAM

7-I.A. OVERVIEW

Portability is a statutory feature of the HCV 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)].

OCHA Policy

OCHA will approve a family’s request to move outside its jurisdiction under portability during the first 12 months after the effective date of the COP if needed for training, education, employment, and/or any other “good cause”.

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

FSS Participation outside OCHA Jurisdiction

When an FSS participant moves outside of OCHA's jurisdiction, OCHA, as the initial issuing Housing Authority (IHA), will take one of the following actions:

- Transfer FSS escrow account funds to the Receiving Housing Authority (RHA), upon receiving written notification that OCHA's FSS household has been absorbed, received a new HCV, and entered into a new COP/ITSP with the RHA for the remaining term of their original COP.
- Terminate the COP and forfeit any escrow funds, if the FSS household is unable to complete their COP and ITSP with OCHA, and continuing participation with the RHA FSS program is not an option, or is declined.

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)].

When a household moves into OCHA's jurisdiction and the head of household wishes to participate in FSS, OCHA may absorb the household in compliance with HUD portability procedures.

If the head of household has an existing COP with the IHA, they may elect to transfer participation to OCHA, or initiate a new COP to participate with OCHA. [24 CFR 984.306(d)(2)].

Chapter 8

FAMILY UNIFICATION PROGRAM (FUP) AND FAMILY SELF SUFFICIENCY DEMONSTRATION

8-I.A. OVERVIEW

In January 2016, HUD announced the opportunity for PHAs to participate in a demonstration testing the effectiveness of combining HCVs for eligible youth lacking adequate housing under the Family Unification Program (FUP) with assistance under the Family Self Sufficiency (FSS) program. The purpose is to increase opportunities for housing youth with support to achieve self-sufficiency.

Specifically, the demonstration extends the 36-month time limit to match the length of the COP, typically five years. The demonstration does not waive or establish alternative requirements under the FSS program.

8-I.B. DEMONSTRATION OUTLINE

Program participants with an FUP youth voucher who agree to sign a COP will maintain their housing assistance for a period not exceeding the length of the COP. In most cases, this limit will be no more than 5 years. However, if the COP is extended, in accordance with 24 CFR 984.303(d), the FUP youth voucher can be extended for the entire length of the COP.

Current FUP youth will be given the opportunity to participate. The FUP participant is afforded the full length of the COP without regard to the amount of time remaining on their original 18 month time limit.

Families are not required to participate in the FSS program as a condition of receipt of assistance under the HCV program, including receipt of an FUP voucher. However, only FUP youth that sign a COP will benefit from the extension of the time limit for voucher assistance.

8-I.C. REASONABLE ACCOMMODATION AND PROGRAM ACCESSIBILITY

Refer to Chapter 2 of OCHA's Administrative Plan regarding reasonable accommodation and program accessibility.

8-I.D. OUTREACH AND NOTIFICATION

OCHA will conduct outreach and provide notification of the Demonstration to current and future FUP youth as follows:

- Via communication with the PCWA, the Orange County Social Services Agency (SSA)
- Upon FUP Program Briefing
- During the initial eligibility process

- At any contact with the family following their receipt of rental assistance

8-I.E. SELECTION

Refer to Chapter 4 regarding Selection.

8-I.F. EXPECTATIONS AND REQUIREMENTS

As a condition of extension of the FUP youth voucher, FUP youth participating in FSS will be expected, and required to comply with program requirements, as outlined in the FSS Action Plan and OCHA's Administrative Plan.

8-I.G. TERMINATION

Refer to Chapter 5 regarding termination.

In addition to the policies referenced in Chapter 5, when the 36 month time limit has expired on the FUP youth voucher, and the FUP youth has exited the FSS program, the FUP youth voucher will be terminated

8-I.H. GRIEVANCE PROCEDURES

Refer to Chapter 5 regarding grievance procedures.

8-I.I. COLLABORATION

As documented in the Memorandum of Understanding, OCHA and SSA will collaborate to insure successful implementation and administration of the demonstration.