



**HOUSING AUTHORITY OF SAN ANGELO
FAMILY SELF-SUFFICIENCY (FSS)
ACTION PLAN
Revised: 01/05/2021**

**FSS Action Plan
TABLE OF CONTENTS**

CHAPTER 1: THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

SECTION I: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM AND FSS ACTION PLAN..... 4

 I.A. HISTORY AND OVERVIEW OF THE FSS PROGRAM..... 4

 I.B. APPLICABLE REGULATIONS 5

 I.C. THE FSS ACTION PLAN..... 5

SECTION II. REQUIREMENTS OF THE FSS ACTION PLAN 5

 II.A. OVERVIEW 5

 II.B. HUD APPROACH TO POLICY DEVELOPMENT 6

 II.C. FSS ACTION PLAN DEVELOPMENT AND REVISION 6

 Development of Action Plan [24 CFR 984.201(b) and (c)]..... 6

 Single Action Plan [24 CFR 984.201(f)] 6

 Revision to the FSS Action Plan [24 CFR 984.201(c)(2)] 7

 II.D. CONTENTS OF THE PLAN [24CFR 984.201(d)]..... 7

 II.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)] 8

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

SECTION I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM 9

 2-I.A. PURPOSE 9

 2-I.B. PROGRAM OBJECTIVES [24 CFR 984.102]..... 9

 2-I.C. BASIC REQUIREMENTS OF THE FSS PROGRAM [24 CFR 984.104] 10

SECTION II: SCOPE OF THE FSS PROGRAM 10

 2-II.A. PHAS REQUIRED TO OPERATE AN FSS PROGRAM..... 10

 Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]..... 10

 2-II.B. ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]..... 11

 2-II.C. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201(d)(3)] 11

 2-II.D. ELIGIBILITY OF A COMBINED PROGRAM [24 CFR 984.201(e)] 11

SECTION III: PROGRAM OPERATION 12

 2-III.A. OVERVIEW 12

 2-III.B. PROGRAM IMPLEMENTATION 12

SECTION IV: DEFINITIONS 12

 2-IV.A. DEFINITIONS [24 CFR 984.103]..... 12

CHAPTER 3: PROGRAM ADMINISTRATION

SECTION I. STAFFING, FEES AND COSTS, AND ON-SITE FACILITIES 16

 3-I.A. OVERVIEW 16

 3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS [24 CFR 984.301(b)]..... 16

 3-I.C. ADMINISTRATIVE FEES AND COSTS 16

 3-I.D. SUPPORTIVE SERVICES FEES AND COSTS 17

3-I.E. ON-SITE FACILITIES.....	17
SECTION II: PROGRAM COORDINATING COMMITTEE (PCC)	17
3-II.A. OVERVIEW	17
3-II.B. PCC MEMBERSHIP	17
Required PCC Membership [24 CFR 984.202(b)(1)].....	17
Recommended PCC Membership [24 CFR 984.202(b)(2)]	18

CHAPTER 4: SELECTING AND SERVING FSS FAMILIES

SECTION I. INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE .	19
4-I.A. OVERVIEW.....	19
4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)].....	19
4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)]	20
4-I.D. ASSURANCE OF NONINTERFERENCE WITH THE RIGHTS OF NONPARTICIPATING FAMILIES [24 CFR 984.201(d)(10)].....	21
SECTION II. FAMILY SELECTION	21
4-II.A. OVERVIEW	21
4-II.B. FSS SELECTION PREFERENCES	22
4-II.C. FSS SELECTION AND SCREENING ACTORS.....	22
SECTION III. ACTIVITIES AND SUPPORT SERVICES.....	24
4-III.A. OVERVIEW	24
4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS [24 CFR 984.201(d)(8)].....	24
4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION [24 CFR 984.201(d)(7)].....	24
4-III.D. CERTIFICATION OF COORDINATION [24 CFR 984.201(d)(12)].....	26

Chapter 5: CONTRACT OF PARTICIPATION

SECTION I: OVERVIEW AND FAMILY OBLIGATIONS	27
5-I.A. OVERVIEW.....	27
5-I.B. CONTENTS OF THE CONTRACT OF PARTICIPATION	27
Individual Training and Services Plan.....	27
5-I.C. FAMILY OBLIGATIONS	28
Compliance with Lease Terms.....	28
Employment Obligation [24 CFR 984.303 (b)(4)]	28
5-I.D. CONSEQUENCES OF NONCOMPLIANCE WITH THE CONTRACT	29
SECTION II. CONTRACT SPECIFICATIONS.....	29
5-II.A. OVERVIEW	29
5-II.B. CONTRACT TERM [24 CFR 984.303(c)].....	29
Contract Extension [24 CFR 984.303(d)].....	30
5-II.C. MODIFICATION OF THE CONTRACT	30
5-II.D. COMPLETION OF THE CONTRACT	30
5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE.....	31
5-II.F. TERMINATION OF THE CONTRACT	31
5-II.G. OPTION TO WITHHOLD OR TERMINATE SUPPORTIVE SERVICE AND HOUSING ASSISTANCE [24 CFR 984.303(b)(5)(i)]	31

5-II.H. NULLIFICATION OF CONTRACT FOR UNAVAILABILITY OF SUPPORTIVE SERVICES [24 CFR 984.303(e)].....	32
5-II.I. GRIEVANCE PROCEDURES	32
SECTION III. SEMI-MONTHLY MEETINGS.....	33

CHAPTER 6: ESCROW ACCOUNT

SECTION I. THE ESCROW ACCOUNT.....	34
6-I.A. OVERVIEW.....	34
6-I.B. CALCULATING THE FSS CREDIT AMOUNT	34
Determination of Family Rent and Total Tenant Payment.....	34
Increases in FSS Family Income [24 CFR 984.304]	35
Cessation of FSS Credit [24 CFR 984.305(b)(3)]	35
6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS	35
Disbursement at Completion of Contract [24 CFR 984.305(c)(1)]	35
Disbursement before Expiration of Contract Term	35
Verification of Family Certification at Disbursement	36
Succession to FSS Account [24 CFR 984.305(d)].....	36
6-I.D. USE OF FSS ACCOUNT FUNDS FOR HOMEOWNERSHIP	36
6-I.E. FORFEITURE OF FSS ACCOUNT FUNDS	36
Treatment of Forfeited FSS Account Funds	36
SECTION II. ESCROW FUND ACCOUNTING AND REPORTING.....	37
6-II.A. OVERVIEW	37
6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS.....	37
Proration of Investment Income [24 CFR 984.305(a)(2)(ii)]	37
Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii)]	37
6-II.C. REPORTING ON THE FSS ACCOUNT	38

CHAPTER 7: PORTABILITY IN HOUSING CHOICE VOUCHER FSS PROGRAMS

SECTION I: PORTABILITY IN THE FSS PROGRAM.....	39
7-I.A. OVERVIEW.....	39
7-I.B. DEFINITIONS	39
7-I.C. RESIDENCY REQUIREMENTS	40
7-I.D. CONTRACT OF PARTICIPATION	40
Continued Participation in the FSS program of the Initial PHA	40
SECTION II: THE EFFECTS OF PORTABILITY ON FSS REGULATIONS AND POLICY. 40	
7-II.A. OVERVIEW	40
7-II.B. PORTABILITY AND THE ESCROW ACCOUNT [24 CFR 984.306(e)].....	41
7-II.C. PROGRAM TERMINATION, LOSS OF FSS ACCOUNT, AND TERMINATION OF SECTION 8 ASSISTANCE.....	41

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 the FSS Action Plan, including the purpose, organization, and required contents of the FSS Action Plan. This chapter also contains definitions of the key terms in this FSS action plan.

- Section I: The FSS Program and FSS Action Plan: This section provides an overview of the FSS program and the purpose of the FSS Action Plan.
- Section II: Requirements of the FSS Action Plan: This section covers the requirements for the action plan that includes development, revision, and contents as well as information on family demographics.

SECTION I: THE FSS PROGRAM AND FSS ACTION PLAN

1-I.A. HISTORY AND OVERVIEW OF THE FSS PROGRAM

The FSS Program originated in two pilot projects, i.e., Project Self-Sufficiency of 1986 and Operation Bootstrap in 1990. The goal of these projects was to test the self-sufficiency programs available to families receiving housing subsidies. Both projects 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, FSS 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 Operation Bootstrap. 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 overall purpose of the FSS Program now 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 discussed in Chapter 2.

This FSS program is administered by the Housing Authority of San Angelo (HASA) for the jurisdiction of Tom Green County and parts of the Concho Valley. The HASA's FSS Program strives to provide supportive services to enable participating families to achieve economic independence and self-sufficiency by maximizing their potential. This goal seeks to promote the development of local strategies, coordination, and assistance under the Housing Choice Voucher (HCV) program, Public Housing (PH) program, and private resources.

1-I.B. APPLICABLE REGULATIONS

Applicable regulations for PH and HCV FSS programs include:

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

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

The FSS action plan is required by the Department of Housing and Urban Development (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. This FSS action plan is a supporting document to the HASA's Administrative Plan and ACOP, and is available for public review as required by 24 CFR Part 903.

This FSS action plan is set forth to define the HASA'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 HASA is responsible for complying with all changes in HUD regulations pertaining to the FSS program. The HASA will amend this plan as required or as necessary. If such changes conflict with this plan, HUD regulations will take precedence.

Administration of the FSS program and the functions and responsibilities of HASA staff shall be in compliance with the HASA's personnel policy, HUD's FSS regulations, all PH and HCV regulations, and federal, state, and local fair housing laws and regulations.

SECTION 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 in the regulations [24 CFR 984.201(a)]. This section covers these regulatory requirements specifically for the FSS action plan which involves the development, revision, and required contents of the action plan.

1-II.B. HUD APPROACH TO POLICY DEVELOPMENT

In developing policy for the FSS action plan, the HASA considers HUD's distinction between mandatory and discretionary policies as follows:

- *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 HASA has adopted. The FSS action plan is the foundation of those policies and procedures for the HASA's FSS program. The goal of this plan is to provide guidance to staff and consistency to program applicants and participants.

Furthermore, even though it is not mandatory for the HASA to follow HUD's guidance for discretionary policies and the like, doing so provides the HASA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If the HASA was to adopt an alternative strategy, it must determine that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. In addition, those strategies must be defined in the Action Plan.

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

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

The HASA must develop the FSS action plan in consultation with the chief executive officer of the applicable unit of general local government and the program coordinating committee (PCC). In addition, the HASA submitted an initial action plan to HUD for approval when the HASA first received approval for funding that established the obligation to operate an FSS program. The standard deadline for a PHA who is newly receiving this funding is within 90 days of approval.

For both mandatory and voluntary FSS programs, the PHA must submit its action plan and obtain HUD approval of the plan before it can implement the FSS program. The HASA operates a mandatory FSS Program but fulfilled the mandatory slots required in 2020. The HASA includes a copy of the action plan to HUD with the Annual Plan that is required. In addition, the HASA also submits an annual report to HUD to include: a description of activities carried out by the program; a description of the effectiveness of the program in assisting families to achieve economic self-sufficiency and in coordinating resources for families; and any recommendations for legislature on administrative action that would improve the FSS program.

Single Action Plan [24 CFR 984.201(f)]

The HASA implements both an HCV FSS program and a PH FSS program but will submit one action plan. Therefore, the policies contained in the action plan will apply to both programs.

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

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

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

The following components are included in this FSS action plan as required by HUD regulations:

- Family demographics: 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: the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Eligible families from any other local self-sufficiency program who are expected to agree to executing an FSS contract of participation. (Chapter 2)
- A statement of the HASA'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 HASA 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 HASA's efforts to recruit eligible families, the actions the HASA will take to ensure that both minority and nonminority groups are informed about the FSS program, and how the HASA 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 HASA's method for identifying family support needs, including how the HASA will identify the needs and deliver the services. (Chapter 4)
- A description of the HASA'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 PH 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.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]

The HASA owns and/or contracts 990 residential units; 174 are under conventional PH and 842 units are under the HCV Program. The characteristics of the families to participate are drawn from the demographics of the current program participants as of the date of this Action Plan. These demographics listed below serve to provide a description of the number, size, characteristics, and other descriptive data to determine the services needed.

Housing Choice Voucher/ Public Housing	Total Families	Percent of Total
All Families		
Single	977	93.23%
Female HOH	824	78.63%
Male HOH	224	21.37%
Race		
White	796	75.95%
Black/African American	142	12.55%
American Indian/Alaska Native	6	0.57%
Asian	5	0.48%
Native Hawaiian/Other Pacific Islander	1	0.10%
Mixed or Other	98	9.35%
Ethnicity		
Hispanic or Latino	472	45.04%
Not Hispanic or Latino	576	54.96%
Income		
Extremely Low-Income	601	56.75%
Very Low-Income	375	35.41%
Low-Income	67	6.33%
Families Primary Income from Wages	218	20.80%
Families Primary Income from Own Business	3	0.29%
Families Primary Income from Unemployment	18	1.72%
Families Primary Income from TANF	0	0
Families Primary Income from SSI	149	14.22%
Families with children	353	33.33%
Families with persons with disabilities	368	34.75%

CHAPTER 2

PURPOSE, SCOPE, AND APPLICABILITY OF THE FSS 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 HASA's FSS program.

- Section I: The Purpose and Basic Requirements of the FSS program: This section describes the purpose of the FSS program including the intent, goals, and strategies.
- Section II: The Scope of the FSS program: This section contains information about the size of the HASA's FSS program, an estimate of participating families, eligible families from other self-sufficiency programs, and eligibility for combined FSS programs.
- Section III: Program Operation: This section specifies the requirements for FSS program operation.
- Section IV: The Definitions of Terms Used in the HASA's FSS program: This section contains both HUD and HASA definitions for terms used in this policy document.

SECTION I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM

2-I.A. PURPOSE

The purpose of FSS program is to promote the development of local strategies to coordinate the use of PH assistance and 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, the HASA has established a local goal consistent with the HASA's mission statement to serve as a guide for establishing policy and implementing the FSS program. The HASA's local goal in operating this 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 COP. In doing so, the HASA's strives to empower families to move from a state of dependence on social service programs to economic self-sufficiency. *Economic self-sufficiency* is defined as having the sustainable skills necessary to maintain employment paying a "living wage", i.e., the ability to pay for the family's basic needs without the use of government subsidies.

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

According to HUD, the objective of the FSS program is to reduce the dependency of low-income families on welfare assistance and on HCV, PH, 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, 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.

On the local level, the HASA will achieve the national program objective by offering low-income families a broad range of services through partnering with the Program Coordinating Committee (PCC) so that families may achieve economic self-sufficiency as defined in the previous section. These services include the following:

- Assisting participants in acquiring education opportunities;
- Assisting participants with job training and developing employment skills;
- Assisting participants in improving credit score, Financial Literacy, and encouraging participants to transition into the Home Ownership Program (HOP) under the HCV Program;
- Increasing participants' self-esteem and self-worth;
- Assisting participants' in enhancing parenting and household skills; and
- Networking with other social service agencies to avoid duplication of services and to identify and mitigate gaps within current programs.

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.

SECTION 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 PH FSS program. Each PHA that received funding for HCV under the combined FY 1991/1992 FSS incentive award competition also must operate an HCV FSS program. In addition, unless granted an exemption under 24 CFR 984.105, each PHA for which HUD reserved funding for additional rental certificates or vouchers in FY 1993 through October 20, 1998, must operate an HCV FSS program. Each PHA for which HUD reserved funding to acquire or construct additional PH units in FY 1993 through October 20, 1998, must operate a PH FSS program as well.

The HASA currently operates a mandatory HCV FSS Program but has reduced the mandatory program size to 0; see below for more details.

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 relation to the HASA's mandatory program under HCV, the

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, there are some exclusions that apply. Please see the respective Code of Federal Regulations for those exclusions [24 CFR 984.105].

Maintaining Mandatory Minimum Program Size

Although the discretion to do so ultimately rests with the PHA, mandatory minimum program size can decrease as FSS participants 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 PH or 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)].

The HASA will reduce the FSS mandatory minimum program size by one for each family that graduates from the program by fulfilling its FSS contract of participation. As of December 2020, the HASA's HCV FSS MMPS is 0 as the HASA has successfully graduated the required number of participants from the HCV/PH programs. The HASA does aim to build up to and then maintain a program size of at least 75 families.

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

The HASA will operate a program size of a minimum of 75 families. This number of 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)]

The HASA 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)]

The HASA 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.

SECTION 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. The HASA has completed enrollment of the total number of families required to be served under the program (based on the minimum program size) and began delivering supportive services within the required two years from the date of notification of approval of the application to operate an FSS program. At this time, because the MMPS was satisfied, the program goal is to build up to and maintain the 75 assisted families at least.

2-III.B. PROGRAM IMPLEMENTATION

Participants in the FSS Program will be phased in on a first come, first serve basis. Factors to be considered include client attrition in the program and the realization that intensive case management and support are essential in getting families engaged and actively participating. Taking this into consideration will allow for the process to more effectively take place.

PART IV: DEFINITIONS

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

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

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

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

Certification means a written assertion based on supporting evidence, provided by the FSS family or the PHA, which must be maintained by 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 COP 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 COP 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 the family.

Effective date of COP means the first day of the month following the month in which the FSS family and the PHA entered into the COP.

Eligible families means current residents of PH and/or current HCV program participants. Eligible families also include current residents of PH 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 COP 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 PH 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 COP.

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 PH units or the total number of HCVs that comprise the minimum size of a PHA's respective PH 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 COP. An ITSP must be prepared for the head of the FSS family.

Knowledgeable professional means a person who is knowledgeable about the situation, competent to render a professional opinion, and is not in a position to gain, monetarily or otherwise, from the PHA 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 COP. These may include child care of a type that provides sufficient hours of operation and serves an appropriate range of ages; transportation necessary to enable a participating family to receive available services or to commute to their places of employment; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation, and counseling; job development and placement; 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, or are not intended to meet recurrent or ongoing needs and will not extend beyond four months; work subsidies; 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 sections:

- Section I: Staffing, Fees and Costs, and On-Site Facilities: This section describes 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.
- Section II: The Program Coordinating Committee: This section 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.

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

3-I.A. OVERVIEW

This section describes the appropriate staff that the HASA will employ to provide the direct services to FSS families. In addition, this section will also outline the details of administrative fees, costs, and supportive services funding as well as potential facilities to be used.

3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS

[24 CFR 984.301(b)]

Several functions of program administration are crucial to running an FSS program. The HASA will employ appropriate staff, including one or more FSS Coordinators to administer its FSS program under the NOFA. The FSS Coordinators will report to the HCV Manager as the direct supervisor. Furthermore, the FSS Coordinators will carry out the job functions as the coordinator and case manager.

3-I.C. ADMINISTRATIVE FEES AND COSTS

In the Consolidated Appropriations Act of 2014, funding streams for the PH FSS and HCV FSS programs were combined, and all FSS funding is now awarded through one NOFA. Funding will be awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS). PH FSS and HCV FSS funds awarded in prior years are still restricted to the applicable program, Rental Assistance Demonstration (RAD) programs excepted. Funding differences regarding previous years' funding is specified in 24 CFR 984.302(a, b) and 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). However, the funds awarded in prior years are still restricted to the applicable program. Information for funds under previous years’ can be found in Notice PIH 93-24, E-3.

3-I.E. ON-SITE FACILITIES

The HASA does not currently have a designated area available to provide supportive services under the PH/HCV programs and has not necessarily been needed at this time. However, the FSS program has established the Basic Needs Closet (BNC) located at the HASA’s ACM building that may be used for future events and/or services if needed. Currently, this is used for *basic needs*, i.e. nonperishable foods and clothing items. The HASA plans to incorporate resident services from this location as well.

SECTION II: PROGRAM COORDINATING COMMITTEE

3-II.A. OVERVIEW

The HASA has established a program coordinating committee (PCC) whose functions will be to do the following: assist in the implementation of program goals, objectives, and policies; develop a plan of action; identify and secure commitments of resources to fulfill program goals; be responsible for administering, evaluating, and selecting applicants for the HASA Scholarship Program, and to meet at least four (4) times per year. [24 CFR 984.202(a)].

3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP

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

The HASAs representatives to the PCC will be FSS Coordinators and the HCV Manager. In addition, the FSS Coordinators will serve as administrative support to this committee as well.

As required by HUD, the PCC will also include a PH FSS resident at minimum.

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

The HASA’s FSS program coordinating committee membership will include leadership from the following organizations:

Organization or Service Type	Organization Name	PCC Member Title	PCC Member Name
Community-Based and Coordination Organizations;	Disability Connections	Special Projects Coordinator	Dana Sercos

Information and Referral Services			
Community-Based and Coordination services; housing support and Adult Mental Health Services	MHMR Services for the Concho Valley	Supported Housing Coordinator	Katie Crumley-Castillo
Job Training; Job Search, Placement, Retention; Employment Development	TX Workforce	Operations Manager Executive Director	Bernie Coffee Leslie North- Gould
Child Protective Services; Crisis Services	High Sky	Community Liaison/Training Coordinator for High Sky Children's Ranch – STAY Together Program	Virginia Lucero
Housing Homeownership Transitional Housing	Galilee CDC	Executive Director	Stephanie Hamby
GED and Educational Training	Howard College	Director AEL *Adult Education & Literacy*	Cheryl Smith
High School	SAISD	Director of Learner Services	Raquel Taunton
Housing	HASA	HCV Manager	Kellie Pfeil

The HASA will use members from the Basic Needs Network and members from the San Angelo Homeless Coalition as the PCC as listed above and will continue to expand membership as needed.

CHAPTER 4

SELECTING AND SERVING FSS FAMILIES

INTRODUCTION

This chapter includes information on how FSS families will be selected for participation and includes a description of the outreach, waiting list management, and other selection procedures. The HASA's selection procedures ensure that families will be selected without regard to race, age, color, religion, sex, handicap, familial status, or national origin. Once a family is selected for participation in the FSS program, they are provided various activities and supportive services in effort to obtain the education, employment, business, and social skills necessary for self-sufficiency. A description of such activities and supportive services is also included in this plan. This chapter contains three sections:

- Section I: Incentives, Outreach, and Assurance of Noninterference: This section describes the incentives the HASA will offer and the outreach efforts the HASA 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.
- Section II: Family Selection: This section covers any preferences the HASA may use to choose eligible families and describes the selection factors the HASA will use in screening families for participation in the FSS program.
- Section III: Activities and Support Services: This section lists the activities and supportive services to be provided to families through both public and private resources, describes the method the HASA will use to identify family support needs, and covers the required certification of coordination.

SECTION 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, the HASA also conducts outreach to recruit FSS participants from among eligible families. As part of this process, the HASA ensures that the families know that their choice as to whether to participate in the FSS program will not affect their admission to the PH or HCV programs, nor will it affect their right to occupancy. This section describes the HASA'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)]

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

Incentive	Provided By	Description
FSS escrow account	HASA FSS Coordinators	The HASA will establish an FSS escrow account for each eligible participating family in accordance with HUD guidelines as financial incentive for program participation.
Case management	HASA FSS Coordinators	Each eligible family will be assigned an FSS Coordinator for case management to include information on and referrals to services.
Community service hours	PH Participants	Participation in the HASA PH FSS Program will count as community service hours required for PH participants.
PH Acquisition Homes	PH Participants	The PH FSS participants will be given a preference status for the PH Acquisition Homes. The Acquisition Homes are PH scattered sites purchased to assist with de-concentration of the PH properties. As PH Residents enroll in the PH FSS Program, they will be moved to the Acquisition Homes as available. Although a preference will be given, the occupancy standards for the unit will be considered as with any transfers. The HASA will not be responsible for any moving costs during the transfer.
FSS scholarship	HASA FSS Coordinators; donors; fundraisers	The HASA will seek donations and hold fundraisers to provide a FSS scholarship to PH and HCV FSS families. The FSS Head of Household or other adult family members will be eligible to apply for these funds. The FSS Coordinator will provide applications to all FSS families along with a return date and stipulations of the application. All applications received on or before the due date will be given to the PCC for review. The PCC will review all applications and receive input from the FSS Coordinator to select a recipient of the FSS Scholarship funds as available. The Scholarship award is always paid directly to the college or university. Every effort will be made to award funds in a fair and just manner. On the occasion that no FSS participants apply or are eligible for the scholarship, the funds will roll over to the next year or can be used for GED enrollment if there is a need.

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

The HASA will notify eligible families about the FSS program using the following outreach locations, activities, and methods. Outreach materials will be available in English, Spanish, and

any other language as requested, assuming translating services for the language requested are available. Interpreters will be utilized as needed for all aspects of the FSS Program and clients may contact staff via fax, email, telephone, or in-person. Efforts will be targeted equally to minority and non-minority families to ensure that non-English and limited English-speaking families receive information and have the opportunity to participate in the FSS Program. Upon request, the HASA FSS Program provides reasonable accommodations for people with disabilities

Location/Activity	Staff/Partner	Method
Briefings/Orientations PH/HCV	HASA Staff/Specialist	Flyer Presentation
Interims/Recertifications PH/HCV Direct Referrals	HASA Staff/Specialist	Flyer/Posters Presentation Referral Form
Transfers/Portability HCV	HASA Staff/Specialist	Flyer/Posters Presentation Referral Form
Door to door recruiting for PH residents	HASA Staff/Specialist	Flyer Referral Form
Lobby PH/HCV	HASA Staff/Receptionist	Flyer/Posters Interest Form Video
Inspections HCV	HASA Staff/Inspector	Flyer
Website/FSS Facebook	HASA Staff	Flyer Interest Form Video

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

Participation in the FSS program is strictly voluntary. PH residents and HCV 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 PH 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, i.e., failure to comply with the FSS COP does not constitute reason for termination of assistance.

SECTION II. FAMILY SELECTION

4-II.A. OVERVIEW

The HASA will select families for participation in the FSS Program in accordance with HUD guidelines and the policies defined below. This section specifically outlines the procedures for

selecting families for the FSS program and defines the factors the HASA will use in screening families for program participation.

4-II.B. FSS SELECTION PREFERENCES

The HASA will establish a waiting list when the FSS Program is full. In general, applicants will be added to their respective program's waiting list in the order in which their FSS interest forms are received (i.e., HCV FSS or PH FSS). When a waiting list is in use, FSS applicants will be pulled from the waiting list when there is an opening. All slots are to be filled with eligible families based on the date the family expressed an interest in participating in the FSS program. The HASA will not adopt the use of any other preferences when selecting families for participation in the FSS program except for incoming portable families with active FSS COPs.

4-II.C. FSS SELECTION AND SCREENING FACTORS

Many factors contribute to whether the HASA may choose to select a family for participation in the FSS program. These selection factors are intended to help the HASA screen families for admission, and ultimately contribute to the HASA's decision to either allow or deny a family's admission into the FSS program. Therefore, the FSS Coordinator(s) have developed the following process for application including specific selection and screening criteria which must be met by all participants:

1. Interested families must be active on the HCV Program or the PH Program and the primary FSS applicant must be the head of household.
2. All interested families must complete an interest form in order to be added to the FSS waiting list. If applicable, the FSS Coordinator will maintain a waiting list for each FSS Program (i.e. HCV FSS and PH FSS). When there is an opening, the next eligible family on the waiting list will be contacted via mail with a letter explaining the program.
3. The family will be advised of the date, location, and time of a mandatory FSS orientation. Orientations are scheduled quarterly, at minimum. The FSS Coordinator will also conduct FSS orientations as needed based on participant interest and to maintain projected program participation. The briefing will consist of program benefits, procedures, and family responsibilities. The FSS Coordinator(s) will use the following screening methods:
 - a. Motivational Selection Factors [24 CFR 984.203(c)(1)]:
 - i. The HASA will only use the fact that the family attended a meeting as a screening factor, even if tasks or exercises are not completed in the meeting. The participants will be advised that only two invitations will be sent out; failure to attend both will result in removal from the FSS waiting list.
 - ii. In addition, if the family needs either childcare or transportation to be able to attend, or requests an accommodation for a disability, the HASA will either

refer the family to available services or exempt the family from this screening factor [24 CFR 984.203(c)(2)].

- iii. The motivational screening factor will not include selection based on 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 towards individuals with disabilities or minority or nonminority groups [24 CFR 984.203 (C)(3)].
 - b. Previous Participation Selection Factor: The HASA will deny FSS participation to a family if the 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]. However, this will be considered on a case-by-case basis as to the reason for termination in cases of extenuating circumstances.
 - c. PHA Debt Selection Factor: The HASA will deny FSS participation to a family if the family owes the HASA, or another PHA, money in connection with HCV or public housing assistance [Notice PIH 93-24, B-18]. Families that owe money to a PHA who have entered into a repayment agreement and are current on that repayment agreement will not be denied FSS participation.
4. At the orientation, all attendees will be given an FSS Program Assessment. This assessment, along with HASA records, will be used to establish a family's eligibility for the FSS Program. Upon completion of the application, the FSS Coordinator will review and will inform applicants of acceptance or non-acceptance.
 5. Applicants who meet the selection and screening criteria above will be scheduled for intake and assessment interviews. At this time, the FSS Coordinator along with the participant will outline the Individual's Training and Service Plan (ITSP).
 6. Once the ITSP has been created, the FSS Coordinator will arrange to execute the FSS COP (HUD-52650) with the FSS applicant.
 - a. In addition, if the FSS applicant does not have a current income evaluation on file, the HCV/FSS Counselor will conduct an Interim Re-Examination or Annual Re-Examination. *Current* is defined as within the most recent 120 days. The COP will not be effective until the interim income evaluation is complete.
 - b. The FSS case plan and progress will be monitored on an ongoing basis by the FSS Coordinator and/or other assigned staff.

SECTION III. ACTIVITIES AND SUPPORT SERVICES

4-III.A. OVERVIEW

Once families are admitted to the FSS program, the HASA becomes responsible for making sure these families are adequately served. 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.

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

Supportive service needs will be identified by completion of an informal needs assessment with the FSS coordinator or case manager before completion of the initial ITSP and signing of the COP. The family must provide a family history identifying work history, prior education, and the support services the family feels they need. This Needs Assessment and initial interview will be used to get a clear understanding of the applicant's circumstances so that primary needs can be identified and services offered, case information can be evaluated and verified, and to determine the applicant's knowledge of area resources.

The family participant will identify strengths useful for future training, education, and employment. (See HASA Personal Needs Assessment Form).

After enrollment in the HASA's FSS program, a formal needs assessment, including vocational counseling, educational counseling, and employment planning, is conducted by the following partners on the PCC as needed:

DHHS/TANF
Community college and Adult basic education - Howard
Texas Workforce

These results are used to modify the ITSP, if requested by the family. Goals and time needed to meet these goals will be set and will be based upon each family's needs. There will be monthly visits with applicants to assure needs/goals are being met. Thereafter, contact visits will be determined according to family's devotion in completing a task.

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

FSS Coordinators will provide case management by which families take an active part in planning the steps needed to become economically self-sufficient. The case management will include a needs assessment as described previously; referral and service delivery; and job preparation and counseling as appropriate. The HASA's FSS program, through its partners on the program coordinating committee, will provide the following activities and support services to FSS families:

Support Service General	Support Service Specific	Source/Partner
Assessment	Vocational Assessment Educational Assessment Vocational Planning Educational Planning Disability Assessment Disability Vocational Assessment/Planning Disability Educational Assessment/Planning Drug/Alcohol Assessment Drug/Alcohol Planning	Adult Basic Education/Adult Literacy Center TX Workforce Howard Community College Vocational Rehabilitation Health Department ADACCV/Community-based Organizations
Education	High School English as a Second Language GED Post-secondary College	High School Adult Basic Education/Adult Literacy Center Howard Community College Angelo State University
Training	Skills Training Emerging Technologies Training Biomedical Training On-the-Job Training Functional Context Training	Adult Basic Education/Adult Literacy Center Howard Community College Community-based Organizations TX Workforce
Job Search Assistance	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Adult Basic Education/Adult Literacy Center Howard Community College Community-based Organizations TX Workforce
Transportation	Bus	Concho Valley Transit
Health Care	Alcohol and Drug Prevention Alcohol and Drug Treatment Medicaid/STAAR Pregnancy counseling	Health Department Community Clinic – La Esperanza Shannon Medical Center HHSC Pregnancy Help Center ADACCV
Mentoring	Mentoring Match	Adult Basic Education/Adult Literacy Center Howard Community College Workforce Investment Act Youth Programs – YAG Boys and Girls Club Community-based Organizations

Support Service General	Support Service Specific	Source/Partner
Homeownership	Training Planning Debt Resolution/Credit Counseling	Public Housing Authority Housing Counseling – HUD Community-based Organizations
Child Care	Infant Care Toddler Care Preschool Care Afterschool Care Homework Assistance	TX Workforce – CCS YMCA Boys and Girls Club
Crisis Services	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Crisis Intervention Unit – TGC Sherriff’s Department MHMR APS Poison Center Domestic Violence Shelter Open Arms
Child/Adult Protective Services	Needs Assessment Case Planning Information Referral Crisis Management	Texas APS Texas CPS Area Agency on Aging Adult Abuse Hotline Child Abuse Hotline Foster Care Adoption Services
Legal Services	Representation Document Review Counsel or Advice	Legal Aid of West Texas
Debt Resolution	Needs Assessment Case Planning Advocacy Negotiation	Consumer Credit Counselors

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

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

Chapter 5

CONTRACT OF PARTICIPATION

INTRODUCTION

Each family that is selected to participate in an FSS program must enter into a contract of participation (COP) with the HASA. 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 HASA, 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 (ITSP) [24 CFR 984.303]. This chapter contains two sections:

- **Section I: Overview and Family Obligations:** This section provides an overview of the form and content of the COP and describes what the contract requires of FSS families.
- **Section II: Contract Specifications:** This section explains the specifications of the contract, including terms and conditions, contract modification, contract terminations, and grievance procedures.

SECTION I: OVERVIEW AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

The purpose of the FSS COP is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation the 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 HASA. This section covers the ITSP as part of the required contents of the COP 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 COP, the individual training and services plan (ITSP) establishes specific interim and final goals by which the HASA and the family measure the family's progress toward fulfilling its obligations under the COP 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

The HASA will suggest to each family participating in the FSS program, regardless of whether the family is receiving welfare assistance at the time the COP is being developed, that the family

include an interim goal on its ITSP for the family to become independent from welfare assistance and remain welfare-free for at least one year before the expiration of the term of the COP.

Individual Training & Service Plans for Other than FSS Head

While an ITSP is only required for the head of the FSS family, the HASA will permit additional family members to have an ITSP after consulting with the family in order to provide supportive services to other family members aged 18 or over if they want to participate in the FSS program and supportive services that are available [Notice PIH 93-24, G-16].

5-I.C. FAMILY OBLIGATIONS

Compliance with Lease Terms

One of the obligations of the FSS family according to the COP is to comply with the terms and conditions of the PH lease or HCV program assisted lease [24 CFR 984.303(b)(3)]. *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. The HASA's FSS program will not terminate the FSS COP for failure to comply with the terms of the lease *only*, i.e., the HASA will review for a determination if failure to comply with the lease warrants termination proceedings.

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

Another obligation set forth by the COP 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. In addition, there is no minimum period of time that an FSS head of household needs to be employed in order to meet its COP requirements [Notice PIH 93-24, G-9].

For purposes of the HASA'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 ITSP of his or her COP.

Maintain employment means that the FSS head of household will complete all of the obligations outlined in the ITSP in his or her COP and be employed full-time on the last effective day of the COP; or, be employed part-time and enrolled, and participating as agreed, in a part-time education or training program on the last effective day of the COP. The HASA will require verification of this employment and/or enrollment.

Suitable employment is employment that is outlined in the ITSP of the COP and is based on the skills, education, and job training of the head of household, and based on the available job opportunities within the jurisdiction served by the HASA [24 CFR 984.303(b)(4)(iii)]. This decision must be made in conjunction with the head of the FSS family [Notice PIH 93-24, G-3].

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

The 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 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 withhold supportive services for no more than 90 days until the participant meets their obligations outlined in the COP. Finally, if neither of these alternatives is successful, the FSS coordinator will terminate the COP for failure to complete the tasks, interim goals, or final goals of the ITSP in a timely manner, and thus failure to complete the obligations outlined in the COP.

The FSS coordinator will make an exception to the actions in terminating the COP if the participant can demonstrate “good cause” for the failure to meet its obligations as outlined in the COP. For purposes of the HASA’s FSS program, *good cause* includes:

- Family circumstances
 - Death in the family
 - Serious illness
 - Medical emergency
 - Mandatory court appearances
 - Involuntary loss of employment
 - Loss of head of household through death, incarceration, or removal from lease
 - Change in the ITSP improving progress toward economic self-sufficiency
- Community circumstances
 - Significant reduction in workforce (over 20 percent reduction in employment field)
 - Significant interruption in service delivery (over 3 months interruption)
 - Provider noncompliance with regulation
 - Provider unable/unwilling to provide service
 - Provider offering inferior service

SECTION II. CONTRACT SPECIFICATIONS

5-II.A. OVERVIEW

In addition to making clear the family’s obligations under the program, the COP contains specific terms and conditions, including those governing contract modifications, terminations, and grievance procedures. This section 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 COP is for five years, contract extensions are possible. According to regulation, the HASA 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 a serious illness or involuntary loss of employment (further defined by HASA policy in Section 5-I.D.). Extension of the COP will entitle the FSS family to continue to have amounts credited to the family’s FSS account.

5-II.C. MODIFICATION OF THE CONTRACT

In the HASA’s FSS program, the COP will be modified by mutual agreement between the HASA and the head of household:

- When modifications to the ITSP improve the participant’s ability to complete their obligations in the COP or progress toward economic self- sufficiency;
- When the 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 [24 CFR 984.303(f)]; or,
- When a relocating family is entering the FSS program of a receiving PHA and the start date of the COP must be changed to reflect the date the new COP is signed with the receiving PHA.

The HASA will also remove the line under “Corrective Actions to Meet Family Responsibilities” stating that if the family is participating in the HCV program, the PHA may terminate the assistance when allowed by HUD requirements. [Notice PIH 95-5]. Termination of HCV assistance is covered in further detail in Section 5-II.G.

5-II.D. COMPLETION OF THE CONTRACT

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

- The FSS family has fulfilled all of its obligations under the COP on or before the expiration of the contract term, including any extension thereof.
- 30 percent 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 the HASA’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 the activities set forth in their plans.

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

5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE

The HASA may continue to offer supportive services to a former FSS family who has completed its COP, and whose head of family is employed. [24 CFR 984.303(j)].

5-II.F. TERMINATION OF THE CONTRACT

The COP will be terminated before the expiration of the contract term and any extension thereof, for any of the following reasons [24 CFR 984.303(h)]:

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the COP 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 HASA
- 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

If the FSS family faces termination due to failing to meet, without good cause, its obligations under the COP, the HASA 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 COP is automatically terminated if the family's HCV assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

The HASA shall give written notice to the FSS participant of its decision to terminate or deny assistance. The notice shall be mailed to the participant within five (5) working days of the HASA's decision. The notice shall briefly state the grounds for the decision and will describe the recourse, if any.

5-II.G. 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 HASA has the option to terminate or withhold supportive services and the FSS family's participation in the FSS program if the HASA determines that the FSS family has failed to comply without good cause with the requirements of the COP. Per the alternative requirements listed in the *Federal Register* notice dated December 29, 2014, however, PHAs are no longer permitted to terminate HCV assistance to a family due to the family's failure to meet its obligations under COP [FR Notice 12/29/14].

Therefore, the HASA has determined that if a family fails to meet the requirements of the COP or fails to request an appointment to adjust the goals listed therein, the family will receive two written notices from the FSS Coordinator:

1. The first notice will remind the FSS participant that fulfillment of the terms of the COP is required for continuation in the FSS Program and the receipt of funds held in their escrow

account. The FSS family will be given ten (10) business days to contact the FSS Coordinator to discuss terms of the contracts and why they are not being fulfilled.

2. The second and final notice will be sent if, after the first notice, the family has continued to be out of compliance with the terms of the COP. This notice will indicate that the FSS COP is terminated and all escrow funds forfeited. The notice will indicate the family's right to file for an informal hearing within ten (10) calendar days of the date of the letter.

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

In addition to termination, the COP 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 ITSP, the HASA will make a good faith effort to obtain these services from another agency.
- If the HASA is unable to obtain the services from another agency, the HASA 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 HASA 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 HASA must revise the ITSP, delete these services, and modify COP 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 HASA shall declare the COP null and void.

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

5-II.I. GRIEVANCE PROCEDURES

The grievance and informal hearing procedures for the FSS program will be the same as the grievance and hearing procedures adopted for the PH and HCV programs in the HASA's admissions and continued occupancy policy and administrative plan, respectively (See pages 27 and 54 of the ACOP and/or pages 34-36 and 66-67 of the HCV Administrative Plan).

Adverse actions taken within the FSS program include:

- Denial of admission into the FSS program
- Denial of request for supportive services
- Denial of request to change the ITSP
- Denial of request to change the head of household

- Denial of request for interim disbursement of the escrow account
- Denial of request to complete the COP
- Denial of a request for extension to the FSS COP
- Denial of request for final distribution of the escrow account or any portion thereof
- Withholding of support services
- Termination of the FSS COP
- Withholding of HCV rental assistance, when the PHA operates an HCV FSS program
- Termination of HCV rental assistance, when the PHA operates an HCV FSS program
- Denial of transitional services

FSS participants who have had their COP terminated for a reason listed above may appeal the HASA's decision and the following will occur:

- FSS participants may present an oral or written grievance to the FSS Coordinator based on the claim that the FSS policies were incorrectly applied to their individual case.
- Upon receipt of the grievance, the FSS Coordinator will provide the participant with an opportunity for an informal hearing as outlined in the applicable HCV or PH plans. This request must be made within ten (10) calendar days of the date of the letter.
- The FSS participant requesting an informal hearing will be notified by mail of the scheduled hearing date.
- The hearing may be chaired by any person or persons designated by the HASA, primarily the Compliance Specialist, except for an individual who made or approved the termination decision or who is a subordinate of such a person.

SECTION III: SEMI-MONTHLY MEETINGS

The HASA will offer semi-monthly meetings applicable to goals outlined by FSS participants. The FSS family will be required to participate in those meetings that are relevant to their ITSP as scheduled with the FSS Coordinator. Participants will be notified/reminded of the date and time at least ten (10) days prior to the scheduled meeting.

- As each ITSP differs, the number of meetings the FSS Family may be required to attend will be determined on an individual basis according to the needs listed in the ITSP. Therefore, the HASA will not set a required generic number for attendance.
- FSS Coordinators will schedule guest speakers for the meetings when possible. If no speaker is available, the FSS Coordinator will provide training material applicable to content of the class/meeting.
- A schedule of meetings will be provided to FSS families semi-annually so that they are aware and can plan accordingly as needed.
- If the family is unable to attend a scheduled meeting, the participant must contact the FSS Coordinator prior to the meeting. Provisions for non-attendance will be spelled out in each ITSP.

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 COPs. This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit and disbursing the funds, and also covers how the HASA will manage and report on the account.

This chapter contains two sections:

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

SECTION I. THE ESCROW ACCOUNT

6-I.A. OVERVIEW

An escrow account will be established for each family participating in the FSS Program after they have signed the COP and has obtained or increased their initial earned income. This section includes policy regarding the calculation of the FSS credit amount, the disbursement of FSS account funds, the use of account funds for homeownership, and forfeiture of the FSS escrow account.

6-I.B. CALCULATING THE FSS CREDIT AMOUNT

For FSS families who are very low-income families, the FSS credit is the lesser of 30 percent of current monthly adjusted income less the family rent, or the current family rent less the family rent at the time of the effective date of the COP. 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 COP. 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* for the PH program is the total tenant payment as defined in 24 CFR Part 5, subpart F. For the HCV program, *family rent* is 30 percent of adjusted monthly income [24 CFR 984.305(b)(1)]. Total tenant payment for a family participating in the PH FSS program is determined in accordance with the regulations set forth in 24 CFR Part 913.

Increases in FSS Family Income [24 CFR 984.304]

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

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

The HASA will not make any additional credits to the FSS family's FSS account when the family has completed the COP, or when the COP 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 HASA 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 HASA at the time of contract completion that, to the best of their 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 HASA determines that the FSS family has fulfilled its obligations under the COP before the expiration of the contract term and the head of the FSS family submits a certification that, to the best of their 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 HASA will be paid to the head of the FSS family [24 984.305(c)(2)(i)].

The HASA will disburse a portion of the FSS escrow account funds before completion of the COP when the family has met all its obligations under the COP to date, including the completion of all ITSP interim goals and tasks to date, and:

- The requested funds are needed in order to complete an interim goal or task within the COP such as completion of higher education (i.e., college, graduate school), job training, or to meet start-up expenses involved in creation of a small business [24 CFR 984.305(c)(2)(ii)] and is not an ongoing expense, OR

- The family has demonstrated that the need for one-time payment of otherwise ongoing expenses such as cell phone, car payments, car maintenance, insurance, clothing for job equipment, uniforms and shoes, work related tools, or childcare, etc. is needed to complete an interim goal, a final goal, or a task related to such goals.
- The requested funds will be issued as a check or ACH draft to the vendor directly and may be requested no more than once per month. There is no automatic guarantee the funds will be granted. The request will be reviewed by the respective FSS Coordinator and HCV Manager for approval.

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 COP and all members are welfare-free as defined by regulation. Because of this, it follows that the HASA will require verification that the FSS family has completed certain interim goals or has completed the COP, and that the FSS family is no longer a recipient of welfare assistance, as relevant, before making interim and final disbursements.

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

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

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

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

According to regulation, a PH 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 COP is terminated, or when COP 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 COP, including any contract extension [24 CFR 984.305(f)(1)].

Treatment of Forfeited FSS Account Funds

Treatment of forfeited FSS account funds differs between PH and HCV participants. For PH FSS participants, FSS account funds forfeited by the FSS family will be credited to Other Income and will become part of Unrestricted Net Assets. Forfeited FSS account funds will be counted as other income in the determination of operating subsidy eligibility for the next budget year [24 CFR 984.305(f)(2)(i)].

In the HCV program, forfeited FSS account funds will be treated as program receipts for payment of program expenses under the HASA 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)].

SECTION 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 section describes those requirements and the HASA policy necessary for managing the account from the HASA perspective.

6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS

The HASA will establish a single combined depository escrow account for PH/HCV. This account will contain the escrow funds for all FSS participants only. The funds will be invested in 5-year certificates of deposit. The HASA will credit the amount of the FSS credit(s) to each family's account on a monthly basis.

The total of the combined FSS account funds will be supported in the HASA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. The Public Housing Accounts Controller will oversee the account; the Deputy Director, HCV Manager, and FSS Coordinators will also monitor the account and deposits; and the accounts will be audited at least annually according to commonly accepted accounting procedures.

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

Each month, the full amount of the investment income (interest earned on the account) for funds in the PH/HCV 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 PHA and/or HCV-assisted lease. The HCV Manager and FSS Coordinators will also ensure that the interest amounts are reflected correctly in the HASA's housing software system.

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 PH or HCV-assisted lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner 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

The HASA will provide FSS participants an annual escrow report on the status of their FSS escrow account. The report will detail all account activity (including interest earned) for the previous calendar year (January – December) and will include the following [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 HASA 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

Chapter 7

PORTABILITY IN HOUSING CHOICE VOUCHER FSS PROGRAMS

INTRODUCTION

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 COP [24 CFR 984.306]. In the event that an FSS family chooses to exercise portability, certain special requirements regarding the FSS program 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 sections:

- Section I: Portability in the FSS Program: This section provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the COP when a family moves into or from another PHA's jurisdiction.
- Section II: The Effects of Portability on FSS Regulations and Policy: This section 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.

SECTION I: PORTABILITY IN THE FSS PROGRAM

7-I.A. OVERVIEW

Portability is a statutory feature of the HCV program. As such, this section provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the COP 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 COP.

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 COP. The HASA 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, support services, or to meet personal family needs. After the first 12 months of the FSS COP, the FSS family may move outside the initial PHA jurisdiction under portability procedures regardless of HASA 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

The HASA will approve a relocating family's request to continue in its FSS program if the family demonstrates to the HASA's satisfaction that, notwithstanding the move, the relocating FSS family will be able to fulfill its responsibilities under the existing or COP 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 COP, or the family may move to obtain employment as specified in the contract [24 CFR 984.306(c)]. Should the relocating family stay in the initial PHA's FSS program (HASA), there will be only one COP. This will be the same contract as originally executed by the initial PHA [24 CFR 984.306(c)(2)].

Participation in the FSS Program of the Receiving PHA

The HASA, 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. [24 CFR 984.306(d)(1)]. In this case, the HASA will enter into a new COP with the FSS family for the term remaining on the contract with the initial PHA. The initial PHA will then terminate its COP with the family [24 CFR 984.306(d)(2)].

SECTION 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 PH and HCV programs. Portability, as an integral part of the HCV 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 COP 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 COP (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 COP [FR Notice 12/29/14].

PHA policy regarding the consequences of noncompliance with the FSS COP 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)].