



FSS ACTION PLAN FOR THE FAMILY SELF-SUFFICIENCY PROGRAM

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As amended for use by [Coastal Community Action, Inc.](#) the Public Housing Authority for the Housing Choice Voucher Program for Carteret County, North Carolina.

FSS Action Plan

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Chapter 1

THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN

INTRODUCTION

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

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

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

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

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

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

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

FSS built upon and refined both Project Self-Sufficiency and the Bootstrap program. It remained a voluntary program in 1991 and 1992 but became mandatory in 1993 for any new increments of funding issued to PHAs. The 1993 regulations were further modified by the Quality Housing and Work Responsibility Act of 1998 (QHWRA). In 2018, expansive changes were made to the FSS program by the Economic Growth, Regulatory Relief, and Consumer Protection Act known as “the Economic Growth Act” or “the Act.”

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

This family self-sufficiency program is administered by the *Coastal Community Action, Inc.* for the jurisdiction of *Carteret County, North Carolina*.

1-I.B. APPLICABLE REGULATIONS

Applicable regulations for Section 8 and public housing FSS programs include:

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

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

The family self-sufficiency (FSS) action plan is required by HUD. The purpose of the FSS action plan is to establish policies for conducting the family self-sufficiency program in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's Agency Plan. This FSS action plan is a supporting document to the PHA Agency Plan and is available for public review as required by 24 CFR Part 903.

This family self-sufficiency action plan is set forth to define the PHA's local policies for operation of the program in the context of federal laws and regulations. All issues related to FSS not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable laws. The policies in this FSS action plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the FSS program. If such changes conflict with this plan, HUD regulations will take precedence.

Administration of the FSS program and the functions and responsibilities of PHA staff shall comply with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all Section 8 and public housing regulations, in addition to federal, state, and local fair housing laws and regulations.

PART II: REQUIREMENTS OF THE FSS ACTION PLAN

1-II.A. OVERVIEW

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

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

1-II.B. HUD APPROACH TO POLICY DEVELOPMENT

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

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

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

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

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

When developing an FSS action plan, a PHA must do so in consultation with the chief executive officer of the applicable unit of general local government and the program coordinating committee (PCC).

For all voluntary or mandatory FSS programs, PHAs must submit their action plans and obtain HUD approval of the plan before it can implement the FSS program. This includes a voluntary program established because the PHA chose to implement an FSS program that exceeds the minimum size for a mandatory program (see Section 2-II.A. for a discussion of mandatory versus voluntary FSS programs).

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

Following HUD's initial approval of the action plan, no further approval of the action plan is required unless the PHA proposes to make policy changes to the action plan, increase the size of a voluntary program, or revise the FSS action plan as needed to comply with changes in HUD regulations. The PHA must submit any changes to the action plan to HUD for approval.

CCA Policy

CCA will review and update the action plan at least once a year, or more often if needed, to reflect changes in regulations, CCA operations, or when needed to ensure consistency in operation. If any changes require HUD approval, CCA will submit the plan to HUD for review and approval.

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

HUD regulations state that there are several components that must be included in the FSS action plan. At a minimum, the action plan must cover the policies and procedures of PHAs for operation of local FSS programs as follows:

- Family demographics, including a description of the number, size, characteristics, and other demographics such as racial and ethnic data, in addition to the supportive service needs of the families expected to participate in the program. (Chapter 1)
- Estimate of participating families, which means the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Information regarding the management of eligible families from any other local self-sufficiency program who are expected to agree to execute an FSS contract of participation. (Chapter 2)
- A statement of the PHA's FSS family selection procedures, including a description of how the procedures ensure that families are selected without regard to race, color, religion, disability, sex, familial status, or national origin. (Chapter 4)
- A description of the incentives that the PHA intends to offer to families to encourage participation in the FSS program (an incentives plan), including the establishment of the escrow account. (Chapter 4)
- Outreach efforts, which include a description of the PHA's efforts to recruit eligible families, the actions the PHA will take to ensure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known. (Chapter 4)

- A description of the FSS activities and supportive services to be provided by both public and private resources to FSS families, and identification of these public and private resources. (Chapter 4)
- A description of the PHA's method for identifying family support needs, including how the PHA will identify the needs and deliver the services. (Chapter 4)
- A description of the PHA's policies regarding program termination or withholding of services based on a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)
- Assurances of noninterference with rights of non-participating families which state that a family's election to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)
- A timetable for implementation of the FSS program, including the schedule for filling FSS slots with eligible FSS families. (Chapter 2)
- A certification that development of the services and activities under the FSS program has been coordinated with programs under Title I of the Workforce Innovation and Opportunity Act, other relevant employment, childcare, transportation, training, education, and financial empowerment programs in the area, and will continue to be coordinated to avoid duplication of services and activities.

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

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

CCA Policy

CCA will submit additional information in this action plan that will help HUD determine the soundness of the proposed FSS program. Such information includes, but may not be limited to, policies that describe:

- The process for modifying family goals in the ITSP. (Chapter 5)
- Circumstances in which a contract of participation may be extended. (Chapter 5)
- When CCA may approve interim disbursements of escrow and include limitations on the use of the funds. (Chapter 6)
- Eligible uses of forfeited escrow funds by families in good standing. (Chapter 6)
- When CCA permits re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)
- Requirements for documentation for goal completion. (Chapter 4)
- Documentation of the household's designation of the "head of FSS family." (Chapter 4)

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

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

CCA Policy

CCA will serve families that are representative of the demographics of our program. **Exhibit A.1** of the action plan provides descriptive data about households participating in our program. Our program, which is exclusively HCVs at this time, will be open to all eligible HCV participants including those receiving Non-Elderly Disabled (NED) vouchers and any vouchers that may be approved for Project-based Voucher (PBV) implementation in the future.

Exhibit A.1 – FSS Program Demographic Information

The FSS program will serve the following housing assistance programs:

☒ Housing Choice Vouchers (HCV): Tenant-Based Vouchers

☐ Housing Choice Vouchers (HCV): Project-Based Vouchers (PBV)

☒ Special Purpose Housing Choice Vouchers (HCV) that may be received from HUD.
(specified below)

NED

(No others at this time.)

All Families Based on Current Enrollment		Percent of Total
Single	16	100
Female HOH	15	94
Male HOH	1	6
Race		
White	7	44
Black/African American	8	50
American Indian/Alaska Native	0	0
Asian	0	0
Native Hawaiian/Other Pacific Islander	1	6
Ethnicity		
Hispanic or Latino	0	0
Not Hispanic or Latino	16	100
Income		
Extremely Low-Income	13	81
Very Low-Income	3	19
Low-Income	0	0
HOH Income from Wages	8	50
Other Member Income from Wages	0	0
HOH Income from TANF	1	6
Other Member Income from TANF	0	0
HOH Income from SSI	1	6
Other Member Income from SSI	1	6

Number of Children		
0	2	13
1-2	9	56
3-4	5	31
5 or more	0	0
Total Number of Family Members		
1-2	7	44
3-4	8	50
5 or more	1	6
Persons with Disabilities		
HOH Person w/ Disabilities (HUD)	2	13
Family Members w/ Disabilities	1	6
Presence and Ages of Children		
Households that only include adults over age 18	2	13
Households that include one or more child age 13-17	7	44
Households that include children who are all 12 or younger	7	44
Employment Status of Head of Household		
Families with an employed head	8	50
Families whose head is unemployed	8	50
Employment Status of All family members		
Families with any member that is employed	8	50
Families with no employed member	8	50

Annual Earned Income of Population to be Served		
Annual household earnings		
Annual household earnings between \$5,000 and \$9,999	2	13
Annual household earnings between \$10,000 and \$14,999	3	19
Annual household earnings between \$15,000 and \$19,999	0	0
Annual household earnings between \$20,000 and \$24,999	0	0
Annual household earnings between \$25,000 and \$29,999	0	0
Annual household earnings between \$30,000 and \$34,999	2	13
Annual household earnings of \$35,000 or higher	0	0
Elderly/Disability Status of Head of Household		
Head of Household is an elderly person without disabilities	0	0
Head of Household is an elderly person with disabilities	0	0
Head of Household is a non-elderly person with disabilities	3	19
Head of Household is neither an elderly person nor a person with disabilities	13	81
Elderly/Disability Status of Household members		
Household includes an elderly person without disabilities	0	0
Household includes an elderly person with disabilities	1	13
Household includes a non-elderly person with disabilities	3	19
Household includes no elderly persons or persons with disabilities	12	75

CHAPTER 2

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

INTRODUCTION

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

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

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

Part III: Program Operation: This part specifies the requirements for FSS program operation, including voluntary FSS program implementation.

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

PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM

2-I.A. PURPOSE

The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources enabling families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency [984.101(a)(1)].

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

[CCA Policy](#)

CCA's local goal in operating this FSS program is to match housing-assisted families with a broad range of highly collaborative existing community services to assist FSS families in achieving financial/economic stability and a better quality of life. CCA will also provide families with opportunities to learn how to build savings and use credit in ways that enable them to move out of poverty. Every family should have the opportunity to achieve *Economic self-sufficiency*, which is defined as having the sustainable skills necessary to maintain employment paying a "living wage" that would pay for the family's basic needs without the use of government subsidies.

2-I.B. PROGRAM OBJECTIVES [\[24 CFR 984.102\]](#)

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

CCA Policy

CCA will achieve the program objective by offering eligible families a broad range of services through partnerships with members of the program coordinating committee (PCC) as well as other service providers in our area. These services will provide long-term education, job training, counseling, and other forms of social service assistance so that families may achieve financial stability and economic self-sufficiency, as defined in Section 2-I.A. of this document.

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

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

2-I.D. BASIC REQUIREMENTS OF FAIR HOUSING

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Orders 11063 and 13988
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012, and further clarified in Notice PIH 2014-20
- Violence Against Women Act (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

CCA Policy

CCA will not:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program,
- Provide housing that is different from that provided to others,
- Subject anyone to segregation or disparate treatment,
- Subject anyone to sexual harassment,
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program,
- Treat a person differently in determining eligibility or other requirements for admission,
- Steer an applicant or participant toward or away from a particular area on based any of these factors,
- Deny anyone access to the level of services equal to others,
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program,
- Discriminate in the provision of residential real estate transactions,
- Discriminate against someone because they are related to or associated with a member of a protected class,
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

CCA's FSS program will follow the procedures in the HCV administrative plan and Fair Housing regulations in meeting its nondiscrimination obligations.

CCA will consider, on a case-by-case basis, requests for reasonable accommodation from persons with disabilities to facilitate participation in the FSS program. Requests will be made initially to the FSS coordinator and forwarded to the Program Director. If a family is not satisfied with the response, the family may submit a request in writing in accordance with the agency's reasonable accommodations policy.

CCA will honor requests from a person with disabilities for the use of effective communication strategies in order to facilitate participation in the FSS program as outlined in the administrative plan. Requests will be made initially to the FSS coordinator and Program Director. If a family is not satisfied with the response, the family may submit a request in writing in accordance with the agency's effective communications plan.

Examples of effective communications include, but are not limited to, appropriate auxiliary aids and services, such as interpreters, computer-assisted real time transcription (CART), captioned videos with audible video description, visual alarm devices, a talking thermostat, accessible electronic communications and websites, documents in alternative formats (e.g., Braille, large print), or assistance in reading or completing a form, etc.

The PHA will comply with HUD requirements to conduct oral and written communication related to the FSS program in languages that are understandable to people with limited English proficiency as outlined in the administrative plan. Requests will be made initially to the FSS coordinator and forwarded to the Program Director. If a family is not satisfied with the response, the family may submit a request in writing in accordance with the agency's limited English proficiency policy.

The relevant policies are contained in CCA's Administrative Plan and are available in person at **303 McQueen Avenue, Newport, NC 28570** or online at www.coastalca.org/Housing-Choice-Vouchers.

PART II: SCOPE OF THE FSS PROGRAM

2-II.A. HOUSING-ASSISTED FAMILIES ELIGIBLE TO PARTICIPATE IN FSS

The Section 8 and public housing programs through which families are eligible to participate in the FSS program was expanded by the 2018 Economic Growth Act to allow participants in HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, and Family Unification Program (FUP), including the Foster Youth to Independence (FYI) Initiative.

CCA Policy

CCA will serve families in the FSS program from the housing programs indicated in the chart below:

Section 8 Housing Programs	CCA Serves
S8 Rental Vouchers	X
Special Purpose Vouchers:	
NED	X
VASH	
FYI	
Mainstream Vouchers	
Family Unification Program	

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

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

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

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

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

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

[CCA Minimum Program Size](#)

[As determined by HUD as of May 24, 2018, the PHA's FSS MMPS is 25 participant families.](#)

Maintaining Mandatory Minimum Program Size

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

[CCA Policy](#)

[In the future, CCA may reduce the FSS mandatory minimum program size by one for each family that completes the program by fulfilling its FSS contract of participation. However, the intention is to maintain enrollment of a minimum of 25 participant families.](#)

Option to Operate Larger FSS Program

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

[CCA Policy](#)

[CCA will allow a maximum enrollment of 35 participant families.](#)

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

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

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

Reduction in Program Size

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

Expiration of Exception

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

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

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

[CCA Policy](#)

[CCA will not enter into Cooperative Agreements at this time.](#)

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

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

CCA Policy

CCA estimates the eligible FSS families that can reasonably be expected to receive supportive services under the FSS program, based on historical FSS program data as well as available and anticipated federal, tribal, state, local, and private resources as follows:

- **HUD FSS Coordinator Funding:** In the past **4 years**, CCA received funding for **one FSS coordinator**. The minimum number of participants required to be served based on this funding is **25 participants**.

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

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

CCA Policy

CCA does not operate Jobs Plus self-sufficiency programs. No additional families from other programs are expected to execute an FSS contract of participation.

2-II.F. ELIGIBILITY OF A JOINT PROGRAM [24 CFR 984.201(E); FAQ ON FSS FINAL RULE IMPLEMENTATION 7/23/23, IMP42]

A PHA that wishes to operate a joint FSS program with other PHAs or owners of multifamily-assisted housing may combine its resources with one or more of these entities to deliver supportive services to families enrolled from both entities in their FSS programs. These combined partners must have separate action plans with the same policies that meet the requirements of this part and will provide for the establishment and operation of the combined FSS program. These action plans have different information in the family demographics and mandatory program size sections.

CCA Policy

CCA does not combine its resources with any other PHA to deliver support services, have a joint action plan, or operate a combined FSS Program at this time.

PART III: Program Operation

2-III.A. OVERVIEW

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

2-III.B. PROGRAM IMPLEMENTATION DEADLINE

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

Voluntary Program [24 CFR 984.301(a)]

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

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

A timetable for implementation of the FSS program is part of the required contents of the FSS action plan. Unless otherwise required under a Notice of Funding Opportunity, there is no deadline for the implementation of a voluntary program.

[CCA Policy](#)

CCA will continue to fill mandatory FSS slots effective May 24, 2018, as determined by the HUD field office. This is an existing program.

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.

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

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

CCA Policy

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

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

Steps or Interim Goals means the family has met all its obligations under the CoP to date, including completion of the ITSP "steps" or interim goals and tasks to date.

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

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

CCA Policy

"Comply with the lease" means the FSS family has not been evicted for repeated or serious violations of the lease as defined in the HCV administrative plan. Families who are evicted and are considered non-compliant are subject to termination of participation in the HCV program but have the right to appeal a proposed termination of participation. Families who successfully appeal the decision to terminate participation may be considered sufficiently compliant to continue with the FSS program.

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

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

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

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

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

Eligible families for the FSS program mean current participants in Section 8, residents of public housing, or residents in multifamily-assisted housing if a Cooperative Agreement exists.

CCA Policy

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

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

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

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

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

FSS family means a family that receives Section 8 assistance or resides in public housing (section 9), that elects to participate in the FSS program, and whose designated adult member (head of FSS family) has signed the CoP.

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

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

FSS slots refer to the total number of public housing units or the total number of rental vouchers that comprise the minimum size of a PHA's respective Section 8 and public housing FSS program.

FSS Program Coordinator means the person(s) who runs the FSS program. This may include (but is not limited to) performing outreach, recruitment, and retention of FSS participants; goal setting and service coordination/coaching of FSS participants; collaborating with the community and service partners; and tracking program performance.

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

CCA Policy

Good cause means circumstances beyond the control of the FSS family.

Family circumstances:

- Death in the family, Serious illness or Medical emergency
- Mandatory court appearances
- Involuntary loss of employment
- Loss of head of household through death, incarceration, or removal from lease
- Change in the ITSP improving progress toward economic self-sufficiency

Community circumstances:

- Significant reduction in workforce (over 20 percent reduction in employment field)
- Significant interruption in service delivery (over three-month interruption)
- Provider noncompliance with regulation
- Provider unable or unwilling to provide service
- Provider offering inferior service

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

- Resolution of a barrier to employment
- Resolution or mitigation of debt or financial obligation
- Completion of a college degree or technical training
- Completion of a work-related certification
- Credit repair

Head of FSS family means the designated adult family member of the FSS family who has signed the CoP. The head of FSS family may, but is not required to be, the head of the household for purposes of determining income eligibility and rent.

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

CCA Policy

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

Multifamily-assisted housing, also known as project-based rental assistance (PBRA), means rental housing assisted by a Section 8 Housing Payments Program, pursuant to 24 CFR Parts 880, 881, 883, 884, and 886.

CCA Policy

Other costs related to achieving obligations in the contract of participation mean any costs necessary to complete a step/interim goal, a final goal, or relevant/related tasks to goals in the ITSP.

Owner means the owner of multifamily-assisted housing.

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

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

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

Section 8 means assistance provided under Section 8 of the 1937 Act (42 U.S.C. 1437f). Specifically, multifamily-assisted housing, as defined in this section; tenant-based and project-based rental assistance under section 8(o) of the 1937 Act; the HCV homeownership option under section 8(y) of the 1937 Act; Family Unification Program (FUP) assistance under section 8(x) of the 1937 Act; and the Section 8 Moderate Rehabilitation (Mod Rehab) for low-income families and Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) for homeless individuals under 24 CFR part 882.

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

CCA Policy

Supports mean, but are not limited to, transportation, childcare, training, testing fees, employment preparation costs, and/or other costs related to achieving obligations outlined in the CoP.

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

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

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

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

CHAPTER 3 PROGRAM ADMINISTRATION

INTRODUCTION

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

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

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

PART I: Staffing, Fees and Costs, and On-Site Facilities

3-I.A. OVERVIEW

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

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

PHAs have the choice between hiring their own staff and contracting with an outside organization to administer their FSS program. If the PHA should choose to employ its own staff, the staffing levels should be appropriate, and may include one or more FSS coordinators. If the PHA chooses to contract with an outside organization, the organization's staffing levels must be appropriate to establish and administer the FSS program, and whether the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

CCA Policy

CCA employs appropriate staff, including one FSS coordinator, and a Housing Program Director to administer its FSS program. The FSS Coordinator performs all functions related to enrolled FSS families, including eligibility recertifications and unit inspections. The Program Director supervises the FSS Coordinator as part of his/her job function and also regularly contributes to program and policy development, strategies for recruitment, sits on the PCC, and otherwise supports the program as part of his/her regular duties.

3-I.C. FSS PROGRAM COORDINATOR RESPONSIBILITIES

Primary Role of the FSS Program Coordinator

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

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

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

CCA Policy

The FSS Program Coordinator is required to perform the routine HCV program functions of housing eligibility, leasing, and rent calculations for FSS participants. These tasks are integral to the coordinator's understanding of each family, their needs/barriers, and to ensure families are able to maximize escrow earnings.

If the program size and funding is not sufficient to support a full-time FSS Coordinator, the staff person assigned to the roll may take on other responsibilities within the HCV program. These responsibilities are funded through Administrative Fees, or other program funding related to the tasks, and are not funded by the FSS Grant.

3-I.D. ADMINISTRATIVE FEES AND COSTS

The Consolidated Appropriations Act of 2014 combined funding streams for the Section 8 and public housing FSS programs. FSS funding is awarded through one NOFO. This funding may now be used to serve both Section 8 and public housing FSS participants. Funding for FSS Coordinators salary, benefits, and training as well as limited administrative costs is awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), rather than as an amendment to the PHA's Annual Contributions Contract (ACC). These funds are separate from other available funds that may be used.

Section 8 FSS Program

In the Section 8 programs, administrative fees are paid to PHAs for HUD-approved costs associated with the operation of an FSS program. These administrative fees are established by Congress and subject to appropriations [24 CFR 984.302(b)].

In addition, administrative fees for HUD-approved costs not specifically related to the operation of the FSS program may be used to cover these costs associated with the administration of FSS.

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

[CCA Policy](#)

As necessary, CCA will make administrative fee income available to provide for administrative costs under its FSS program that are not eligible to be billed to the FSS Grant.

3-I.E. SUPPORTIVE SERVICES FEES AND COSTS

Section 8 FSS Supportive Services

In the Section 8 program, the PHA may only fund reasonable and eligible FSS supportive service costs in the FSS program from unrestricted net position if those funds are taken from pre-2004 Administrative Fee Reserve. Post 2003 administrative fee reserve and/or unrestricted net assets may only be used for other housing purposes not FSS supportive services [Notice PIH 2015-17].

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

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

3-I.F. TREATMENT OF FORFEITED FSS ESCROW ACCOUNT FUNDS

In addition to HCV unrestricted net position, public housing operating funds, and other grant sources, the FSS forfeited escrow account funds must be used for the benefit of FSS participants, which includes supports and other costs for FSS participants in good standing (see definition in Section 2-IV.A.). HUD does not provide an exhaustive list of these supports. However, the supports include, but are not limited to, transportation, childcare, training, testing fees, employment preparation costs, stipends to FSS participants who represent FSS participants on the program coordinating committee, and other costs related to achieving obligations outlined in the contract of participation as well as training for FSS program coordinators [FAQ on FSS Final Rule Implementation 7/23/23, For21].

[CCA Policy](#)

Forfeited FSS escrow funds are used to provide financial assistance for FSS participants, who are in good standing, when assistance is requested to complete an interim goal or task in the ITSP. FSS Forfeited funds are not available for ongoing expenses with the exception that the family can request one-time assistance for an otherwise ongoing expense such as utilities, telephone, cell phone, car payments, or childcare if it demonstrates that the need for a one-time payment is necessary to complete an interim goal, a final goal, or a task related to such goals in the ITSP.

Forfeited escrow will be used for \$50 stipends to FSS participants who represent FSS participants on the program coordinating committee. The fee is paid based on attendance and is not guaranteed. Depending upon the balance available in the forfeited escrow account, the stipend may be reduced or suspended

The forfeited escrow accounts funds may be for training provided to FSS Coordinators.

Forfeited FSS escrow funds may cover eligible expenses defined in accordance with 24 CFR 984.305(f)(2)(i)(A) to include costs such as transportation, childcare, training, testing fees, license fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for the FSS Program Coordinator.

Other costs related to achieving obligations in the CoP may include any costs necessary to complete an interim goal, a final goal, or tasks related to the goals in the ITSP as defined in 24 CFR 984.305(f)(2)(i)(A), which may include the items stated in the above paragraph.

Necessary to complete means that no other resources are available in the community either because such a resource is non-existent, unavailable due to restrictive criteria, or that resources are utilized above capacity and agencies cannot, for an indetermined period, provide such a resource.

CCA will utilize funds from the forfeited escrows account to assist FSS participants in good standing before approving an FSS participant to use an “interim” disbursement from their current escrow account for the reasons noted above.

Requests for funds from forfeited escrow accounts will be prioritized initially on a first come first served basis determined by the date and time of the request. After that order is established, while still preserving the first come first served basis, CCA uses the following priorities related to meeting ITSP Goals:

1. Priority 1: ensure the safety and wellbeing of victims of domestic violence, dating violence, sexual assault, and stalking as defined in the PHA’s Section 8 Administrative Plan regarding VAWA.
2. Priority 2: necessary to stabilize health, safety, and welfare of the FSS participant or family that if left unattended would jeopardize education, training, or employment.
3. Priority 3: further education, training, and employment goals in the ITSP including childcare, transportation, and medical costs if the lack of any of these prevents completion of the education, training, and employment.
4. Priority 4: Necessary funds to further any other goal or tasks.

CCA may use a portion of the forfeited escrow funds to recognize FSS participants in good standing reach milestones in the CoP and to recognize program graduates.

PART II: PROGRAM COORDINATING COMMITTEE

3-II.A. OVERVIEW

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

The PCC must consist of specific members, which are dependent upon whether the PHA is operating Section 8, public housing, or multifamily assisted housing FSS programs. In addition to these required members, the PCC may also include additional members recommended by regulation.

3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP

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

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

[CCA Policy](#)

Representatives to the program coordinating committee (PCC) will include the FSS Program Coordinator, the Housing Director and one current or former participant from the FSS program. A former participant must have graduated from the FSS program in the last three years and remain an active HCV program participant to qualify for the PCC.

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

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

[CCA Policy](#)

Members of the PCC may include leaders and professionals from a variety of organizations that provide services to low-income, vulnerable populations as well as educational, employment, and financial services. CCA will take recommendations from the Resident Advisory Board.

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

Membership on the PCC also may include representatives of the unit of general local government served by the PHA, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Innovation and Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private education or training institutions, child care providers, nonprofit service providers, private business, and any other public and private service providers with resources to assist the FSS program.

CCA Policy

The FSS program coordinating committee membership will include, but not be limited to, leadership from the following organizations:

- *CCA's CSBG Program*
- *Carteret Community College*
- *NC Works*
- *Carteret County DSS*
- *Family Promise*
- *Peer Recovery Center*
- *Salvation Army*
- *Hope Mission*
- *Area Churches*

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

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

CCA Policy

CCA was unable to identify an existing group or collaborative that could act as its program coordinating committee.

Exhibit 3-1: Chart for Determining PCC Membership

Organization or Service Type	Organization Name	PCC Member Title	PCC Member Name
Housing	CCA	Housing Director	Judy Herring
GED, Job Training/Trades and Educational Training	Carteret Community College	WIOA Program Lead	Melanie Reels
Post-Secondary School	Carteret Community College	Pending	
Small Business Development	Carteret Community College - SBC	Pending	
Job Search, Placement, Retention	NC Works	Career Advisor	Ruthe Byran
CPS/APS	Carteret DSS	Director	Jessica Adams
TANF/Food Stamps			
Transportation	CCATS	Director	Patrick Flannagan
Mental Health, SUD Counseling	Behavioral Health & Wellness, PLLC	Executive Director	Susana Guigarro
	Hope Mission Peer Recovery Center	Director	John Sotirkys
Homeownership	Crystal Coast Habitat for Humanity	Pending	
Emergency Housing/Crisis Response/Homelessness	Hope Mission /Women's Shelter	Shelter Manager	Mike Horne
	Family Promise of Carteret County	Pending	
Child Care/Head Start	Head Start	Director	Angela Jackson-Owens
Community-Based Organizations, Non-profit Social Service, Food/Nutrition & Coordination Orgs.	CSBG - CCA	Director	Stephanie Cox
	Martha's Mission	Pantry Manager	Ginger Wade
	United Way	Director	Sandra Phelps
	Food Bank of Central & ENC	Network Engagement Coordinator	Jowita Zerilli
	Coastal Carolina Women's Ministries	Director	Gwen Counts
	Carteret County DV Program	Case Mgr./Court Advocate	Vanderley Alexio

Organization or Service Type	Organization Name	PCC Member Title	PCC Member Name
Employment Development	Carteret County Economic Dev.	Director	Rod Kirk
Mentorship/Business Dev	Crystal Coast Women In Business		
Vocational Rehabilitation	NC DHHS -MHC Office	Pending	
Religious Organizations	St. James United Methodist Church	Pastor	Joseph Park
	Salvation Army	Pending	
Financial Institutions	NC State Employees CU	Pending	
Legal Services	Legal Aid	Pending	
Debt Resolution Services	No local agency, using NC SECU		

CHAPTER 4 SELECTING AND SERVING FSS FAMILIES

INTRODUCTION

FSS regulations require that the PHA include in its action plan a statement indicating how it will select families for participation in the FSS program. This includes outreach, waiting list management, and other selection procedures. When followed, the PHA's selection procedures ensure that families will be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

Once selected for participation in the FSS program, families are to be provided various activities and supportive services so that they may obtain the education, employment, business, and social skills necessary to achieve self-sufficiency. A description of such activities and supportive services is also a requirement of the FSS action plan.

This chapter contains three parts:

Part I: Incentives, Outreach, and Assurance of Noninterference: This part describes the incentives the PHA will offer and the outreach efforts the PHA will use to encourage participation and recruit eligible families for the FSS program and contains the required assurance of noninterference with the rights of nonparticipating families.

Part II: Family Selection: This part covers whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so. In addition, this part describes the selection factors the PHA will use in screening families for participation in the FSS program.

Part III: Activities and Support Services: This part outlines needs, activities, and supportive services to be provided to families through both public and private resources, describes the method the PHA will use to identify family support needs, and covers the required certification of coordination.

PART I: INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE

4-I.A. OVERVIEW

The FSS program offers incentives such as the FSS escrow account, service coordination, coaching, and other supportive services that not only encourage participation, but also help families achieve self-sufficiency. In addition to encouraging program participation through such incentives, PHAs also conduct outreach to recruit FSS participants from among eligible families. As part of this process, families need to know that their choice as to whether to participate in the FSS program will not affect their admission to the Section 8 or public housing programs, nor will it affect their right to occupancy in any way. This part describes the PHA's policies regarding these issues, all of which are required aspects of the FSS action plan.

4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)]

By regulation, the FSS action plan must include a PHA's incentives plan, which is a description of the incentives that the PHA intends to offer eligible families to encourage their participation in

the FSS program. The incentives plan provides for the establishment of the FSS escrow account, and any other incentives designed by the PHA.

CCA Policy

The following services are offered, as needed to complete obligations in the contract, to FSS participants as incentives to participate in FSS.

Incentive	Provided By	Description
FSS escrow account	CCA	Escrow earnings per HUD regulations
Service coordination/Coaching	CCA	Coordinating services with partners
Information and referrals to services	CCA	Providing warm-hand referrals to services not provided by CCA
Educational workshops	CCC	A wide range of educational & employment services
Partners Prioritizing Funding for FSS:		
Emergency transportation services	Pending	
Emergency childcare service	Pending	
Emergency medical services	Pending	
Education and training	Pending	
Employment preparation	Pending	
Partner services prioritizing FSS:		
Homeownership programs	Pending	
Specific training programs	Pending	
Educational programs	Pending	
Specific support services	Pending	

4-I.C. OUTREACH EFFORTS [24 CFR 984.201(D)(6)(I)(II)]

In addition to offering incentives for FSS participation, PHAs also conduct outreach to recruit more FSS participants from eligible families. The FSS action plan must include a description of these efforts to recruit FSS participants, including notification and outreach, the actions the PHA will take to assure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known.

CCA Policy

CCA outreaches to eligible families about the FSS program using a variety of contact methods, including the following locations, activities, methods, and languages, as appropriate. The goal of outreach is to ensure equitable access for all eligible families and CCA will revise and update outreach efforts as necessary to ensure those who are vulnerable and those least likely to take part in programs have opportunities to enroll.

Location/Activity	Staff/Partner	Method	Language
Briefings/Orientations	FSS Coordinator	Flyer/ Presentation	English/ Spanish
Interims/Recertifications	FSS Coordinator & Housing Specialist	Flyer/ Presentation Referral Form	
Transfers/Portability	FSS Coordinator & Housing Specialist	Flyer Presentation Referral Form	
Lobby	FSS Coordinator & Receptionist	Flyer/Posters Cards	English/ Spanish
PHA Website/ Social Media	IT Staff	Notices/Flyers Videos	
TANF Office	Case Worker	Flyers	English/ Spanish
Workforce/Career Center	Counselor	Flyers	English/ Spanish
Adult Education	Counselor/ Instructor	Flyers	English/ Spanish
Carteret Community College	Counselor	Flyers, Discussion	
English as a Second Language & GED Classes	Instructor	Flyers	English/ Spanish
Community-based Organizations	Case Worker	Flyers	English/ Spanish
Child Care Centers	Teachers	Flyers	English/ Spanish

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

A family's housing assistance or admission into assisted housing must never, unless approved by HUD, depend on whether they choose to participate in the FSS program, and PHAs need to make this known as part of the recruitment process. For this reason, the PHA's action plan must include an assurance that a family's decision to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing programs, nor will it affect the family's right to any provision of occupancy in accordance with the lease.

CCA Policy

Participation in the FSS program is strictly voluntary. Section 8 participants will be notified in all literature and media presentations related to the FSS program that participation is their choice and will not affect their participation in the HCV program. Materials will state that the families retain the right to occupancy according to their lease and the terms of the voucher program regardless of FSS participation.

PART II: FAMILY SELECTION

4-II.A. OVERVIEW

The FSS action plan is required to contain a statement indicating the procedures for selecting families for FSS program participation, including a description of how the PHA will do so without regard to race, color, religion, sex (including actual or perceived gender identity), familial status, or national origin. This part describes these procedures, considering whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so, in addition to defining the factors the PHA will use in screening families for program participation.

4-II.B. COMPLIANCE WITH NONDISCRIMINATION PROVISIONS

In accordance with 24 CFR 5.105, all PHAs must comply with all federal, state, and local nondiscrimination laws and regulations, including but not limited to the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973. In addition, PHAs need policies which both state that their actions will not discriminate and describe the steps taken to ensure nondiscrimination.

CCA Policy

CCA will select families for participation in the FSS program in accordance with FSS regulations and HUD guidelines. CCA will comply with all federal, state, and local nondiscrimination laws and regulations, including but not limited to the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973.

No person will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the FSS program on the grounds of race, color, sex, religion, national or ethnic origin, family status, source of income, disability or perceived gender identity and sexual orientation.

Upon request, CCA staff will provide reasonable accommodation for persons with disabilities to ensure they are able to take advantage of the services provided by the FSS program (see Requests for Reasonable Accommodations).

CCA will comply with HUD requirements to serve people with Limited English Proficiency (LEP) by providing participants within written and oral communication related to the FSS program in languages understandable to them whenever possible, including providing interpreters when requested at no charge to the family.

The Housing Director has the primary responsibility of making sure that participants are not discriminated against in the selection process. For families or individuals whose potential enrollment is in question, the FSS coordinator will review the file with HCV program and concerns regarding family's potential enrollment will be reviewed with the Director before a final decision is made.

Applicants will be notified in writing of the reasons they were not selected for participation and will have the opportunity to appeal against the decision (see Section 5-II.I.).

4-II.C. FSS SELECTION PREFERENCES

As part of the process for selecting families for participation in the FSS program, the PHA may choose whether to employ the use of preferences. If the PHA so chooses, it has the option of giving a selection preference for up to 50 percent of its FSS program slots to eligible families who have one or more family members currently enrolled in an FSS-related service program or who are on the waiting list for such a program. Such a preference may be further limited to participants in and applicants for one or more specific eligible FSS-related service programs.

Should the PHA choose to adopt such a preference, it would need to include the following information in its action plan:

- The percentage of FSS slots, not to exceed 50 percent of the total number of FSS slots for each of its FSS programs, for which it will give a selection preference
- The FSS related service programs to which it will give a selection preference to the programs' participants and applicants
- The method of outreach to and selection of families with one or more members participating in the identified programs [24 CFR 984.203(a)]

A PHA may wish to adopt additional selection preferences as well.

CCA Policy

Once the FSS program reaches a maximum enrolled capacity of 35 participants, CCA will create a waiting list. Families will be selected from the waiting list using the following selection criteria:

- Initial preference will be given for Section 8 families porting in with an FSS contract of participation. When services become available, CCA will provide a non-targeted FSS selection preference to a family that wants to participate in the FSS program but were terminated with escrow disbursement by the initial PHA because supportive services were unavailable at the time.

- Preference will be given to eligible families who have one or more family members currently enrolled in or on the waiting list for the FSS-related service programs of the partners on the FSS Program Coordinating Committee.

All other eligible families will be selected based on the date and time the family was placed on the FSS Program Waiting List.

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

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

CCA Policy

Families with the same preference status will be selected based on the date the family expressed an interest in participating and were placed on the FSS Program Waiting list to fill the FSS slots.

4-II.D. SELECTION FACTORS

Many factors contribute to whether a PHA may choose to select a family for participation in the FSS program. These selection factors can help the PHA screen families for admission and contribute to the PHA's decision to either allow or deny a family's admission into the FSS program.

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

A PHA may screen families for interest and motivation to participate in the FSS program provided that the factors utilized by the PHA are those which solely measure the family's interest and motivation to participate in the FSS program. For this reason, PHAs must only apply motivational screening factors that are permissible under the regulations.

Permissible Motivation Selection Factors

Permitted motivational factors include requiring attendance at FSS orientation sessions or pre-selection interviews or assigning certain tasks indicating the family's willingness to undertake the obligations that may be imposed by the FSS contract of participation. However, any tasks assigned must be readily accomplishable by the family based on the family members' educational level, abilities, or disabilities, if any. Reasonable accommodations must be made for individuals whose disability (mobility, manual, sensory, speech impairments, mental, or developmental disabilities) creates a barrier to accomplishing the tasks [24 CFR 984.203(d)(2)].

CCA Policy

Families are screened for interest and motivation to participate in the FSS program by participating in a meeting or workshop. Meetings/workshops are the same for each family.

The fact that the family attended *is* the screening factor, whether tasks or exercises are completed in the meeting or not. If the family needs either childcare or transportation to be able to attend, or requests an accommodation for a disability, the CCA will either refer the family to available services, find a more accessible version of the meeting/workshop, or exempt the family from the screening factor.

Prohibited Motivation Selection Factors

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

Other Selection Factors

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

- A PHA may refuse to select a family for participation in the FSS program a second time if that family previously participated unsuccessfully (i.e., the family participated, did not meet its FSS obligations, and was terminated from the FSS program) [FAQ on FSS Final Rule Implementation 7/23/23, Par6].
- A PHA may refuse to select a family for participation in the FSS program a second time if that family previously participated, completed their CoP, and received the final distribution of the escrow account if their employment skills or wages are below the level needed to achieve economic self-sufficiency (a wage that pays for basic needs without the use of subsidies).
- The PHA may have a policy to deny FSS participation to a family if it is not in *good standing*, which means not in compliance with relevant regulations and program requirements. HUD has defined *FSS family in good standing* as an FSS family that is in compliance with their FSS CoP, has either satisfied or are current on any debts owed the PHA or owner, and is in compliance with the regulations at 24 CFR Part 5 regarding participation in the relevant rental assistance program.
- The PHA may *deny* FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 or public housing assistance [FAQ on FSS Final Rule Implementation 7/23/23, Par6].

[CCA Policy](#)

Families are not denied due to previous participation in the FSS program if that family did not complete the program.

Families that previously participated in and graduated from the FSS program may be eligible to re-enroll in the program if:

- the family completed the COP and received a final distribution of their escrow account, but their employment skills or wages are below the level needed to achieve a wage that pays for basic needs without the use of subsidies,
- it has been at least 12 months since the family completed the COP and graduated from the program, and
- there is either no waiting list for the FSS program, *or* the family applied to the FSS program waiting list and has reached the top.

Families who are in good standing with the regulations in 24 CFR Part 5 and with policies in CCA's Administrative Plan will be accepted into the FSS program if they are otherwise eligible.

A family is not eligible to participate in the FSS program when the family owes CCA, or another PHA, money in connection with the HCV, a PBV or other federally funded public housing assistance program. Once the balance owed is repaid, the family may enroll in the FSS program provided they are otherwise eligible.

4-II.E. SELECTION OF HEAD OF HOUSEHOLD

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

CCA Policy

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

PART III: ACTIVITIES AND SUPPORT SERVICES

4-III.A. OVERVIEW

Once families are admitted to the FSS program, the PHA becomes responsible for making sure these families are adequately served. The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. As such, upon selection, families are matched with the appropriate activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. This is a vital element of the FSS program. The PHA must make a good faith effort to replace the obtained services from another agency [24 CFR 984.303(e)].

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

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

CCA Policy

Supportive services are identified by completion of an informal needs assessment with the FSS coordinator or a partnering case manager **before** completion of the initial individual training and services plan (ITSP) and signing of the contract of participation. This informal assessment will be the same for each participating family.

After enrollment in the FSS program, a formal needs assessment, including vocational assessment and counseling, educational assessment and counseling, and employment planning, may be conducted by one the following partners on the PCC:

- Carteret Community college
- NC Works Workforce Development
- NC DHHS Vocational Rehab (Morehead City)
- Carteret County Department of Social Services

The results may be used to modify the ITSP, in mutual agreement with the family.

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

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

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

CCA Policy

Through its partners on the program coordinating committee, CCA's FSS program 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	NC Works Carteret Community College Vocational Rehab Office Carteret County Health Depart. Peer Recovery Center DisAbility Resource Center
Education	High School/ GED English as a Second Language Post-secondary College	Carteret Community College

Support Service General	Support Service Specific	Source/Partner
Training	Skills Training Emerging Technologies Training Biomedical Training Functional Context Training	Carteret Community College Vocational Rehab
Job Search Assistance	Resume Preparation Interviewing Skills Workplace Skills Job Development & Placement	NC Works
Transportation	Bus	Carteret County Area Transit System
Health Care	Alcohol and Drug Prevention Alcohol and Drug Treatment	Peer Recovery Center Behavioral Health & Wellness
Child Care	Infant Care, Toddler Care Preschool Care, Afterschool Care	Head Start Program - CCA
Financial Literacy	Financial Education, Financial Coaching Debt Resolution & Credit Repair	CSBG Program – CCA Butterfly Financial Education, Inc. https://www.butterflyfe.com/
Legal Services	Representation Document Review Counsel or Advice	Legal Aid
Child/Adult Protective Services	Needs Assessment Case Planning Information Referral Crisis Management	Carteret County DSS
Crisis Services	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Carteret County Domestic Violence Program
Mentoring	Mentoring Match	Carteret Community College NC Works
Micro and Small Business Development	Training, Planning Technical Assistance, Mentoring	Carteret Community College-SBC
Homeownership	Training, Planning Debt Resolution	Habitat for Humanity- Planning GreenPath, Inc. – 888.860.4167 National Foundation on Credit Counseling – 800.388.2227

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

The FSS action plan is required to contain a certification that the development of the activities and services under the FSS program has been coordinated with the programs under title I of the Workforce Innovation and Opportunity Act (WIOA), and any other relevant employment, childcare, transportation, training, and education programs in the applicable area. The implementation of the FSS program's activities and services must continue to be coordinated as such to avoid duplication of activities and services.

CCA Policy

CCA certifies that its FSS program has developed its services and activities in coordination with programs under Title I of the WIOA, NC Works, Carteret Community College, and any other relevant employment, childcare, transportation, training, and education programs that serve Carteret County. The implementation of these activities and services will continue to be coordinated in this manner to avoid duplication of activities and services.

CHAPTER 5 CONTRACT OF PARTICIPATION

INTRODUCTION

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

This chapter contains two parts:

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

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

Part I: Overview and Family Obligations

5-I.A. OVERVIEW [24 CFR 984.303 AND FAQ ON FSS FINAL RULE IMPLEMENTATION 7/23/23, IMP9]

The purpose of the FSS contract of participation is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation of the individual training and services plan (ITSP) as part of the contract's required contents. The ITSP is meant to establish goals the FSS family will meet to measure their progress in completing the contract and becoming self-sufficient. In addition to the goals specified in the ITSP, the contract also lists the responsibilities of the family and the PHA. This part covers the ITSP as part of the required contents of the contract of participation, and the family's obligations under the contract.

The Economic Growth, Regulatory Relief, and Consumer Protection Act was passed on May 24, 2018. The subsequent FSS Final Rule was published on May 27, 2022, and became effective on June 16, 2022. On that effective date, current families enrolled in the FSS program could be offered the opportunity to enter into a new FSS contract with the PHA. The terms of that new contract are substantially different from the terms in the previous contract and have significant benefits to—and opportunities for—the previous FSS families.

Because of the advantages to the families, and for consistency in the FSS program as a whole, HUD encourages PHAs to offer and enter into the new contract with families. These previous FSS participants, however, may not be required to accept the new contract [FAQ on FSS Final Rule Implementation 7/23/23, Imp9 and Imp31]. If FSS families enrolled prior to June 16, 2022, choose to remain on the previous contract and new FSS families with new contract terms enrolled June 16, 2022, and after, the PHA must operate an FSS program with two different sets of policies and procedures for the CoP, the action plan, and the escrow accounts [FAQ on FSS Final Rule Implementation 7/23/23 Imp3 July 23, 2023].

CCA Policy

If applicable, CCA will continue to offer the new June 16, 2022, CoP to FSS families who are still participating under the previous FSS contract for the advantages and opportunities it offers to these families. Otherwise, all families are being enrolled using the new CoP.

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

Individual Training and Services Plan

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

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

PHAs must work with each participant to establish realistic and individualized goals and may not include additional mandatory goals or mandatory modifications of the two mandatory goals.

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

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

5-I.C. FAMILY OBLIGATIONS

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

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the Section 8 or public housing lease.

Inability to comply with the lease represents an inability to comply with the contract, therefore regulations regarding noncompliance with the FSS contract apply [see 24 CFR 984.303(b)(5)]. It is up to the PHA to determine the plan of action for FSS families found in noncompliance with the lease and how the PHA will precisely define the term *comply with the lease*. All considerations allowed for other assisted residents regarding violations of the lease, must also be allowed for FSS participants.

CCA Policy

Participants enrolled in FSS are required to comply with the terms of their lease and the HCV Program, as are all participant families. CCA's Administrative Plan defines compliance, "good standing" and other relevant terms, and family obligations required for HCV program participation. FSS participants must follow the same guidelines and comply with the same policies as all other participants.

Because an inability or unwillingness to comply with the lease may represent an inability to comply with a contract, CCA may terminate the FSS contract of participation for failure to comply with the terms of the lease based on the totality of the circumstances, the circumstances appear to be within the family's control based on the best available information, and no other solution is identified.

Participation in FSS is subject to termination when the family is subject to lease termination and/or eviction for serious and/or repeated lease violations and their participation in the HCV is also subject to termination.

As with all participants, families enrolled in FSS have the same rights, as well as the same responsibilities, under the Administrative Plan. This includes the right to request an informal hearing when a household is proposed for termination of participation in the HCV Program.

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

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

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

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

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

CCA Policy

For purposes of the FSS program, “*seek employment*” means the FSS head of household has followed the steps necessary to meet the employment goal outlined in the FSS CoP. The steps may include the FSS head of household having applied for employment, attended job interviews, completed employment related training/certifications, and otherwise followed through on employment opportunities, or family identified prerequisites, to reach the goal(s) outlined in the individual training and services plan of their contract of participation.

The FSS family sets their goals and identifies the steps necessary to reach their goals. CCA and its partners on the PCC will provide counseling and resources to the extent available.

Maintaining suitable employment is employment that, on the last day of the CoP, the FSS head of household met employment goal(s) outlined in the individual training and service plan, including goals based on the skills, education, job training, and receipt of other benefits of the head of the FSS family and has obtained and maintained employment considered suitable by the family and as defined in the family’s goals or amended goals. CCA requires verification of this employment to determine eligibility for graduation.

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

Consequences apply for families who do not meet the terms and conditions of the contract. The regulations require that the contract of participation specify that if the FSS family fails to comply, without good cause, with the terms and conditions of the contract (including compliance with the Section 8 or public housing lease), the PHA may:

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

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

CCA Policy

The contract of participation (CoP) will be terminated before the expiration of the contract term if the participant fails to meet their obligations as outlined in the CoP and there is no “good cause” for the failure to perform on the contract.

If the participant fails to meet its obligations included in the CoP, the FSS coordinator will take the following steps:

1. meet with and assist the family through a reassessment of the need for supportive services and/or making changes in the individual training and services plan (ITSP),
2. if the above is not successful in bringing the family into compliance, the FSS coordinator will reassess the need for and availability of supportive services in order to refer the participant to a knowledgeable professional for a formal assessment of the challenges leading to the noncompliance, when such a referral is appropriate to the circumstances,
3. When a formal assessment is conducted, the FSS Coordinator will use the formal assessment to identify resources that may lead to overcoming the challenge and refer the participant for services that will enable the family to meet their obligations outlined in the CoP.

4. Finally, if none of these alternatives is successful or are not appropriate to the reason for noncompliance, 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, which result in a failure to complete the obligations outlined in the CoP.

The FSS coordinator will make an exception to contract termination if the participant can demonstrate “good cause” for the failure to meet its obligations as outlined in the CoP. “Good Cause” may include circumstances beyond the family’s control such as:

- Family circumstances include:
 - 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
 - Needed changes in the ITSP improving progress toward economic self-sufficiency
- Community circumstances may include:
 - A significant reduction in workforce (e.g. a 20% reduction in employment field)
 - A significant interruption in service delivery (3-months or more)
 - Service provider noncompliance with regulation
 - Service provider unable or unwilling to provide service or offering inferior service
 - Difficulty or delay in resolving of a barrier to employment
 - Difficulty or delay in resolving or mitigating of debt or financial obligation
 - Difficulty or delay completing a college degree or technical training
 - Difficulty or delay completing a work-related certification
 - Difficulty or delay completing credit repair necessary to meet a goal

PART II: CONTRACT SPECIFICATIONS

5-II.A. OVERVIEW

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

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

The initial term of the CoP will run from the effective date through the five-year anniversary of the first reexamination of income that follows the execution date. The CoP will go into effect on the first day of the month following the execution of the CoP.

Contract Extension [24 CFR 984.303(d)]

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

5-II.C. MODIFICATION OF THE CONTRACT

The contract of participation (CoP) may be modified, as long as the PHA and the FSS family mutually agree to modify it. This includes modifications in writing with respect to the individual training and services plans (ITSPs), the contract term (See Section 5-II.B. above), and designation of the head of the family [24 CFR 984.303(f)]. The conditions under which the PHA will modify the contract are set forth in the policy below.

CCA Policy

The CoP may be modified by mutual agreement between CCA and the FSS head of household when:

- modifications to the ITSP improve the participant’s ability to complete their obligations in the CoP and/or progress toward economic self- sufficiency.
- the actual end date of the CoP is determined by the effective date of the FSS family’s first reexamination changes the end date of the CoP.
- the designated head of the FSS family no longer lives with other family members in the assisted unit and the remaining family members designate another family member to be the FSS head of household and receive escrow funds.
- an FSS family ports to the jurisdiction of a PHA that does not have an FSS program, and the family may not continue participation in the initial PHA’s FSS program and modification of the FSS contract will allow the family to either complete or terminate the contract and receive an escrow disbursement.

5-II.D. COMPLETION OF THE CONTRACT

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

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

5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE

Even after a family has completed the contract of participation, a PHA may continue to offer appropriate FSS supportive services to a former completed FSS family. If the family still resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient or remaining self-sufficient. Transitional services for families who no longer reside in Section 8 or public housing, may only be offered using sources that are not HUD funds or HUD restricted funds [24 CFR 984.303(j)]. PHAs or owners may allow former unassisted FSS families to attend FSS activities or functions, like job fairs and clinics, so long as these activities ordinarily serve public housing residents or Section 8 participants without proration of funding [FR Notice 5/17/22].

CCA Policy

A former FSS family who has completed its contract of participation may continue to receive supportive services, which will be provided by FSS Coordinator, as long as they participate in the HCV program.

CCA may allow unassisted former FSS families to attend FSS activities or functions for up to one-year after assistance ends, without proration of funding sources, when these activities ordinarily serve non-FSS Section 8 participants.

Transitional Services are not offered.

5-II.F. TERMINATION OF THE CONTRACT

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

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

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable, as described in Section 5-II.H. of this Action Plan.
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family; or
- An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR 982.353) for good cause and continuation of the CoP after the move or completion of the CoP prior to the move is not possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

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

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

Mutual consent of the parties

Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in a Section 8 FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA

The family's withdrawal from the FSS program

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

Operation of law

CCA Policy

The CoP will be terminated before the expiration of the contract term (including any extension) for any of the following reasons:

- Mutual consent of the parties,
- Family's withdrawal from the FSS program,
- Failure of the FSS family to meet its obligations under the CoP without good cause. *(See Section 5-I.D. of this Action Plan),*
- Other acts deemed inconsistent with the purpose of the FSS program, and
- Operation of law.

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

Note: The contract of participation is automatically terminated if the family's Section 8 assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

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

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

PHAs are not permitted to terminate Section 8 assistance to a family due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

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

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

- If a social service agency fails to deliver the supportive services pledged under an FSS family member's individual training and services plan (ITSP), the PHA must make a good faith effort to obtain these services from another agency.
- If the PHA is unable to obtain the services from another agency, the PHA must reassess the family member's needs and determine whether other available services would achieve the same purpose.
- If other available services would not achieve the same purpose, the PHA shall determine whether the unavailable services are integral to the FSS family's advancement or progress toward self-sufficiency.
- If the unavailable services are not integral to the FSS family's advancement toward self-sufficiency, the PHA must revise the ITSP, delete these services, and modify the contract of participation to remove any obligation on the part of the FSS family to accept the unavailable services.
- If the unavailable services *are* determined to be integral to the FSS family's advancement toward self-sufficiency (which may be the case if the affected family member is the head of the FSS family), the PHA shall terminate the contract of participation and follow the requirements in Section 5-II.F. of this Action Plan.

Termination of the contract of participation based on unavailability of supportive services is never grounds for termination of Section 8 or public housing assistance.

5-II.I. GRIEVANCE PROCEDURES

When adverse action is taken by the PHA against a family, the PHA is required to provide an informal hearing in the Section 8 program [24 CFR 966 subpart B, 24 CFR 982.554].

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

[CCA Policy](#)

The informal hearing procedures for the FSS program are the same as the hearing procedures adopted for the Section 8 HCV Program in CCA's Administrative Plan. Chapter 12 of the Administrative Plan is adopted by this Action Plan by this reference.

Adverse actions taken within the FSS program include denial of:

- admission into the FSS program
- a request for supportive services
- a request to change the ITSP
- a request to change the head of household
- a request for interim disbursement of the escrow account
- a request to complete the CoP
- a request for extension to the FSS CoP
- a request for either interim or final distribution of escrow account
- Support services
- a request for termination with escrow

Adverse actions also include termination of the FSS CoP.

Chapter 6

ESCROW ACCOUNT

INTRODUCTION

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

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

This chapter contains two parts:

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

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

PART I: THE ESCROW ACCOUNT

6-I.A. OVERVIEW

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

6-I.B. CALCULATING THE FSS CREDIT AMOUNT

Determination of Baseline Annual Earned Income and Baseline Monthly Rent

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

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

Determination of the Escrow Credit

To calculate the FSS credit, PHAs must accurately determine the family's baseline earned income and baseline monthly rent and compare those figures with the family's current earned income and current monthly rent. The FSS credit is the lesser of 30 percent of one-twelfth or 2.5 percent of the amount by which the family's current annual earned income exceeds the family's baseline annual earned income; or the increase in the family's monthly rent. The increase in the family's monthly rent is the lower of either the amount by which the family's current monthly rent exceeds the family's baseline monthly rent, or for Section 8 families, the difference between the baseline monthly rent and the current gross rent (*i.e.*, rent to owner plus any utility allowance) or the payment standard, whichever is lower [24 CFR 984.305(b)(2)].

Determination of Escrow Credit for Families Who Are Not Low Income

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

Increases in FSS Family Income [24 CFR 984.304]

As described in the FSS credit calculations above, any increases in family earned income resulting in increases in family rent are deposited in the escrow account. For this reason, and because of the nature of the FSS account, any increase in the earned income of an FSS family during its participation in an FSS program may not be considered as income or an asset for purposes of eligibility of the FSS family for other benefits, or amount of benefits payable to the FSS family, under any other program administered by HUD.

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

PHAs will not make any additional credits to the FSS family's FSS account when the family has completed the contract of participation, when the contract of participation is terminated, when the family is not low-income, or during the time a Section 8 family is in the process of moving to a new unit.

6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS

Disbursement before Completion of Contract

The PHA may at its sole option disburse FSS account funds before completion of the contract if the family needs a portion of the funds for purposes consistent with the contract of participation and the PHA determines that the FSS family has fulfilled certain interim goals established in the contract of participation. These interim disbursements could include, and are not limited to, using the funds to assist the family in meeting expenses related to completion of higher education (e.g., college, graduate school) or job training, or to meet start-up expenses involved in creation of a small business [24 984.305(c)(2)(ii)].

[CCA Policy](#)

Forfeited escrow account funds held by the agency will be used to assist families who make a request for funds to address either of the following:

- Funds are needed to complete an interim goal or task within the CoP and are being used to fund ongoing expenses.

- The family requests one-time assistance for an otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare when the funds are needed to ensure a family is able to complete an interim goal, a final goal, or a task related to such goals.

In the event the FSS escrow forfeiture account is depleted, CCA may make an interim disbursement of 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 completion of the ITSP interim goals and tasks to date, and request is related to one of the two circumstances listed above. CCA will work with the family to find an alternative resource to assist with the expense, and document those efforts, before considering distribution from the escrow account.

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

When the contract has been completed, at or before the expiration date, according to regulation, the amount in the FSS account in excess of any amount the FSS family owes to the PHA, either for debts owed or a public housing lease, or to the current landlord under an existing lease, will be paid to the head of the FSS family. To receive the disbursement, the head of the FSS family must submit a certification (as defined in 24 CFR 984.103) to the PHA at the time of contract completion that, to the best of his/her knowledge and belief, no member of the FSS family is a recipient of welfare assistance (cash assistance).

PHAs are not required to confirm with landlords that FSS participant families owe no debts prior to graduation and escrow disbursement. However, if a landlord/owner has reported any outstanding debts to a PHA, the debt amount will be deducted from the final escrow balance prior to disbursement and the PHA will use it to pay the landlord to reduce the debt owed by the participant. The PHA may set a policy to consult with the landlord prior to graduation to determine if the FSS participant family owes debts under the lease [24 CFR 984.305(c) and FAQ on FSS Final Rule Implementation 7/23/23, End8].

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

A PHA must disburse to the family its FSS escrow account funds in excess of any amount owed to the PHA under the HCV (or a public housing lease) when the contract has been terminated in certain circumstances. These circumstances include when:

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are not available,
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract (*unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family*), or
- An FSS family moves outside the jurisdiction of the PHA and continuation of the CoP after the move is not possible according to the regulations.

In circumstances where a family is not able to continue in FSS after a move, it is also possible for the PHA and the family to determine if the contract can be modified to make completion and receipt of the escrow monies possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

Verification of Family Certification at Disbursement

The PHA must verify that the family has met the requirements of either interim, final, or termination of contract with escrow distributions. Interim disbursement may only occur after the family has completed certain interim goals and funds are needed to complete other interim goals. Final disbursement can only occur after the family has completed the contract of participation and all members are welfare-free as defined by regulation.

Disbursement at contract termination only occurs if the family circumstances involve a missing integral service, the disability of the FSS head of household, or an FSS family porting out of the jurisdiction of the PHA and HUD regulations do not allow continuation of the FSS contract. In each of these circumstances, the PHA may require verification for the completion of interim goals or contract of participation.

At interim disbursement, and before final disbursement of the FSS account funds to the family, the PHA may verify that the FSS family is no longer a recipient of welfare assistance by requesting copies of any documents that may indicate whether the family is receiving any welfare assistance. The PHA may also contact welfare agencies for confirmation [24 CFR 984.305(c)(4)].

HUD provides verification guidance in Notice PIH 2018-18. This guidance is mandatory for the Section 8 and public housing programs. The PHA's Administrative Plan or ACOP must contain verification policies following the hierarchy in this notice. The policies contained in the PHA's ACOP and Administrative Plan cover verification policies related to the FSS program in general. However, determining the need for interim disbursements may require more clarification as to what constitutes an acceptable third-party source.

CCA Policy

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

CCA will follow its Administrative Plan and HUD's verification hierarchy set forth in Notice PIH 2023-27 to make these verifications and use a knowledgeable professional as a third-party source to verify the need for interim disbursements.

CCA will also follow HUD's verification hierarchy to verify that the HCV landlord has received full payment of monies owed under the lease at the time of completion of the CoP. If the landlord/owner reports outstanding debts to CCA, the debt amount will be deducted from the FSS escrow disbursement prior to disbursement and the PHA will use it to pay the landlord/owner to reduce/settle the debt owed by the participant [FAQ on FSS Final Rule Implementation 7/23/23].

6-I.D. SUCCESSION TO FSS ACCOUNT [24 CFR 984.305(D) AND FR NOTICE 5/17/22]

FSS account funds should be disbursed to the head of the FSS family. However, if the head of the FSS family no longer resides with the other family members in Section 8 or public housing, the remaining members of the FSS family, after consultation with the PHA, have the right to designate another family member to receive the funds.

If the head of the FSS family dies before the CoP is completed, both the law and the FSS regulations state that the escrow may be withdrawn by the participating family. An estate is not considered to be a participating family; therefore, the escrow may not be distributed to the estate of the FSS head of household.

HUD will consider waiver requests, as has been the case prior to this rulemaking. The regulations for requesting regulatory waivers are found in Notice PIH 2013-20.

CCA Policy

When appropriate based on the rule, CCA will request a regulatory waiver when an FSS participant dies before completing the CoP and CCA identifies "good cause" to do so using the definition of *good cause* in Chapter 2 of this Action Plan. The regulations for requesting regulatory waivers are found in Notice PIH 2013-20.

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

According to regulation, a Section 8 or public housing FSS family may use the final distribution of FSS account funds for the purchase of a home, including the purchase of a home under one of HUD's homeownership programs, or other federal, state, or local homeownership programs, unless the use is prohibited by the statute or regulations governing the particular homeownership program [24 CFR 984.305(e)].

Homeownership is just one possibility for use of the FSS account funds. PHAs may not restrict the use of escrow funds at contract completion.

6-I.F. FORFEITURE OF FSS ACCOUNT FUNDS

Amounts in the FSS account will be forfeited when the contract of participation is terminated without escrow disbursement, or when the contract of participation is completed by the family (see Section 5-II.D. of this action plan) but the FSS family is receiving welfare assistance at the time of expiration of the term of the contract of participation, including any contract extension [24 CFR 984.305(f)(1)].

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

Treatment of Forfeited FSS Account Funds

FSS escrow account funds forfeited by the FSS family must be used by the PHA for the benefit of the FSS participants. These funds may only be used for support for FSS participants in good standing. These supports include transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the CoP; or training for FSS Program Coordinator(s). Forfeited FSS escrow accounts may not be used for salary and fringe benefits of FSS Program Coordinators, general administrative costs of the FSS program, for the overall implementation of the FSS program, or for housing assistance payments (HAP) expenses or public housing operating funds. Accounting Brief 26 describes the accounting requirements in the treatment of forfeited escrow accounts.

Part II: Escrow Fund Accounting and Reporting

6-II.A. OVERVIEW

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

6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS

When establishing FSS escrow accounts, the PHA must deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account for each (Section 8 or public housing) program. These funds are determined at each reexamination after the effective date of the contract and must be deposited each month to each family's subsidiary line item in the PHA's escrow account. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

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

The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA must credit the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account every month.

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

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

CCA Policy

At least annually, at the end of each fiscal year, the full amount of the investment income for funds in the CCA-held FSS account will be prorated and credited to each family's account balance. CCA will track pro-rated credits to the account using spreadsheet tracking to back up balances in the software used for data management.

Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii) and FAQ on FSS Final Rule Implementation 7/23/23]

At Completion for Monies Owed to the PHA or HCV Landlord by the Family

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or Section 8 lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner to the PHA in the Section 8 FSS program) at the time of final disbursement of FSS escrow funds. The FSS family must comply with the terms and conditions of their lease. The family must be "current" with their rent to the owner in order to graduate from FSS and receive disbursed escrow funds.

During the Contract of Participation

If during the CoP, a family owes money to the landlord in HCV or the PHA in public housing, the PHA may not unilaterally take escrow funds from the family's escrow to pay rent or other debts owed to the owner or PHA [FAQ on FSS Final Rule Implementation 7/23/23, End15].

Before Completion for Underreported Income

At Baseline When the Family Joins FSS for Underreported Income

If the FSS family is found to have underreported income in the reexamination used to set the baseline, the PHA will recalculate escrow for the entire period of the CoP using the correct income to set the baseline and then calculate subsequent escrow amounts.

After Baseline When Family is in FSS for Underreported Income

If the FSS family has been found to have underreported income after the baseline annual earned income was set, the amount credited to the FSS escrow account will be based on the income amounts originally reported by the FSS family.

6-II.C. REPORTING ON THE FSS ACCOUNT

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

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

The balance at the beginning of the reporting period

The amount of the family's rent payment that was credited to the FSS account, during the reporting period

Any deductions made from the account for amounts due the PHA before interest is distributed

The amount of interest earned on the account during the year

The total in the account at the end of the reporting period

[CCA Policy](#)

[FSS participants will receive a statement on the status of their FSS escrow account at least annually.](#)

CHAPTER 7 PORTABILITY IN SECTION 8 FSS PROGRAMS

INTRODUCTION

PHAs operating Section 8 FSS programs must be familiar with the rules and regulations regarding portability under the Section 8 program. As with the case of portability in the Section 8 program in general, the FSS family may move outside the initial PHA jurisdiction under portability procedures after the first 12 months of the FSS contract of participation [24 CFR 984.306].

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

This chapter contains two parts:

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

Part II: The Effects of Portability on FSS Regulations and Policy: This part describes the specific ways in which portability affects different aspects of the FSS program, including the escrow account, program termination, loss of the FSS account, and termination of Section 8 program assistance.

Part I: Portability in the FSS Program

7-I.A. OVERVIEW

Portability is a statutory feature of the Section 8 program, meaning it is included in the law. As such, PHAs operating a Section 8 FSS program need to understand the effects that portability will have on Section 8 FSS families and program operation. This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

7-I.B. DEFINITIONS

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

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

7-I.C. RESIDENCY REQUIREMENTS

Families participating in a Section 8 FSS program are required to lease an assisted unit within the jurisdiction of the PHA that selected the family for the FSS program for a minimum period of 12 months after the effective date of the contract of participation. However, the initial PHA may approve a family's request to move outside its jurisdiction under portability during this period if the move is in accordance with the regulations at 24 CFR 982.353 [24 CFR 984.306(a)(1)].

[CCA Policy](#)

Families participating in FSS may request to move outside CCA's jurisdiction under portability 12 months or later **after** the effective date of the contract of participation provided the move complies with the regulations for such moves at 24 CFR 982.353.

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

7-I.D. PORTABILITY REQUIREMENTS FOR FSS PARTICIPANTS

Receiving PHA Offers an FSS Program [24 CFR 984.306(b) and FAQ on FSS Final Rule Implementation 7/23/23, Port2]

When a port-in family is enrolling in the receiving PHA's FSS program, the receiving PHA must execute a CoP with the family for the remainder of the term of the initial CoP. If a port-in family will continue in the initial PHA's FSS program, they will continue under their initial CoP, including any modifications necessary due to their relocation [FSS FAQ Port2 July 23, 2023].

There is no timeline for the receiving PHA to execute the CoP. HUD recommends that the receiving and initial PHAs coordinate the voucher port into the receiving PHA and execution of the new CoP at the receiving PHA to minimize any lapse in the participant's progress.

CCA Policy

As either the receiving or initial housing authority, CCA will coordinate the voucher port and execute a CoP with the family for the remainder of the term of the initial CoP to minimize any lapse in the participant's progress. CCA will follow an abbreviated version of Form HUD-52665, *Family Portability Information*, adapted to facilitate FSS families porting, to ensure all necessary activities, escrow amounts, and timelines are completed in a timely manner.

The receiving PHA must enroll an FSS family in good standing in its FSS program unless it is unable to do so. If the receiving PHA is already serving the number of FSS families identified in its FSS Action Plan and determines that it does not have the resources to manage the FSS contract, and the receiving housing authority is administering and billing the voucher, the initial PHA may agree to the FSS family's continued participation in the initial PHA's FSS program.

CCA Policy

As the initial PHA, CCA may agree to the participant's continued participation in the FSS program so long as the relocating family demonstrates, with help from the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract in its new place of residence. This agreement is contingent upon CCA's capacity to manage the family's participation and escrow account when considering current program capacity and ability to document the family's compliance with the CoP.

When the receiving PHA does not have FSS space or resources and is absorbing the voucher and thus paying the housing assistance payments, the receiving PHA makes the decision whether to allow the family to remain in the FSS program of the initial PHA.

CCA Policy

As the receiving PHA, CCA will agree to the participant's continued participation in the initial housing authority's FSS program so long as the relocating family demonstrates, with help from the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract in CCA's jurisdiction.

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

CCA Policy

The FSS Coordinator will discuss, and provide documentation outlining, available options to a porting family when continued FSS participation is not possible. Depending on the family's circumstances, options may include modifying the CoP to allow completion of the contract, finding a receiving PHA that has capacity to enroll the family in its FSS program, terminating with escrow disbursement, or terminating of the CoP and forfeiture of escrow.

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

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

CCA Policy

As the initial PHA, CCA may agree to the participant's continued participation in CCA's FSS program when the receiving housing authority does not offer an FSS program and is administering and billing the voucher, so long as the relocating family demonstrates, with help from the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract in its new place of residence. This agreement is contingent upon CCA's capacity to manage the family's participation and escrow account when considering its current staffing capacity and ability to document the family's compliance with the CoP.

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

CCA Policy

The FSS Coordinator will discuss, and provide documentation, outlining available options to a porting family when continued FSS participation is not possible. Depending on the family's circumstances, options may include modifying the CoP to allow completion of the contract, terminating with escrow disbursement, or terminating of the CoP and forfeiture of escrow.

A chart summarizing portability impact on an FSS family follows.

Portability FSS Impact on FSS Family

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

					receiving PHA with timely and complete FSS addendum information and the receiving PHA is responsible for timely and accurate submission of the FSS information into IMS/PIC.
4 .	FSS family ports	Receiving PHA does not have FSS program Initial PHA administers FSS program	Absorbed	Family may not continue participation in initial PHA's FSS program	Determined by HUD. The receiving PHA would be responsible for managing escrow and the receiving PHA does not administer an FSS program.

Single Escrow Account

If the receiving PHA absorbs the voucher and pays the housing assistance payment from their HAP, the receiving PHA will manage the escrow account.

If the receiving PHA administers and bills the initial PHA for the housing assistance payments, the initial PHA will manage the escrow account.

Single Contract of Participation

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

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

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

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

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

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

Administering and Billing of the Voucher

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

[CCA Policy](#)

[As the receiving PHA, CCA will not enroll a non-FSS family who is porting when CCA bills the initial PHA for the housing assistance payments.](#)

Absorption of the Voucher

If the receiving PHA absorbs the family into its Section 8 program, the receiving PHA may, consistent with the receiving PHA's FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program.

<i>FSS Participation Status:</i>	<i>PHA's FSS Status:</i>	<i>Port Scenario:</i>	<i>FSS Impact:</i>
FSS family ports	Receiving PHA does not administer FSS Initial PHA administers FSS	Absorbed	Family may not continue participation in initial PHA's FSS program because the receiving PHA would be responsible for managing escrow and the receiving PHA does not administer an FSS program.
Non-FSS family ports	Initial PHA administers FSS Receiving PHA administers FSS	Billed	Family may enroll in receiving PHA's FSS program if the initial PHA agrees. Initial PHA agreement is needed because they would be responsible for managing the FSS escrow account.
Non-FSS family ports	Initial PHA administers FSS Receiving PHA administers FSS	Absorbed	Family may enroll in receiving PHA's FSS program as determined by the receiving PHA.
Non-FSS family ports	Initial PHA does not administer FSS Receiving PHA administers FSS	Billed	Family may not enroll in receiving PHA's FSS program because the initial PHA would be responsible for managing the FSS escrow account and the initial PHA does not administer an FSS

			program.
Non-FSS family ports	Initial PHA does not administer FSS Receiving PHA administers FSS	Absorbed	Family may enroll in receiving PHA's FSS program as determined by the receiving PHA.

Part II: Reporting

7-II.A. OVERVIEW

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

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

The report submitted to HUD must include a description of the activities carried out in the FSS program; a description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency, including the number of families enrolled and graduated and the number of established escrow accounts and positive escrow balances; a description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and any recommendations by the PHA or the appropriate local Program Coordinating Committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program. The detailed example of the FSS Annual Report Action Plan is available at HUD's FSS Resource page, which can be located by searching "HUD FSS" on any browser.

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

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