

## MEMORANDUM

August 2, 2022

To: Gary Schmidt, Clackamas County Administrator

From: Toni Karter, Interim Executive Director, Housing Authority of Clackamas County (HACC)  
Rodney Cook, Director of Health Housing and Human Services (H3S)

RE: Revised Family Self-Sufficiency (FSS) Action Plan required policy considerations

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The Housing Authority of Clackamas County (HACC), a Division of the Health, Housing and Human Services Department of Clackamas County would like to present at issues on August 2, 2022, the required revisions made to the FSS Action Plan in accordance with the U.S. Department of Housing & Urban Development's (HUD) Final Rule. Additionally, the Housing Authority formally request a Public Hearing for Thursday, August 18, 2022, to meet the extremely tight timeline of implementation.

### Background

HUD issued a final rule on June 16, 2022, amending the regulations for implementing the FSS program as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act ("the Economic Growth Act" or "the Act"). Section 306 of the Act made multiple amendments to the FSS program, detailed on the attached Exhibit A-1:

- Family Demographics
- Estimate of participating families
- Eligible families from other self-sufficiency program
- FSS family section procedures
- Incentives to encourage participation
- Outreach efforts
- FSS Activities and supportive services
- Method for identification of family support needs
- Program termination; withholding of services; and available grievance procedures
- Assurances of non-interference with the rights of non-participating families
- Timetable for program implementation
- Certification of coordination

The Housing Authority is required to make policy decisions and document these revisions in its FSS Action Plan. Additionally, HUD requires we follow a prescribed public process and will post the first draft for public review starting on July 26, 2022. The draft will be updated and available for public comment until September 9, 2022. There is a required 45-day comment period, public hearing and the board meeting for approval as outlined in this table:

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<b>Dates</b>	<b>Action</b>
7/26/22	FSS Action Plan draft complete
7/26/22	Issues presentation to request a public hearing date
7/26/22-9/9/22 (45 days)	45-day public review
8/18/22 (HACC's regular meeting)	Public Hearing
9/15/22 (Thursday)	HACC's Regular Board Meeting (Consent Agenda)
9/30/22 (Friday)	Submit to HUD

The revisions and policies being changed are all to encourage more families to participate in FSS, increase success, and aligns with our strategic development goals for trying to encourage homeownership and increased incomes for the families we serve. The Housing Authority is taking a look at all policies aligning our mission and goals towards this strategic direction. At the issues we will highlight the major policy changes and their impact on our participants.

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**Summary of Proposed FSS Action Plan Policy Changes Effective Upon Board Approval**

Chapter	Old Policy Language	New Policy Language	Summary
1-II.C	<p><b>Single Action Plan [24 CFR 984.201(f)]</b>  <u><b>HACC Policy</b></u>                      The PHA is implementing both an HCV FSS program and a public housing FSS program and will submit one action plan, the policies in which apply to both programs.</p>	<p><b>Single Action Plan [24 CFR 984.201(f)]</b>  <u><b>HACC Policy</b></u>                      The PHA is implementing both a public housing and Section 8 FSS program, which may include tenant-based and project-based Section 8, and Foster Youth to Independence Initiative (FYI). The PHA will submit one action plan, the policies in which apply to both programs.</p>	<p><b>Including the other programs that are under Section 8 that can participate in FSS.</b></p>
1-II.D.	<p><b>Contents of the Plan [24 CFR 984.201(d)]</b>  <u><b>HACC Policy</b></u>                      None</p>	<p><b>Contents of the Plan [24 CFR 984.201(d)]</b>  <u><b>HACC Policy</b></u></p> <p>The PHA will submit additional optional information in this action plan that will help HUD determine the soundness of the proposed FSS program.</p> <p>This information includes:</p> <ul style="list-style-type: none"> <li>Policies related to the modification of goals in the ITSP. (Chapter 5)</li> <li>Policies on the circumstances in which an extension of the contract of participation may be granted. (Chapter 5)</li> <li>Policies on the interim disbursement of escrow, including any limitations on the use of the funds. (Chapter 6)</li> <li>Policies regarding eligible uses of forfeited escrow funds</li> </ul>	<p><b>Adding clarity and providing transparency to policies that have been modified.</b></p>

		<p>by families in good standing. (Chapter 6)</p> <p>Policies regarding the re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)</p> <p>Policies on requirements for documentation for goal completion. (Chapter 4)</p> <p>Policies on documentation of the household’s designation of the “head of FSS family.” (Chapter 4)</p> <p>Policies for providing an FSS selection preference for porting families if the PHA elects to offer such a preference. (Chapter 7)</p>	
1-II.E.	<p><b>FAMILY DEMOGRAPHICS [24 CFR 984.201 (d)(1)]</b>  <u>HACC Policy</u>  See Demographic Attachment</p>	<p><b>FAMILY DEMOGRAPHICS [24 CFR 984.201 (d)(1)]</b>  <u>HACC Policy</u>  See Demographic Attachment</p>	<p>Updating current demographics that are participating in both the Section 8 program as well as the public housing program.</p>
2-II.C.	<p><b>COOPERATIVE AGREEMENTS [24 CFR 984.106]</b>  <u>HACC Policy</u>  None</p>	<p><b>COOPERATIVE AGREEMENTS [24 CFR 984.106]</b>  <u>HACC Policy</u>  The PHA will <u>not</u> enter into a Cooperative Agreement with multifamily-assisted housing owners to voluntarily make its FSS program available to those owner’s housing residents.</p>	<p>Specifying that non-public housing residents and non-voucher participants are not able to enroll in HACC’s FSS Program.</p>
2-II.D.	<p><b>ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]</b>  <u>Estimate of Eligible Families</u></p>	<p><b>ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]</b>  <u>Estimate of Eligible Families</u></p>	<p>Adjusting maximum participant number.</p>

	50-75 eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.	Per FSS Coordinator, 50-100 eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources.	
2-II.E.	<p><b>ELGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201 (d)(3)]</b>  <u>HACC Policy</u>  The PHA does not operate other self-sufficiency programs and therefore no additional families from other programs are expected to execute an FSS contract of participation.</p>	<p><b>ELGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201 (d)(3)]</b>  <u>HACC Policy</u>  <b>TBD</b></p>	Revised to include HACC's Self-Sufficiency Programs.
2-IV.A.	<p><b>DEFINITIONS [24 CFR 984.103]</b>  <u>HACC Policy</u></p>	<p><b>DEFINITIONS [24 CFR 984.103]</b>  <u>HACC Policy</u></p> <p>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, and unemployment compensation benefits.</p> <p>Benefits cliff means the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. When income increases, families sometimes lose some or all economic supports.</p> <p>Certain interim goals means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date.</p>	Added definitions for terms that were not listed in previous Action Plan.

		<p>Enhance the effectiveness of the FSS program means a demonstrable improvement in the quality of an FSS program in which 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.</p> <p>Other costs related to achieving obligations in the contract of participation means any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP.</p> <p>Supports means, but is not limited to, transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator.</p>	
3-I.C.	<p><b>FSS PROGRAM COORDINATOR RESPONSIBILITIES</b>  <u>HACC Policy</u>  None</p>	<p><b>FSS PROGRAM COORDINATOR RESPONSIBILITIES</b>  <u>HACC Policy</u>  The PHA will request and provide the rationale to the HUD Field Office to require the FSS Program Coordinator to perform the routine Section 8 or public housing program functions of housing eligibility, lease up, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds.</p>	Added to reflect current practice.

3-I.D.	<b>ADMINISTRATIVE FEES AND COSTS</b> <b>Public Housing FSS Program</b> <u>HACC Policy</u> None	<b>ADMINISTRATIVE FEES AND COSTS</b> <b>Public Housing FSS Program</b> <u>HACC Policy</u> The PHA will not make funds available from the Section 8 administrative fees, unrestricted net position, or public housing operating fund to provide administrative costs to the FSS program.	Added to reflect current funding practice.
3-I.E.	<b>SUPPORTIVE SERVICES FEES AND COSTS</b> <b>Public Housing FSS Supportive Services</b> <u>HACC Policy</u> None	<b>SUPPORTIVE SERVICES FEES AND COSTS</b> <b>Public Housing FSS Supportive Services</b> <u>HACC Policy</u> The PHA will not make funds available from the Section 8 unrestricted net position or public housing operating funds to provide supportive services costs to the FSS program.	Added to reflect current funding practice.
3-I.F.	<b>TREATMENT OF FORFEITED FSS ACCOUNT FUNDS FOR THE BENEFIT OF FSS PARTICIPANTS</b> <u>HACC Policy</u> None	<b>TREATMENT OF FORFEITED FSS ACCOUNT FUNDS FOR THE BENEFIT OF FSS PARTICIPANTS</b> <u>HACC Policy</u> The PHA will use forfeited escrow accounts for support and other costs for FSS participants in good standing when funds requested are needed to complete an interim goal or task in the ITSP and are not ongoing expenses or if the family can demonstrate that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals in the ITSP. The PHA will use forfeited escrow accounts for training provided to FSS Coordinators. The PHA will define supports as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment	Added to specify how HACC will utilize forfeited FSS escrow funds.

preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s)

The PHA will define other costs related to achieving obligations in the CoP as any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s).

The PHA will define necessary to complete as meaning that no other resources are available in the community either because such a resource is non-existent or that resources are utilized above capacity and agencies cannot, for an indetermined period, provide such a resource.

The PHA will provide funds from the forfeited escrow account to FSS participants in good standing before requiring the participant to use an “interim” disbursement from their current escrow account so long as:

The funds requested are needed to complete an interim goal or task within the CoP and are not ongoing expenses; or

If the family has demonstrated that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals.

The PHA will prioritize requests for funds from forfeited escrow accounts initially on a first come first served basis based on the date



		<p>and time of the request. After that order is established, while still preserving the first come first served basis, the PHA will apply the following priorities:</p> <p>Priority 1: Funds to meet a goal in the ITSP that is necessary to ensure the safety and wellbeing of victims of domestic violence, dating violence, sexual assault, and stalking as defined in the PHA’s Section 8 Administrative Plan and public housing Admissions and Continued Occupancy Policy regarding VAWA.</p> <p>Priority 2: Funds to meet a goal in the ITSP that is necessary to stabilize health, safety, and welfare of the FSS participant or family that if left unattended would jeopardize education, training, or employment.</p> <p>Priority 3: Funds to meet a goal in the ITSP that is necessary to further education, training, and employment goals in the ITSP including childcare, transportation, and medical costs if the lack of any of these prevents completion of the education, training, and employment.</p> <p>Priority 4: Funds to meet a goal in the ITSP that is necessary to further any other goal or tasks.</p>	
<p><b>3-II.B.</b></p>	<p><b>PROGRAM COORDINATING COMMITTEE MEMBERSHIP</b>  <b>Required PCC Membership[CFR 984.202(b)(1)]</b>  <u><b>HACC Policy</b></u>  The PHAs representative to the program coordinating committee will be the FSS coordinator(s).</p>	<p><b>PROGRAM COORDINATING COMMITTEE MEMBERSHIP</b>  <b>Required PCC Membership[CFR 984.202(b)(1)]</b>  <u><b>HACC Policy</b></u>  The PHA’s representatives to the program coordinating committee will be at least one FSS Program Coordinator and one or more participants from each of the housing programs in which there is an FSS program: Section 8, and public housing.</p>	<p><b>Added mandatory resident participation.</b></p>

3-II.C.	<b>PROGRAM COORDINATING COMMITTEE MEMBERSHIP</b> <b>Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)]</b> <u>HACC Policy</u> None	<b>PROGRAM COORDINATING COMMITTEE MEMBERSHIP</b> <b>Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)]</b> <u>HACC Policy</u> The PHA will seek assistance in identifying potential members of the PCC from area-wide, city-wide, and development-based resident councils, the resident management corporation, or the Resident Advisory Board.	New to Action Plan.
4-I.B.	<b>FSS SELECTION PREFERENCES</b> <u>HACC Policy</u> The HCV FSS Program will adopt a preference for Foster Youth to Independence (FYI) households. The Public Housing FSS Program will adopt a preference for families living in scattered site housing in its portfolio.	<b>FSS SELECTION PREFERENCES</b> <u>HACC Policy</u> <b>TBD</b>	
4-II.C.	<b>FSS SELECTION PREFERENCES</b> <i>Previous Participation Selection Factor</i> <u>HACC Policy</u> The PHA will not select a family for participation in the FSS program a second time if that family previously participated and did not complete. As always, reasonable accommodation will be considered for an exception.	<b>FSS SELECTION PREFERENCES</b> <i>Previous Participation Selection Factor</i> <u>HACC Policy</u> The PHA will not refuse to select a family for participation in the FSS program a second time if that family previously participated and did not complete.	Revised to allow previous participants a second chance.
4-II.D.	<b>SELECTION OF HEAD OF HOUSEHOLD</b> <u>HACC Policy</u> None	<b>SELECTION OF HEAD OF HOUSEHOLD</b> <u>HACC Policy</u> The PHA will meet with the family and detail the obligations, rights, and privileges that pertain to the FSS head of household and require each adult family member to certify their agreement as to their designated head of the FSS family. These certifications will be a permanent part of the FSS family's record and	Added to reflect new regulation that any household member can be the head of the FSS family.

		will be updated with each change of head of household.	
5-I.C.	<b>FAMILY OBLIGATIONS</b>	<p><b>FAMILY OBLIGATIONS</b>  <b>Employment Obligation [24 CFR 984.303 (b)(4)]</b></p> <p>For purposes of the PHA’s FSS program, seek employment means the head of household has applied for employment, attended job interviews, and otherwise followed through on employment opportunities as outlined in the individual training and services plan of their contract of participation.</p> <p>Maintain suitable employment is employment, on the last day of the contract that is outlined in the individual training and service plan and is based on the skills, education, job training, and receipt of other benefits of the head of the FSS family. The PHA will require verification of this employment or enrollment.</p>	<b>Combined Maintain Employment definition with Suitable Employment definition.</b>