

RESOLUTION NO. _____

APPROVAL OF UPDATED FAMILY SELF-SUFFICIENCY PROGRAM ACTION PLAN

Item No. 5a

WHEREAS, Section 554 of the National Affordable Housing Act mandated public housing authorities implement a Family Self-Sufficiency (FSS) Program beginning with fiscal year 1993; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) required each PHA to operationalize its FSS Program via an Action Plan that was submitted to HUD for approval; and

WHEREAS, the Louisville Metro Housing Authority has recently sought and received approval under its Moving-To-Work authority to make substantial changes to its FSS program; and

WHEREAS, the current HUD-approved Louisville Metro Housing Authority FSS Action Plan was recently updated with changes including those awaiting approval under Moving-To-Work; and

WHEREAS, the Louisville Metro Housing Authority's Board of Commissioners must approve the updated FSS Action Plan prior to the Plan's submission to HUD.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the updated Family Self-Sufficiency Action Plan is approved.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

LMHA periodically reviews the agency's Family Self-Sufficiency (FSS) Action Plan to ensure compliance, clarity, and effectiveness. The FSS Action Plan has now been updated.

Highlights of changes include:

1. Eligibility now includes:
 - a. Co-head of households may now sign and complete an FSS contract.
 - b. Family Unification Program (FUP) Foster Youth are eligible for a three-year FSS contract.

2. The FSS Escrow Account now includes:
 - a. HCV families whose 30% exceeds Fair Market Rent (FMR) may receive escrow for up to six months.
 - b. Incentive escrow payments have been added for meeting checking and savings account goals.

3. FUP Foster Youth graduation requirements established for abbreviated three-year FSS contract.

4. The LMHA FSS Contract has been updated to reflect the additional Moving-To-Work approved escrow incentives.

II. ALTERNATIVES:

- A. Approve the updated FSS Action Plan
- B. Do not approve the updated FSS Action Plan.

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III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

This Action Plan serves as a "Manual" by which LMHA operates the FSS program and is a HUD-mandated document. LMHA staff makes changes or updates to program guidelines and policies as needed and presents the updated Action Plan to the LMHA Board of Commissioners for approval. The Plan then is forwarded to HUD for its final approval.

During the last fiscal year, LMHA served a total of 322 families in the FSS program with 32 residents graduating and receiving over \$293,000 in escrow. The number was somewhat depressed by delayed recruitment and enrollment during the start of the COVID-19 pandemic and staff predicts that this year will see fewer graduates due to employment setbacks. The FSS Action Plan as currently approved gives LMHA the flexibility it needs to extend FSS contract to minimize the pandemics effects on participants.

Two changes in this year's FSS Action Plan are designed to increase the pool of potential participants. LMHA will no longer be limited to enrolling the head of household in FSS. In households with co-heads, either adult may choose to sign the contract and complete the program requirements. If the head of household is the primary childcare provider or disabled and unable to work, the co-head may enroll. This year LMHA received Family Unification Program Vouchers that can serve young adults who were previously in the foster care system. Foster youth will receive voucher assistance for three years. Staff has established an abbreviated three-year FSS contract to encourage foster youth participation.

Currently, HCV FSS participants whose 30% exceed Fair Market Rent stop receiving escrow. For those who pursue higher education with the promise of earning a living wage, staff have seen participants go from unemployed to employed but over FMR and receiving no escrow at all. Under the MTW request these participants would be able to receive up to six months of escrow after exceeding FMR if they remained served by LMHA.

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IV. JUSTIFICATION (cont'd):

The COVID-19 pandemic and the stimulus checks provided further exacerbated the issues faced by the unbanked in the country with those who did not have bank accounts waiting longer to receive their payments. LMHA's FSS program for years has required participants have both checking and savings accounts before graduating, but for the unbanked this tends to be the last thing they do prior to completing the program. Under last year's MTW approval of goal-based escrow incentives, staff has added two new payments to encourage participants to open bank accounts sooner.

These changes, if approved, will make a great program even better.

Submitted by: Dan Farrell
Director of Special Programs
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