

RESOLUTION NO. _____

APPROVAL OF UPDATED FAMILY SELF-SUFFICIENCY PROGRAM ACTION PLAN

Item No. 5c

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 approved 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. The FSS Escrow Account now includes:
 - a. Escrow credits discontinued for participants who purchase homes with a Housing Choice Voucher as required by HUD.
 - b. Escrow cap is raised from \$16,000 to \$25,000.
 - c. FSS Escrow forfeitures will be utilized to fund goal-specific incentives.

2. Graduation now includes:
 - a. As required by HUD, Families purchasing a home with an HCV voucher must graduate immediately if eligible.
 - b. If not eligible to graduate immediately, HCV homeowners will be given three (3) months to complete requirements.

3. The LMHA FSS Contract will be updated to reflect the above changes.

II. ALTERNATIVES:

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

III. RECOMMENDATION:

Staff recommends Alternative "A."

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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 300 families in the FSS program with 35 residents graduating and receiving over \$319,000 in escrow. The number served was still depressed by need to mail enrollment paperwork including contracts to prospective participants and fewer signed contracts returned. During the most recent fiscal year, 102 people attended FSS orientations with only 70% returning signed contracts. During the 2018/2019 fiscal year (the last prior to COVID) 104 people attended FSS orientations with 94% signing contracts. LMHA has now begun using a digital signature program and has already seen this percentage go up.

Two changes in this year’s FSS Action Plan are related to LMHA’s Moving to Work (MTW) authority and one is mandated by HUD. Through MTW, LMHA has been granted the ability to fund FSS incentives with forfeited escrow funds. During the last fiscal year, nearly \$25,000 in escrow was forfeited and almost \$18,000 was paid in incentives. As a result of MTW approval to fund incentives with forfeited escrow, LMHA is increasing the escrow cap from \$16,000 to \$25,000.

HUD no longer allows HCV homeowners to continue in the FSS program. As a result of this change, FSS participants will cease receiving additional escrow once they begin using a voucher for homeownership. Those homeowners who do not meet FSS graduation requirements will be given an additional three (3) months without escrow to complete the program.

Submitted by: Dan Farrell
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