

## Complying with MF FSS Program Requirements

JEFF: So we are now recording, and I'm going to turn things over to Carissa Janis from HUD.

CARISSA JANIS: OK, thank you, Jeff. So welcome, everybody, to today's webinar. Again, my name is Carissa Janis. I'm a staff person in the Office of Multifamily Housing Programs here in the headquarters office in DC. And my colleague Danielle Garcia will be joining me momentarily. I think as you saw from the name of this presentation that we're going to be dealing with items and issues related to complying, complying with our program requirements, and other responsibilities that are involved in beginning and implementing a family self-sufficiency program.

So basically, we're going to go over the summary of the program requirements. We will discuss program development and approval processes. And then we'll sort of explain to you at what point we will be involved in terms of reviewing things or proving things or whatnot.

Now, is Danielle on yet?

JEFF: She's not on yet--

CARISSA JANIS: OK.

JEFF: --on the audio. But I think I'm going to try to-- she is on the video. So what I'm going to try to do is see if I can turn so she can put on the-- her PowerPoint. So I'm going to try to change her role to presenter--

CARISSA JANIS: OK.

JEFF: --and see if that works. Danielle, you're going to need to try disconnecting from the audio, and then telling the computer again that you want to connect to audio, and make sure you follow all the instructions about the different numbers

you need to turn in.

CARISSA JANIS: All right. So in the meanwhile, we have a pretty basic PowerPoint presentation for you, which I hope is up or will be up momentarily. And so we wanted to provide you with a sort of fun and entertaining and educational presentation for these slides. So our plan is that Danielle and I are going to simulate a discussion between an owner or management agent who is excited about starting an FSS program and the HUD contact to make sure that both parties understand what they need to be doing, and all the various details are clear, or as clear as possible, I suppose we should say.

So while we're waiting for Danielle, I am the representative from the owner or management agent. And I work with Bluebird Towers. And I'm planning to have an FSS program, and I'm really excited about it. But before I sort of do anything, I want to make sure that I understand the major program requirements, and that I know what I need to do first to get started.

Now, I want to start up in the--

JEFF: Danielle is now on, I think. Danielle, are you there?

DANIELLE GARCIA: Can you hear me?

JEFF: We can. Sorry about that technical difficulty, but please continue.

CARISSA JANIS: OK. So Danielle, do you want to just say hi?

DANIELLE GARCIA: Hi, everyone. Yes, sorry about that. I was having problems logging in. But I've been hearing everything thus far, so yes, Carissa mentioned we will be going through some type of a skit for the training session. And today, we will be covering the summary of FSS owner requirements, program development and

improvement procedures-- approval procedures, and on the role of HUD and PBCA.

Just to kind of fill you all in with updates that we're doing so far is we are in the process of creating an FSS website. The webinars will be posted online once they're available. And we will share y'all with some type of listserv or outreach to let you know that they are there. All three webinars are going to be recorded and posted.

The sliding deck that we're going to go over today is relatively small. However, we have done training to HUD staff that is very large, up to 130 slides. So we will post that, as well, just so you have material that was provided to HUD staff. And then a lot of it really goes into the notice, and then what the account executives' roles will be.

And we've also been working with our TA provider recently to start drafting FAQs that are coming in, either from these webinars or emails that we're getting from the industry. So once we get that up and running-- probably take a couple of months-- we will be putting those shortly, as well.

Lastly, we do have a how-to guide that our TA provider [INAUDIBLE] drafted. We are editing right now, and should be posting that and distributing that within the next couple of weeks. So with that, thank you, everyone, for joining our third and final session for the FSS program.

And next slide, here, Carissa, if you'd like to cover the skit that we're going to be going through.

CARISSA JANIS: Yeah, OK. So anyway, yeah, so I was briefing the audience while you were fixing your technical difficulties. So yeah, so Danielle, I'm really excited about starting an FSS program at Bluebird Towers, but-- and of course, I appreciate your meeting with me, and taking the time to go over the major program requirements and let me know what I need to do to get started. I want to start off on the right

foot.

DANIELLE GARCIA: OK.

CARISSA JANIS: So my first question is what-- so what is the basic point of the family self-sufficiency program?

DANIELLE GARCIA: So FSS is a great employment asset building program for our residents. It's unique in that, when our tenants' earned income increases due to participation in the program, families save additional amounts in escrow account. And that's kind of the premise of it, and one good incentive that you can offer to your residents.

CARISSA JANIS: OK. So are all HUD-assisted properties required to do-- required to have an FSS program?

DANIELLE GARCIA: No. FSS is voluntary for owners and families.

CARISSA JANIS: OK. So when you see families, I assume that you mean that the residents can choose whether they want or don't want to participate in the program, and their occupancy or tenancy isn't based on that decision to participate.

DANIELLE GARCIA: Yes. That's right. So a family can join or drop out whenever they'd like, and it doesn't affect their HUD assistance for their units. But if they do drop out of the program before completing the program, then they won't be able to get their escrow funds.

So some of the required activities you'd want to take as an owner to operate a program is, one, you'd submit an action plan to HUD for approval. Two, you'd want to recruit participants and execute a contract with each household. Three is you want to link up with education, employment, and other supportive services available

in the community. Four is you're going to be providing case management and coaching to the FSS families. Five, you'll be managing the escrow account. And then finally, we ask you to submit quarterly reports to HUD.

CARISSA JANIS: OK, good. I'm glad I'm going over this. There's a number of things that we need to make sure that I'm doing. OK. So-- oh, and you know what, Danielle, I know that you gave me the program notice to read, because of course I've read it. But what's the number?

DANIELLE GARCIA: Yes. It's 2016-08 HUD notice.

CARISSA JANIS: OK. 2016-08. And I got that on the HUD website on the HUD Clips. Right? HUD Clips, that's the place to find it, right? OK. So, all right.

So anyway, so the notice says that the first thing I have to do is create an action plan and submit it to you. Can you tell me how that will work?

DANIELLE GARCIA: Sure. So as an owner, you're going to want to develop the action plan, and you're going to email it to MF\_FSS@hud.gov. So headquarters, HUD headquarters staff monitors that email box, and will document receipt of the action plan and then route it to your account executive in the appropriate field office. And we're going to CC our HUD regional email box.

CARISSA JANIS: OK. So what's a HUD regional email box?

DANIELLE GARCIA: So that is part of the multifamily transformation, each region house has a regional email box. And that takes-- kind of tracks the workload that account executives are intaking.

CARISSA JANIS: So--

DANIELLE GARCIA: OK, so-- go ahead.

CARISSA JANIS: So do I need to know my regional mailboxes so I know--

DANIELLE GARCIA: You do-- you should. As an owner, you probably would be sending work to-- any work that you send over to your account executive more than likely would go to that regional email box.

CARISSA JANIS: OK, so I just-- I need to go back and check my notes for those mailboxes.

DANIELLE GARCIA: Yes. Or it's also on our HUD website, or you can contact anybody at HUD. And they should have access. If it's gone through transformation, there is a regional email box that's live.

CARISSA JANIS: Great.

DANIELLE GARCIA: Yeah. So basically, once HUD headquarters emails the action plan to the account executive, the account executive is going to review the action plan to see if they-- to see if it's complete, see if they need any additional information. Part of the review is account executives are going to be looking at the owners-- you as an owner, your last management occupancy review. We're also going to look at your FAS score, which is your Financial Assessment Subsystem score. And the account executive will follow up with you if they have any questions on the action plan. And once they deem the action plan complete, you're going to be receiving an approval letter from him or her.

CARISSA JANIS: OK. So if I'm waiting, waiting, and haven't heard from my account executive about my plan, can I email MF\_FSS@hud.gov for an update?

DANIELLE GARCIA: Yeah. Somebody-- we will be tracking those once the account

executive approves it or doesn't approve it or whatnot. Headquarters will-- is having a log for what's being approved and what's not. So feel free to shoot us an email, and we will respond to you with the status.

CARISSA JANIS: Great. Thanks.

DANIELLE GARCIA: And so I should also mention that, once HUD approves your action plan, there is no further approval required, unless you want to make some type of policy change or use residual receipts to increase the size of your program.

CARISSA JANIS: And let me just ask one item about that. If I want to increase my program and I want to use residual receipts, which we'll-- of course, I'll have many questions about that. We'll get there. Then I need to resubmit my action plan, it sounds like.

DANIELLE GARCIA: Yeah. And if you were to resubmit it, any policy changes could be-- if you change-- if you decide to change your family selection procedures or denying participants or anything of that nature, you would want to update your action plan.

CARISSA JANIS: OK. So those are the policy changes that I could make.

DANIELLE GARCIA: Right.

CARISSA JANIS: OK.

JEFF: There's a related question here, by the way. How often does the action plan need to be updated and sent into HUD? I take it the answer is you only need to update it if you make a policy change. Is that right?

DANIELLE GARCIA: That's right.

CARISSA JANIS: Right, or if you are using residual receipts and want to increase the size of your program.

JEFF: OK. Great.

CARISSA JANIS: OK. Let me see. So, now, do I have to wait till I hear from my account executive or get their approval letter before I can start advertising and talking to my residents and recruiting people and whatnot?

DANIELLE GARCIA: Well, it sounds like you're very eager. But yes, you do have to wait for the approval letter. Owners and agents cannot begin operating their FSS program before receiving the approval-- official approval from HUD.

CARISSA JANIS: OK. All right. Well, I'll be standing next to the mailbox. All right. Or my email box, maybe. All right. So, OK, before we go on now, I want to stop and ask some funding questions.

So according to the notice, it looks like really the only funding that's available are residual receipts. Is that correct?

DANIELLE GARCIA: Yes, that's right. At this time, we cannot offer grant funds, which is a program that's available through Public and Indian Housing, or any additional Section 8 subsidy around the program.

CARISSA JANIS: OK. So, all right, just to make sure that I know what we're talking about, so when we say residual receipts, that refers to the assisted housing with project-based Section 8. Then would be the excess rental subsidy that I would get from TRACS each month, but that I don't necessarily spend.

DANIELLE GARCIA: Yeah.

CARISSA JANIS: You know, you know, you know, because I-- and I'm-- what I'm try-- I'm trying to think, you know, I run a pretty tight ship. So I don't know where I would have excess money.

DANIELLE GARCIA: No, great, great point. Residual receipts, yes, you're right. They are excess rental subsidy, and they're not used to pay operating expenses each month. And no, not all projects generate residual receipts. So it is possible that some of our properties wanting to offer FSS program will not have residual receipts.

CARISSA JANIS: Ew. So what happened then?

DANIELLE GARCIA: Well, they'll have to find funding or resources from third parties in their community. They can look into jumping into an FSS program operated by their local public housing authority, or another assisted housing owner. And all of this will be articulated in your action plan.

CARISSA JANIS: OK. Thanks for that reminder. All right, so OK, so let's say that I go back and I do have residual receipts, or I talk to my financial person and I have residual receipts. What kind of-- what program costs can I use the residual receipts to pay for?

DANIELLE GARCIA: You can use residual receipts to pay for employment of the program coordinator. You can't use them to provide direct services, like hiring a child care worker or a GED instructor.

CARISSA JANIS: OK. So then actually this begs another question. Is there a limit to the salary I could pay a program coordinator with-- you know, if I'm using my residual receipts, how much am I allowed to pay the person?

DANIELLE GARCIA: Good question. That's really up to you, but your salary must be

supported by comparables for similar position in that local jurisdiction. We also have recommended staff to participate. With an individual participant ratio of one full-time program coordinator is generally expected to serve at least 25 individual participants.

CARISSA JANIS: OK. And just to clarify, when we say individual participants, we mean 25 actual people, as opposed to, like, 25 families, right?

DANIELLE GARCIA: That's right. So it's not 25 contracts of participation, it's 25 participants, involved in however many contracts of participation [INAUDIBLE].

CARISSA JANIS: Right. So how many individuals. OK. So but then, OK, you know, I don't know how fast I'm going to be able to start up, and I don't know how interested my residents will be, although I hope they will be. So what if I only end up with 12 participants? What do I do with the program coordinator then if I only have 12 participants?

DANIELLE GARCIA: With that, if you're using residual receipts, 12 participants should be able to cover one part-time coordinator. So that would be something to consider.

CARISSA JANIS: OK. And then if, in fact-- I have to cover all of my bases here. If I don't end up having residual receipts, then do I still need to maintain evidence of comparable salaries in the area? And do I have to go along with the ratio of the one full-time coordinator to 25 participants?

DANIELLE GARCIA: No. If you're using some type of third party funding or another avenue, those decisions are up to you.

CARISSA JANIS: OK. And so yet another residual receipts question I have. So the notice seems to say that if I'm going to use residual receipts that I don't need to use

any that I currently have to offset the Section 8 monthly HAP payments, and that I can use whatever amount of residual receipts I have. I don't have to maintain a minimum above which I can use the funds. That sounds pretty nice. Is that really true?

DANIELLE GARCIA: Yep, you're right. In addition, since we know that properties don't have a lot of flexibility with their funds, HUD will approve use of residual receipts in six months advances. This means that we'll let you use funding before incurring program expense. But of course, if you end up not having the program expense, we'll want those funds back.

CARISSA JANIS: Yeah. I-- yes, I'm-- I understandably. Understand. Understandable. OK, so and then, again, just to be sure, to request the use of the residual receipts, I have to fill out the form called funds authorization with the form number HUD-9250. And I'm going to submit that with my action plan when I send it to the MF\_FSS@hud.gov mailbox. So, where can I get that form?

DANIELLE GARCIA: So that form is a HUD form C. It's available in HUD Clips. And you will submit that with your action plan. Together, your account executive will review and approve or disapprove. And the forms is obviously available on HUD Clips.

CARISSA JANIS: OK. So, I'm sorry that we had to take that little funding detour, but I want to make sure I understand what's what. So could we go back to the action plan. Then could you kind of just quickly run through the different items that need to be in the action plan so I can start thinking about what information I need to get, and decision I need to make?

DANIELLE GARCIA: Sure. No problem. So my recommendation-- we could run through the items, but my recommendation is to read the section of the notice carefully. It provides really good detailed description of each item. And this is what

the account executive will look at.

The first thing you'd want, including your action plan, is family demographics. Two is an estimate of number of families you think you'll serve with the resources available. Three is a description of procedures you'll use to select families for participation. You should also include program ineligibility criteria, such as record of failing to comply with lease requirements. Four is a description of incentives that you may want to offer to recruit residents.

CARISSA JANIS: OK. So far as the incentives goes, I'm a little bit unclear about that. So obviously, if they're going to get an escrow account-- you know, and again, I have more questions coming up about that, but if they have an escrow account, then of course that's a really good incentive, because then they get to take that pot of money with them when they complete the program. But are there other kind of incentives that would also be a good idea?

DANIELLE GARCIA: Yeah. So some of the other incentives that we've seen public housing folks do could be some type of home ownership opportunity connections, potential down payment assistance opportunities. We've seen FSS Success Club for additional support and education to reach home ownership. So, good question.

Continuing with other action plan requirements, number five, we're going to ask you to provide a description of your efforts to recruit FSS participants. And here you just want to explain how you advertise the resident population to make sure that everyone's, you know, informed about the program. Number six is of course you'll want to describe the activities and supportive services that both public and private resources will provide your FSS families, and list out those agencies. Include a description of who will coordinate the supportive services of the family. And if you decide to work with an FSS program coordinator or program coordinating committee. [INAUDIBLE] is the acronym on that.

CARISSA JANIS: OK. And, you know, there is a public housing agency that's not far away from me. And I know that they have some staff that do service coordination. So can those service coordinators-- can they work with my FSS participants?

DANIELLE GARCIA: So, the public housing FSS coordinators can serve our multifamily residents on FSS. But the public housing ROSS-- its Resident Opportunity and Self-Sufficiency coordinators-- cannot serve our multifamily housing residents. So just to clarify that.

CARISSA JANIS: OK. And then just a quick question about the program coordinating committee. As I said, I know that the public housing authority that's nearby, they do have an FSS program. And I think they do have some committee of people that meet periodically and help them run their program. I don't really have, like, a lot of details about that.

It sounds like it would be a really good idea. But it also sounds like, from reading the notice, that I could do that if I'd like, if it's something that's doable for me. But it's not wholly necessary for the multifamily properties. Am I saying that correctly?

DANIELLE GARCIA: Yeah. That's right. So that is one big difference with public housing and multifamily is that is a requirement if you're running FSS under public housing. But for our multifamily owners, you have the option to partner up with one or more private owners in the community. If you do that, y'all can do a joint-- PCC is the acronym there. If you want more information on PCC, the Program Coordinating Committee, it's in a PIH regulation, 24CFR part 94. But for multifamily owners, we did give y'all a little flexibility to have the option to pair up or not.

CARISSA JANIS: OK. That's great. Good. Thanks.

DANIELLE GARCIA: Yep. So a few other items we could wrap up. I think the action plan requirements is number-- the seventh item is you want to tell us about your

anticipated funding resources. So your action plan has to explain how an FSS program coordinator will be funded, whether it's going to be from public or private sources, or from residual receipts. The funding plan is also going to demonstrate immediate or near-term availability of resources to sustain a program coordinator position, and include strategies for continuing funding over at least the next five years.

The eighth item will be to describe how the FSS program will both identify resident services, employment, and educational needs, and how you'll link up those participants to those services. The ninth element is if your action plan's going to include information on how you'll operate your program. So that basically just means you want to include your plan's policies for terminating participation in the program and withholding escrow funds due to family's failure to comply with requirements in the contract of participation.

Tenth element is your plan is going to describe grievance and hearing procedures that you'll make available to FSS participants, how they can appeal decisions. And the 11th element is a statement assuring that the family decision not to participate in the FSS program will not affect the family's admission to assisted housing or family's right to occupy in accordance-- to occupy the unit in accordance with the lease. And the final element is that you're going to give us a timeline for program implementation.

CARISSA JANIS: OK. So actually, a question about that. So for multifamily housing, do we have a deadline? Like, if our account executive approves our action plan, do we have to start within a certain amount of time? And if we can't make it by then, you know, something happens? Or is there more flexibility?

DANIELLE GARCIA: It really-- there is flexibility, but the one thing is, if you're using HUD funding to-- i.e. residual receipts to fund the coordinator, and you're taking advances for that position, we do want you to start within a reasonable time frame.

And more detail on that is in the notice.

CARISSA JANIS: Oh, OK. All right, great. Well, that-- I hope I can remember all that stuff. I know, of course, that I probably need to go back and read the notice carefully, and maybe even read it a few times. So yeah. So yeah. So it's-- oh, yeah, OK, and right, and I had one other question about that.

So while I'm going through all these items and writing and, if I have a question about something, what's the best-- who can I ask the question of about my action plan items?

DANIELLE GARCIA: Yep. So you can certainly email the MF\_FSS@hud.gov. We do check that box daily, and we will make sure that you get a response shortly after. So one thing I'm pretty sure you're interested in is about the escrow funds.

CARISSA JANIS: Oh yeah, totally. Yep.

JEFF: Do you want to take a few quick audience questions about the action plan?

DANIELLE GARCIA: Sure.

JEFF: Speaking of questions from the-- there have been a number of questions about RAD. It sounds like a number of the people who are listening have converted through RAD. And they want to know, if they have an FSS program already and then they convert to project-based rental assistance under RAD, do they have to start all over again and submit a new action plan? And someone also asked if they could have a single action plan that covered both their-- you know, let's say they have housing choice vouchers, and some of the families they're working with are in public housing, and others of them are in PBRA units through RAD. Do they need a separate action plan, or could they use one?

DANIELLE GARCIA: So, you can use the same action plan. That's a really good question. The notice-- I'm trying to find it here-- does go into discussion. Once you convert, we're asking that you notify that email box, MF\_FSS@hud.gov. We want to track the participants that you're serving. We're able to get the tenant data through PIC, but you're going to have to be doing your quarterly reports to us. And we'll get to that later.

So we want to know the household information. And we also just want to identify you as an owner, that you are-- you converted, and now you're running an FSS program. So one, you can keep the same action plan. If you decide to make changes to it or if you're reading it through and you see it's really not a good fit for multifamily, you can amend it, and then we can work through the process in that way.

The second emphasis is that, if you are a RAD conversion, you do have to fulfill the completion of your contract. So what that means is, one, you can either not enroll anybody new under the multifamily arena under that contract, or two, if you decide to add on new participants, that's totally your call, but you do have to fulfill whatever existing contracts that you have executed with families.

JEFF: And when you talk about the contract, you're talking about the contract of participation. So-- right? If somebody has a contract of participation and they're participating in FSS and they happen to live in a RAD conversion, you have to complete-- allow them to complete the contract of participation?

DANIELLE GARCIA: Correct.

JEFF: OK. And then you have a choice about whether or not to enroll new people once you're a multifamily development?

DANIELLE GARCIA: Right.

JEFF: Got it. OK. Sorry to interrupt. Just wanted to jump in there.

DANIELLE GARCIA: No, that's a great question. So for the RAD owners, I'm looking at the notice. If y'all can take a look at section six, it starts on page 31. It goes through some updates that you'll want to be familiar with. The vouchering of escrow is very different than what you did under public housing. We use TRACS and a monthly voucher now. There is a miscellaneous adjustment that we'll get to in a bit that you'll have to be familiar with. So if you have questions, just please email that MF\_FSS@hud.gov, and we'll help you out.

So yeah, so let's talk about the escrows here. So, FSS escrows, to start you're going to sign a five-year contract of participation with the FSS household. The contract identifies goals to be achieved by completing the program. And when the family completes the contract, the family is entitled to those escrow funds.

CARISSA JANIS: OK. So, I just want to make sure that I understand who is responsible for signing the contract of participation. And I'm going to give you an example of a family who I can think of that might be interested. So, there's a young grandmother. There is her 25-year-old daughter and her two-year-old daughter. And the grandmother is the head of the household. So as the head of the household, she signs the contract to participation, right?

DANIELLE GARCIA: Yes, she does.

CARISSA JANIS: OK. And the other person signing it would be either the program coordinator or some other property management person that's got-- that would-- is that right?

DANIELLE GARCIA: Yes.

CARISSA JANIS: OK. OK, now what-- does the 25-year-old daughter have to participate in the FSS program if her mother is going to do that?

DANIELLE GARCIA: So that's entirely optional for that family. If the daughter wants to participate, you'll develop what's called Individual Training and Services Plan, ITSP, for each member-- for each participant in the program. And basically, that ITSP sets out each individual's goals for participating in the program, and includes their milestones and outcomes.

So in order to complete the participation in the program, the grandmother has to find and maintain suitable employment based on terms of her ITSP. The 25-year-old daughter must also be off cash welfare, which is primarily [INAUDIBLE]. So it basically means, like, every adult household member needs to be off welfare assistance. And in order for the grandmother or the main head of household to complete the program and get the escrow funds, those are the two biggest requirements to keep in mind, is to maintain suitable employment as the head of household, and all family members are off welfare assistance.

CARISSA JANIS: OK, so just-- so again, so anybody receiving welfare, whether they are participating in the-- formally participating in the FSS program or not still has to be off welfare in order for the head of household to complete the FSS program.

DANIELLE GARCIA: Yes.

CARISSA JANIS: Make sure that I'm saying that correctly. All right. So now the other thing, though, too, I think I remember from reading the notice that not only do they have to be off welfare, but they have to be off welfare for a whole 12 months before they can successfully complete the program. Is it not so?

DANIELLE GARCIA: Yes, that's right.

CARISSA JANIS: OK. And so, for example, if we come to the end of my contract, a contract of participation, and somebody still has a few more months left on welfare, or PNF or whatever, then can't I just extend that contract for a few more months so that they will be able to be off of welfare for a full 12 months?

DANIELLE GARCIA: Yes, absolutely. You could do up to a two-year extension to meet those goals if you need to. The big picture is we do want our families to complete the program, so if you hit the five-year expiration date on that contract, you'd want to extend it for however many months to insure that the family can complete.

CARISSA JANIS: OK. That's good to know. I'm glad that we have that flexibility. Also, I guess, if the family, you know, completes, you know, achieves their goals in less than five years, then that's OK also, right? Then they can get their escrow funds. Basically, they just-- they have to meet the goals that they set out for themselves in the contract of participation. And then the head of household has to be employed, and everybody has to be off welfare for one year. So if you do all of that in less than five years, that's not a problem, right?

DANIELLE GARCIA: Yes, that's fine.

CARISSA JANIS: OK. All right. Good, good, good. OK, so now one other question about this. What happens if the grandmother moves out or, worse, if she passes away?

DANIELLE GARCIA: So if the head of household moves out, then the escrow may be transferred to another HUD-assisted property. In the notice, there's some other exception that you can do. If it's an unassisted property, I'd recommend taking a look at that.

So in the instance that the head of household moves out, does not-- it's not a HUD-assisted property, or they pass away, then-- and if the remaining household

members-- that would be the granddaughter-- wants to continue participating in the FSS program, then they can sign the contract of participation and continue to build on the already-accrued escrow funds. So in that scenario, the granddaughter would now be the head of household on the lease and on your HUD 50059.

So if we get back to the escrow, when a family's earned income increases, you will escrow that incremental rent payment. So one thing to remember as an owner is that the escrow is not funded by the owners. That's a really big point.

The money is offset by additional Section 8 HAP payments. And in order to collect additional amounts, your property managed staff, whoever submits your HAP voucher, will create what's called a monthly owner agent request. It's an OARQ. You're going to make that as a positive adjustment on your monthly HAP voucher. And then that adjustment is what you'll deposit in your corresponding escrow account.

CARISSA JANIS: OK. Good. And I'll certainly go back to the notice to make sure that I get all those items correct on my vouchers. So, I did-- I did have another question. OK. So just could we just use this as an example. All right, so say that the family-- when the family decides to sign up for the FSS program, let's say their total tenant payment or their monthly rent is \$350. And then along the way, they get a job, or they get a better job, and they-- or more than one family member gets a better job or whatever.

And then their rent will increase because their income has-- their earned income has increased. Their rent will increase from \$350 to \$500 a month. So but my understanding, then, is the difference between the 350 and the 500, that \$150 is the amount that's put into escrow. And then that \$150 is also the amount that I need to put on my AORQ voucher. Did I get that right?

DANIELLE GARCIA: Yeah. That's absolutely right. The only thing is the-- that

example, so there's actually a very calculated formula to calculate your escrow. But generally, yeah, if your original TTP at contract is 350, it goes up to 500, generally that \$150 difference will be what is escrowed, assuming it's all earned income. And that 150 you will put as a miscellaneous adjustment on the voucher. The family will continue to pay the higher TTP of \$500, just like any assisted housing family would. And you will just get an increase of 150 on your voucher through that miscellaneous adjustment. And that's what goes into your escrow account.

CARISSA JANIS: Right. And then so that's why I'm not-- I'm personally not paying.

DANIELLE GARCIA: Exactly.

CARISSA JANIS: Right. OK. Very good. OK. So what happens-- what happens if a family's going along and they're doing pretty well, and I'm scrolling away or squirreling-- or squirreling away escrow funds for them for a couple of years, and then they don't complete the program. Then what happens to their escrow funds?

DANIELLE GARCIA: So in that scenario, the escrow funds will be forfeited and returned to HUD. And due to this, whoever is submitting your monthly voucher will create a negative OARQ adjustment on that voucher. And the adjustment must equal the total escrow balance as reported in your quarterly report.

CARISSA JANIS: OK. All right. So another question about just the escrow and the contract of participation. Do you guys have a form that we're supposed to be use, or that you recommend that we use to write the contract of participation, or to figure out the escrow?

DANIELLE GARCIA: Yes, we do. So on the HUD notice 16-08, Attachment A is the contract of participation. So that's what we want our multifamily owners to use. Attachment B is the Individual Trading and Services Plan. Attachment C to the notice is its escrow calculation credit worksheet. It's kind of-- it's a manual process that we

do have some software vendors that can manually do that. And Attachment 4 is that quarterly report.

CARISSA JANIS: But so the manual calculation of the escrow, is that something that I have to do, or you just provided that so I could see how it's done if I really wanted to know?

DANIELLE GARCIA: Well, you have to do it.

CARISSA JANIS: Have to do it. OK.

DANIELLE GARCIA: Yeah. But we did provide it as kind of a template if you were to do it the manual way.

CARISSA JANIS: OK.

DANIELLE GARCIA: But there are softwares that can calculate escrow--

CARISSA JANIS: Oh, OK, so just--

DANIELLE GARCIA: Yeah.

CARISSA JANIS: I see. OK. So it just depends on my TRACS software program if it can do that. And if it can't, then I need to do it manually. Then I'll use your sheet. That's helpful.

DANIELLE GARCIA: Sort of. So-- yeah, sort of.

CARISSA JANIS: OK.

DANIELLE GARCIA: Just a clarification there is that TRACS does not compute the

escrow whatsoever. So--

CARISSA JANIS: Oh, right, right.

DANIELLE GARCIA: That's correct. Because we only have the tenant data. But there are other vendors that work with TRACS that do have FSS modules, and lots of great reports you can run. And one of the module within that is calculating the escrow. It just depends if you want to invest in that or not. But if you do not, then you'd have to do it manually. And we provided a template for you to use.

CARISSA JANIS: All right. That's really-- that's really-- that's very helpful clarification. Thanks. OK. So, you did mention quarterly reports. And can you tell me about when do I have to submit those, and what do they have to include, and how much do you need to know and stuff?

DANIELLE GARCIA: Yep. So first thing, since this is a new program, we're really eager to see how the implementation goes. And we want to see how many households you serve each quarter as an owner, how their income increases, et cetera, and outcomes of the families. So providing us with the quarterly reports will allow us to keep close track on how you're doing, and we can frequently report success of our families here at headquarters.

Saying that you will complete a quarterly report, email it to your account executive. The quarterly report is going to be due to your account executive 30 days after each federal fiscal year quarter. So what that means, say quarter one report will have data from quarter one-- fiscal year starts October 1. You'll have data for October, November, December. This report, it will be your quarter one report and it's going to be due to your account executive, January 31.

And the next quarter, quarter two, will have your data from January, February, March, and that report will be due April 30th. So your account executive is going to

review the data, make sure it's complete and accurate, in your quarterly report. They will compare miscellaneous adjustments on your HAP voucher, and two households on the quarterly report, and verify that the forfeited escrows are returned to HUD.

CARISSA JANIS: OK, and then you said again that the quarterly report is an attachment to the notice? Right?

DANIELLE GARCIA: Yes, it is. It's in Excel document, and what I've also put on the screen here is a print screen of a TRACS voucher. So to the left you'll see a TRACS voucher. And then to the right is the escrowed funds.

So basically our account executives will be looking to see, on this first example, the OARQ is a requested escrow for that month of 295. It says the unit number, the last name of the participant, and then identifying that that money is for an FSS participant. So this is what the account executive will pull up and track, and then they will be looking at your quarterly report to make sure, for the month of September, that you put on the quarterly report, 295.

And then we will do that for each one. That's basically the work that they'll be doing. So we talked a lot about the role of the account executives, they're going to be really knee deep, and making sure that the action plan is approved, you're getting your quarterly reports on time.

If you think about the role of the PBCA, a Project Based Contract Administrator, what they will be helping us with is making sure that these comments on your voucher are on there appropriately. If you have a property that's monitored by PBCA there, the entity approving the voucher and not HUD staff. So they will be looking for these comments. Say, for example you're a RAD converted property, the entity of being your voucher will be HUD staff. So HUD staff will be making sure that these voucher comments are included on your voucher.

Something a little different, I guess, it's when we're doing a management occupancy review, it could either be a PBCA or HUD staff. In that we're asking that the PBCA look at a tenant file from-- if there is an FSS program to make sure that the contracts are executed, Contract of Participation properly. And that the escrows are calculated correctly for that unit.

At year one, we are going to be asking, whoever is conducting the MOR, to do a recommendation on your MOR report for the 9834 if there are any issues of noncompliance. And at year two during the MOR, if there is a repeat issued then it will be issued at the finding within the MOR.

CARISSA JANIS: OK, will we get a chance to make corrections or improvements?

DANIELLE GARCIA: On this quarterly report?

CARISSA JANIS: No, to respond with the MOR?

DANIELLE GARCIA: Yeah, absolutely. So to respond to the MOR, you'll be coordinating with whoever conducted it. And if it's the recommendation you would take that consideration during the next year, or whatever corrective action you need. If it's a finding, you do have to submit some type of corrections. Corrective action to either the PBCA or the HUD staff-- whoever conducted the MOR.

CARISSA JANIS: OK, all right.

DANIELLE GARCIA: Did you have another question?

CARISSA JANIS: Yeah, just about the quarterly report. OK, I assume I can fill out the Excel file on my computer, and then I can e-mail it? Is that so? And if so, who do I e-mail the report to? The quarterly report to each quarter.

DANIELLE GARCIA: Yep, the quarterly report will go directly to your account executive.

CARISSA JANIS: OK, this is going to be the person who's going to send me my approval letter. And it'll say, "John Brown approves your action plan and here's my e-mail address for the quarterly report."

DANIELLE GARCIA: Yes, the account executive will be reviewing that quarterly report looking at your tracks voucher. Once say on the back end, once, just so you know, once they deem it complete, they coordinate with HUD headquarters, upload it into our SharePoint site, also some type of software we have internally. And that will help us be able to get the outcomes. So they complete data entry and SharePoint. We can get aggregated data of how many participants were serving, each owner, how much escrow we're paying and so on.

Eventually we will be having FSS into tracks. So similar to how PIH has it for PIC. So we're working on funding resources to eventually get FSS module which will eliminate these quarterly report later down the road.

CARISSA JANIS: Yay.

DANIELLE GARCIA: Yeah.

CARISSA JANIS: We'll look forward to that.

JEFF: One question. By the way, there are lots and lots of questions that have been coming up.

CARISSA JANIS: We're just about ready to go.

JEFF: One quick question about the quarterly report, was whether it needs to be in

the same format as the Excel spreadsheet? Or can you use a different format as long as all the fields are included?

DANIELLE GARCIA: It needs to be the Excel spreadsheet.

JEFF: OK, and someone else wanted to know if this is typically done by accounting or by the FSS coordinator?

DANIELLE GARCIA: Inputting these data into the Excel worksheet?

JEFF: Yes.

DANIELLE GARCIA: Yes. Yeah, I think it's going to be collaboration with everybody's. For example your manager or some other person may be the person responsible at your property submitting the voucher, and putting in these miscellaneous adjustments. Your program coordinator or somebody else is handling the services outcome for the residents. And then you might have somebody in finance who's actually calculating the escrows.

So I think it's a matter of how ever works for you, works for you, that's fine. At the end of the day we just need you to fill out that Excel document. And the reason it needs to be the Excel document is-- I wish I had a print screen up-- but on the bottom of it, there's different worksheets. And the last worksheet says a summary. And that worksheet, you can't fill in numbers, it's blocked. But whenever you start putting tenant data the summary worksheet has formulas in it, and that's actually the data that the aggregated data that account executive will use to complete data entering the SharePoint.

JEFF: And someone wants to know if the quarterly report, do you list all participants with an ITSP on the report or just the head of household?

DANIELLE GARCIA: That's a good question. Let me take a look, and we can pull it up on my screen too.

JEFF: Is it a house hold level reporter, or a person level report?

DANIELLE GARCIA: It is a house hold level report but it's unique and that in the quarterly report we also ask you how many ITSPs have you executed, or attached to the contract. Out of everybody in the contract for that household level report, what type of services are being asked and did they complete that.

JEFF: So if there are two participants in a household, each of which has their own individual training and Services Plan, do they fill out one row or two on the report?

DANIELLE GARCIA: It'll be one row.

JEFF: OK. All right, why don't you guys finish up and I'll get all the questions cued up and happy to have run through them once you're in.

DANIELLE GARCIA: Actually, Jeff I think we're done doing our--

CARISSA JANIS: Yep, we are. Thank you, Danielle, for all that fabulous information.

DANIELLE GARCIA: You're welcome, Owner.

CARISSA JANIS: You'll be hearing from me at [fms\\_fss@hud.gov](mailto:fms_fss@hud.gov).

DANIELLE GARCIA: Thank you.

CARISSA JANIS: Yeah.

DANIELLE GARCIA: So, Jeff that was our little role play from owner talking to HUD

staff. We're happy to take on questions that are coming in.

JEFF: Sure, great. We'll keep them coming, we'll get through as many as we can. We're scheduled to go till 2:30 here. So one question is, can family self-sufficiency program be a mandatory service program?

CARISSA JANIS: No, every family household individual has a choice about whether they will do or don't want to participate.

JEFF: OK, so it's an optional program from the part of-- the point of view of the families, it has to be that way. And whether they choose to participate or not can affect the level of housing services they get, right? And then, I think we've covered this already, but a number of questions have come in about RAD. Is there a place on the 50859, 50059 that report to mark participation? And if not, how do you submit an FSS addendum for families with project base section 8 assistance?

DANIELLE GARCIA: Yeah, that's a really good question. That's one big struggle we're having is lack of funding resources with track. This is a brand new program, unfortunately the only tracking mechanism we have is this reporting tool that you're going to submit quarterly. That's the Excel documents though. In tracks there's no way to identify the one that you're an owner participating in FSS and which unit numbers under your voucher were paying escrows on.

Because of that barrier, the work around, that we worked with OMB on is the use of this quarterly report. So you're going to tell us every quarter one, that obviously you're running the FSS program because you have an improved action plan. But in here, you'll tell us how many household unit numbers list out their names, who's participating, who you signed contracts with.

Until we get funding for tracks to date, this is how we're going to be tracking the program, is the quarterly report.

JEFF: OK, this is some questions that were asked when we were talking about the action plan, and when you needed to request an amendment to-- you said that you don't need to submit an update to your action plan unless you are proposing to change the program in some way. So one question was, can you define what an increase in the size of the program is?

DANIELLE GARCIA: No.

JEFF: I assume for purposes of triggering a change in the action plan. And a related question that same person asked was, is there a limit on the program's size?

CARISSA JANIS: Should I address that?

DANIELLE GARCIA: Yeah, go ahead. Go.

CARISSA JANIS: OK, so number one, no, there is no limit on the size. And the other part of the question was what again Jeff?

JEFF: What is the change in size of the program?

CARISSA JANIS: Got it. One of the items that we asked for in the action plan is the number of families that you expect to be interested and to participate in the program. So you tell us, OK, well we have 12 families that we think would be interested, and then you start your program. And 18 months later you have people knocking down the door and saying, "I want to be in the program, I want to be in the program."

And if increasing the program to include those additional households-- if that affects your policies, like how you're going to recruit, or select people, or your grievance procedures, or how you're going to link the people with services, or

anything like that then it's a good idea to go back. And revise parts of the action plan, if again, if some of those items need to change because you're adding more people.

If everything is going to stay the same-- say you are going to add more people, and you would like to request a use of a larger amount of residual receipts then-- Danielle, do they have to submit a new action plan, or they just submitted another funding authorization for cost for the residual receipt?

DANIELLE GARCIA: They would have to do both. If you're using residual receipts, we need you to document in your action plans the estimate of participating families.

CARISSA JANIS: OK.

JEFF: And when you submit your action plan, do you get approval to run an emphasis program of a particular size? So let's say for example, do they have to say I want an approval to run an emphasis program of up to 100 participants.

CARISSA JANIS: You know what? The thing is that in this case, the number may be limited only if you're using residual receipts. And it would be limited just based on the amount of residual receipts that you would have available. So if you were able to administer your program, and provide the management and link residents to the services without paying a program coordinator with residual receipts then you can do whatever sized program you want.

So again it's just those people who have some residual receipts but that amount is limited. If that is the only funding source that they are going to use then they probably need to plan the program to serve that given number of people. And if more people want to join after that than they would have to find additional resources elsewhere.

JEFF: Can the emphasis program coordinator be a third party contractor, or does it have to be a staff person?

CARISSA JANIS: No, it absolutely can be a third party contractor. And in fact, owners and agents can contact with a third party entity, like a non-profit organization, to administer the FSS program for them, and they even help out with escrow funds. Danielle, you can explain that. But in any case, yes, you can contact out for the program coordinator, and you can also have an entity administered the programs for you.

JEFF: Someone has asked how long it takes to get approved when you submit an FSS action plan.

CARISSA JANIS: Well, HUD will approve it as quickly as possible. And since we are here at headquarters, we are the first recipients of the request because we are going to e-mail the action plan to our mailbox. We can also follow up with the field staff to make sure that they're reviewing it in a timely manner.

DANIELLE GARCIA: Yeah. And just to chime in on that, our Multifamily Deputy Assistant Secretary sent out a memo last month to all HUD staff. And it pretty much had expected timelines of how long it should take them to review the action plan, the quarterly report. They have very detailed instruction with deadlines. Generally once they deem it complete based on getting approval from their supervisor it's should take maybe about 30 days for you to get an approved action plan.

JEFF: OK. So someone has asked, what happens if the head of the household gets married, and stops working because they're pregnant. But the spouse is working and bringing in money. Does that work? Can they get the escrow account can graduate from the program?

DANIELLE GARCIA: Yeah, so again the question was, who was the head of the

household?

JEFF: The head of the household is getting married, and stops working--

DANIELLE GARCIA: Stops working.

JEFF: --the head of household is no longer working, but the spouse is working and bringing in money.

DANIELLE GARCIA: Oh, OK. If the woman who has-- the pregnant woman-- plans to be out of the workforce for a significant period of time, then we would recommend that-- I think the question was her husband-- her husband be designated as the head of household, and that would be done in TRACS with this form 50059.

And you would modify the Contract of Participation accordingly. And then the requirement would be that, he, as the new head of household, in order to complete the program and get the escrow funds has to be suitably employed at the time that they complete the program. And then again that neither of them or any other members of that immediate household are on welfare.

JEFF: OK, so in order to graduate from the program, the head of the household definitely needs to be employed. But you have the ability to change the head of household if that's appropriate.

CARISSA JANIS: That's correct.

JEFF: OK. So you talked about being off of welfare. Are you just referring to cash aid or also to medical assistance and food stamps?

CARISSA JANIS: No, it's really just cash welfare. And I think in most cases referring to the TANF program, the Temporary Assistance for Needy Families. So it's just the

cash welfare programs.

JEFF: OK, so assistance is very clearly defined and limited to cash assistance. Generally from TANF it probably could also be the state equivalent of TANF. You can't get--

CARISSA JANIS: Correct, if there's--

JEFF: --special welfare assistance.

CARISSA JANIS: --general, I forgot which some states have in general--

JEFF: General assistance. Yeah but if you can definitely still be getting food stamps, right? And you definitely could be getting Medicaid and graduate from FSS.

CARISSA JANIS: Mm-hm.

JEFF: And the idea, those are meant to be supports for people who are still working and help them support raise their kids appropriately.

CARISSA JANIS: Mm-hm.

JEFF: OK. So a technical question, someone wants to know when will the multifamily forms be finalized, such as a Contract of Participation, escrow credit worksheet, ITSP, et cetera.

DANIELLE GARCIA: Yeah, so they should be finalized soon. We just need to get official approval from OMB, but please use those forms. We did coordinate with them already, so the policy point is OK it's just the technical point for the Paperwork Reduction Act that we're waiting on. But please don't use them unless they're posted. What we'll do is just remove the little Pending at the bottom, and upload it

on HUD Clips.

JEFF: Great. So here's a question, if a head of household is coming up in the last year of their five year Contract of Participation, and they've been working seasonally, but don't have a full time employment, and-- I'm asking this because I'm new and so was my director, and we understand that the extensions of the five year term are only if something is beyond the FSS clients control. So are we allowed to extend that contract?

CARISSA JANIS: So the questioner says that the head of household is seasonally employed?

JEFF: They're seasonally employed, they're sort of employed only during certain seasons. And one question is, can you extend the contract and to allow them to become more fully employed.

CARISSA JANIS: Oh, I see. Yes, I think that that would be OK. They would need to modify their goals and their individual training and Services Plan. Sorry. And the thing is that it's basically up to the program coordinator, or the owner management agent actually administering the FSS program to determine if the head of household is suitably employed to the extent that they can complete the program and receive their escrow funds.

So perhaps if there is a situation where in a particular area that the only employment that the head of household is able to physically do, and it's convenient and it's appropriate in that area because there's not a lot of work, is seasonal employment, then the owner or the program coordinator may decide that things-- being seasonally employed might be suitable for that particular individual.

But in any case that the idea of the FSS is to improve people's employment situations. So anything we can do to help people become fully employed

throughout the year, we would certainly want to do.

JEFF: That's really helpful. I heard two things there. One was that it's up to the individual program to determine-- make a determination about what employment is suitable for a particular person. And so that's one way to deal with that situation. And the other is that they have a fair amount of discretion to decide whether or not to extend the contract. And if the family is making a good faith effort to participate, and they need more time to achieve their goals then you have the ability to extend that contract up to two years.

OK, great. So one question. Another question, if a resident is participating in the FSS program, and fails to report an increase of income in a timely fashion, how does this affect the escrow account and any repayment agreements and payments on repayments.

DANIELLE GARCIA: That's a good question. So you would follow the HUD handbook 4350.3, with reporting the interim increase effective date in track.

CARISSA JANIS: And Danielle, which handbook is that?

DANIELLE GARCIA: It's handbook 4350.

CARISSA JANIS: No, I know, but does it have a name?

DANIELLE GARCIA: Probably, you can just Google-- I think it's like--

CARISSA JANIS: OK, but it's the occupancy, right? It's the occupancy policies

DANIELLE GARCIA: There you go.

CARISSA JANIS: --for multifamily housing.

DANIELLE GARCIA: I'm looking at it. HUD Occupancy handbook. Yes.

CARISSA JANIS: Continue.

DANIELLE GARCIA: You follow the lease, everything you're supposed to do with the lease. And then good question for the escrow. Some of these questions we're getting, we haven't really thought about them here. I think what we'll do for this one is that since it is a recorded session, we'll put this in an FAQ.

In the HUD handbook occupancy to follow a lease compliance, you're supposed to make an interim effective a certain date. In theory, we'd want the escrow to parallel with that, but I think it depends on the scenario if the tenant didn't report their income for five months. That's a big difference. If it's not within, they're supposed report increases immediately. So that's something we can put as an FAQ.

JEFF: Right. But there is something, I think, in the notice-- am I right about, if someone hasn't paid their rent, can you take that out of their escrow?

CARISSA JANIS: Mm-hm.

DANIELLE GARCIA: Right. Yeah, if they haven't paid their rent you can do that. But I think the question was, something along the lines of, like, they're paying the rent but they're not reporting increased earned income with an early manner.

JEFF: I think it says that in the notice, you want to double check that, but that if somebody hasn't paid their rent, you could take that out the escrow. In this case they haven't paid the proper amount of rent, right? Because they didn't report the escrow, they didn't report the interim in a timely basis. So that's something that you'll be preparing a Q&A about, right? To figure out how to do that.

DANIELLE GARCIA: I think that's a great question because a lot of these questions may be scenario based. In the spirit of FSS I would hope that those instances would be few and far between because they want to report their earned income quickly. That way they could start getting a higher escrow. But you never know, so you may have a family who doesn't want to pay the higher rent, still maybe getting some type of that escrow, and that five month passes. That can be more of a case by case scenario that we can address in a FAQ.

JEFF: OK. When is the escrow amount increased? Someone wants to know, when the resident pays the rent or when the HAP is received?

DANIELLE GARCIA: So you will be doing for multifamily, you all do your vouchers ahead of time. So for, what's today's date, October, 26. So you all have already submitted your November voucher in track. So the next voucher you're going to admit is December, your December voucher which is due, November 10th.

So you're always going to put in your escrow a month in advance assuming that the tenant is paying the correct rent, assuming that they're earned income hasn't increased. That kind of how the vouchering works.

JEFF: OK. So if family on FSS, they started out paying \$200 a month in rent, they are now paying \$300 a month in rent, and that increases due to increased earnings. And I determined that they're entitled to \$100 escrow of credit, when do I actually deposit that money into the escrow account?

DANIELLE GARCIA: You deposit it once you get paid on your voucher because that's when you'll have the money to deposit the escrow.

JEFF: OK. But you'll get paid on the voucher-- and you've already submitted that voucher for the prior month, right?

DANIELLE GARCIA: Right.

CARISSA JANIS: But also don't forget that you will actually have the tenants portion of the rent that they're paying as well. So in addition to the subsidy.

DANIELLE GARCIA: Yeah, you will. So this is a really good question because we did have a pilot run in before the notice got published so there was a little-- we were all trying to get on the same page with what was being reported on the quarterly report. So on the quarterly report, you're going to be listing out the escrows you're asking for for that given voucher, which is you're submitting a month ahead.

Like right now, you guys are probably working on collecting your November rent for a voucher that what's submitted two weeks ago. So on November 1, you'll get all your rent checks from the tenant, plus your HUD assistance, plus your escrow money. And then on November 1, you wanted escrow, whatever you need to ask for whatever families you're participating.

I think that that is a very good question. It is a little confusing since you all do voucher a few weeks ahead of time before you get payment on an escrow, and your HAP payment.

JEFF: All right--

DANIELLE GARCIA: I don't know if I helped or confused it more.

JEFF: Let's try to do a Q&A on this, so we have a very clear statement for the record. And all these questions, it goes without saying, are just really helpful for making sure that we're thinking about all the different elements that are required in this very new program.

So another question, it's on a different topic. I know participants can change or even

get rid of a goal, but is there a deadline? What if a person is due to graduate, but hasn't reached one of their goals and therefore wants to remove it? I can tell you what they do in the PIH side of that's helpful.

CARISSA JANIS: Sure.

JEFF: So generally in the PIH, FSS program--

CARISSA JANIS: And what's the PIH?

JEFF: Oh, I'm sorry, right, Thank you. The FSS program that's been in operation now for more than 20 years for housing choice voucher participants and public housing residents. In PIH stands for the Office of Public and Indian Housing, and we held some meetings with practitioners recently. And there's really a lot of consensus on the importance of being flexible.

The goal here is not to say gotcha and deny residents ability to graduate, and deny residents the ability to access their escrow. It doesn't mean you have to do anything the resident wants, but you really want to help them succeed. And it's really important to be flexible and be supportive. And if somebody is making good faith efforts, and makes a lot of progress. And you determine that there are few goals that they ended up identifying as goals but they were unrealistic in retrospect, you have the ability to modified ITSP, the Individual Training and Services Plan, and their Contractor of Participation to reflect that.

But generally it's a good idea to put in your FSS action plan. What your policy is about when you can modify that Contractor for Participation, and ITSP. And you might say, we're not going to allow you to modify within the last three months, or last six months, just so, a some point it becomes clear, right. What are the terms of graduation. So by all means, be supportive, be flexible, but also you want to make sure that the families really try and really making an effort and making progress.

DANIELLE GARCIA: Thank you so much, Jeff. That was an excellent answer. I do want to add in-- so that would be a wonderful example of why you would want to change your action plan. So if you've been thoughtful initially on circumstances to allow folks to graduate. If over time you notice trends at your property, or anything you want to consider, we want all families to be treated consistently so you'd have to re-submit an action plan for HUD to approve amending your policy, whatever they may be.

JEFF: Someone asked, if you have a ROSS service coordinator program, can you also have a multifamily FSS coordinator for the same properties.

CARISSA JANIS: I think that that's really going to be pertinent only for the RAD properties?

JEFF: Right.

CARISSA JANIS: Right?

JEFF: Yeah.

CARISSA JANIS: I don't know. Daniel, do you know?

DANIELLE GARCIA: Yeah, that's that Public Housing program, so yeah.

CARISSA JANIS: Jeff, could you just read the question again, please?

JEFF: Well, I'll just read it. It says if you have a RAD service coordinator, can you also have a multifamily FSS coordinator for the same properties?

CARISSA JANIS: OK. Yeah, the answer is yes, if you're ROD. If you're moving to

multifamily housing through RAD then you would be eligible for the multifamily housing self-sufficiency program. And I don't know that the terms of the ROSS program. I don't know, again, if the RAD properties are obligated to see their ROSS program due to the end of that particular grant term. In that case they might have both.

But other wise, outside of the RAD deal or transition, a multifamily housing property would not be eligible for a resident opportunities and self-sufficiency grants. So that's just the public housing program.

JEFF: Right. And you said this during the role playing. By the way, there's been a few comments about how helpful that role play went, so thank you. And this is something that we've gotten some clarification about from an earlier webinar, but if you have a FSS coordinator grant through the Office of Public of Indian housing because your housing authority.

And you're serving families in public housing with voucher program, and then you either convert a property to project base section 8, or you want to partner with an owner, you are allowed to use your HUD FSS coordinator grant to serve those families in that other program. And you can count those families towards your minimum requirement, but you cannot use a ROSS coordinator grant, right? Like ROSS coordinators can't serve families because that's only for public housing residents, they can't serve multifamily residents.

CARISSA JANIS: Right.

JEFF: In the exception, for that particular development with RAD, I'm not sure exactly how that works, but that sounds like you are saying that's the one exception.

CARISSA JANIS: Right. That could be, right.

JEFF: OK. A couple of questions I think we can answer really quickly. Someone wants to know is a quarterly report only for rent, for RAD, and brand new section 8 programs-- brand new programs or existing programs who work with section 8 supposed to be submitting it?

DANIELLE GARCIA: This is Danielle. It would be for any multifamily owner that has a HUD approved action plan. And if you're an owner submitting a new action plan to us, then you need to submit the quarterly report once it's approved. Or if you're a RAD converted property, you have an existing FSS, you're not submitting your data though PIC anymore. It's now going through TRACS. So then you have to submit the quarterly report to us.

JEFF: Right. So let's say, for every multifamily FSS program has to submit a quarterly report,

DANIELLE GARCIA: Mm-hm.

JEFF: Right? There are very few of them right now, right? Because the program is brand new, you have just a couple of legacy programs, and a few new ones that you're approving, right? But let's say in the future you're a public housing authority and you're working with some section 8 residents, project base section 8 residents, let's say you say you're serving 30 voucher holders and 20 project base section 8 households, do you need to submit a quarterly report?

CARISSA JANIS: I guess I'm confused with the question though. So say, a multifamily owner has an approved action plan for whatever escrow multifamily family half will pay. That's what we need a quarterly report on, we don't need the quarterly report on your voucher holders, who you're working with public housing on because you're probably doing that voucher somehow through PIC. I think I'm just confused with the question a little bit.

JEFF: Yeah, I know. I think the answer is, if I understand it right, is that if you're an owner and you want to offer a project based-- an FSS program to families and project based Section 8, you have to submit an action plan, right? And then you have to submit a quarterly report regardless of who is providing the coordination services for those residents.

DANIELLE GARCIA: That's correct. That is correct.

JEFF: Right.

DANIELLE GARCIA: Right.

JEFF: And so that's the key thing here that somebody has to be submitted that quarterly report on behalf of these residents because there's no way to submit an FSS addendum through a computerized system like PIC or TRACS for that family.

CARISSA JANIS: And then like wise, as I said before, if you tried to contact out the administration of the program to a third party source, the owner is still responsible for submitting the quarterly report. And the contractor can fill out the report to the extent that they can do that. But it's the owner's responsibility to do that because again it's multifamily housing program that people are have escrow accounts. And so we need to maintain those data.

JEFF: OK. A couple of quick technical questions. One person wants to know if there's a formula to determine the escrow account, and the answer is, yes. And read the notice it goes into detail about how exactly to determine the escrow account and there's an attachment that's an escrow account worksheet.

Someone else wants to know if you have to provide interest on the escrow and the answer is, yes, right? The money has to be deposited into a single interest bearing account on behalf of all FSS participants at the owner. And you have to keep track

of and allocate that interest to each individual emphasis.

CARISSA JANIS: And Jeff, if I can intercede, actually because there's another responsibility that's important, that I think periodically, perhaps just annually the owner is required to notify each participating family of the amount that they have in their escrow account. Let them know that it's still there and what the amount might be.

And so I guess if the funds do accrue interest on an annual basis-- that doesn't make any sense. Anyway, whatever. The escrow amounts, of course, are going to go up because every month you add money. So in any case, so maybe in that case, they could maybe see where the interest is added.

JEFF: Right. So at least once a year, you have to notify the resident of their escrow balance. But probably it's a good idea to do that more often because the whole idea of the program is trying to provide disincentive to encouraging families to increase their earnings. And so helping them realize that their escrow account will grow as their earnings grow is really a powerful incentive. But only if you reinforce that incentive by working with the residents.

So here's a question. And feel free to answer now or can do a Q&A about it. But someone says, it sounds like implementing this program adds additional scrutiny into the MOR. If that's true, why should an owner want to implement this program when their MOR rating could be adversely affected.

DANIELLE GARCIA: Yeah, good question. So right now, there are not specific FSS question. In the 9834, there is the service coordinator question in there, so we're just trying to have our HUD staff and PBCA to incorporate FSS there until we can get the 9834 updated.

But at the end of the day in one of the training session, somebody made a

comment. An owner really want to participate in the program. So we want the owners who, even though there may be some type of effect on your score, if you're running an FSS, you're probably getting good MORs right now. You may be mission-driven owners. You have good incentive for the residents.

This is voluntary, so we do understand that. I don't anticipate it having any large effect. We are going to be monitoring the program to make sure that the families are meeting their goals, and the owners doing their due diligence to have a successful program.

That's a great question. But it's really something that you have to consider if you do want them to stay. We certainly don't want to have any owners walk away because of that. So we don't anticipate any terminations, hopefully not, of FSS program.

But if you have physical issues at your property, other significant lease issues going on with the lease compliance with your residents during MOR, that is one consideration we take when approving your action plan. So we'll look at a pattern of how you're doing with your score, how your MORs are looking. So we do take that into consideration before approving it for you.

JEFF: OK. Well, it's 2:27 here. There are lots more questions. We can keep going. Or you could wrap up and say some final words. What would you like to do?

DANIELLE GARCIA: We can take a few more questions.

JEFF: All right. Well, keep them coming here. In the housing choice voucher FSS program, participants can complete their contractor's participation and receive escrow if 30% of their monthly adjusted income is greater than the FMR of the unit size that you're entitled to. Is it the same with the Multifamily FSS program?

DANIELLE GARCIA: No, it's not. So that is a good question and one big difference

for multifamily. We do not take that in consideration, so in your action plan you do not need to include that.

JEFF: OK, great. And I understand a lot of these differences between the programs will be included in the handbook that you all-- the guide book that you're working on. So people who run both programs can get a sense of how they differ.

"I'm a management company and we pay payroll with our monthly budget. Does the owner send extra since it's residual receipts, or do they pay separately through a separate account, or is it a separate line item on the budget?"

CARISSA JANIS: It's not a line item in the budget, but the residual receipts would be reported on an annual financial statement.

JEFF: It sounds like there might be some relationship that needs to be worked out between the owner and the management company. Right, which may be on top of whatever responsibility they have to for reporting to you all.

DANIELLE GARCIA: Yes that could be--

JEFF: All right, last question. What if a pregnant woman is receiving disability due to having a baby, does that count as government assistance? And technically they say, "be out of compliance" but I think what they mean is, prevent you from graduating. Because just to be clear, just because you're getting TANF doesn't mean you can't participate in the FSS program. It just means that if you're getting TANF Cash Assistance you cannot graduate from the program and get access to your escrow, and complete your Contract of Participation. So is disability due to pregnancy preventing you from graduating?

DANIELLE GARCIA: No, it doesn't.

JEFF: OK. Great, well we are now at 2:30. So we still have 160 people who have lasted throughout. You got close to 200 at one point, but quite a lot of folks here. So any final remarks?

CARISSA JANIS: Thank you, everybody, for tuning in.

DANIELLE GARCIA: Thank you, and we will post these webinars online pretty soon.

JEFF: Yeah, so stay tuned we will be-- we have to process the recording, and make sure that everything is sort of compliant with all the rules and getting it up on the web. So we'll be sending out a notice when that's done. So thank you all for participating and thanks to HUD for leading the webinar.