



CHICAGO HOUSING AUTHORITY FAMILY SELF SUFFICIENCY ACTION PLAN

CHICAGO HOUSING AUTHORITY DEPARTMENT OF RESIDENT SERVICES

CHICAGO HOUSING AUTHORITY | 60 E. Van Buren Chicago, IL 60605

**CHICAGO HOUSING AUTHORITY (CHA)
FAMILY SELF SUFFICIENCY (FSS) ACTION PLAN**

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I. THE FAMILY SELF-SUFFICIENCY ACTION PLAN

The Family Self-Sufficiency (FSS) Action Plan is a requirement mandated by the Department of Housing and Urban Development (HUD). The purpose of the FSS Action Plan is to establish policies for carrying out the FSS program in a manner consistent with HUD requirements and local goals and objectives contained in Chicago Housing Authority's (CHA) Admissions and Continued Occupancy Policy (ACOP) and Housing Choice Voucher (HCV) Administrative Plans. This FSS Action Plan is a supporting document to the aforementioned plans, and is available for public review as required by 24 CFR Part 903.

This FSS Action Plan defines CHA's local policies for operation of the program in the context of federal laws and regulations. CHA is responsible for complying with all changes in HUD regulations pertaining to the FSS program. If such changes conflict with this plan, HUD regulations will take precedence. The policies in this FSS Action Plan have been designed to ensure compliance with the consolidated Annual Contributions Contract (ACC) and all HUD-approved applications for program funding.

Administration of the FSS program and the functions and responsibilities of CHA staff shall be in compliance with CHA's personnel policy and HUD's FSS regulations, as well as all Public Housing (PH) and HCV regulations, in addition to federal, state, and local fair housing laws and regulations.

a) Revision to the FSS Action Plan

Following HUD's initial approval of the Action Plan, no further approval of the Action Plan is required unless CHA proposes to make policy changes to the Action Plan or increase the size of a voluntary program, or to revise the FSS Action Plan as needed to comply with changes in HUD regulations. CHA will periodically review and update the Action Plan to reflect changes in regulations, CHA operations, or when needed to ensure staff consistency in operation. CHA will submit any changes to the Action Plan to HUD for approval.

b) Purpose of the FSS Program

The purpose of the FSS program is to promote the development of local strategies to coordinate the use of rental assistance for the public housing (PH) and HCV programs with public and private resources enabling families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency.

c) CHA's FSS Program Summary

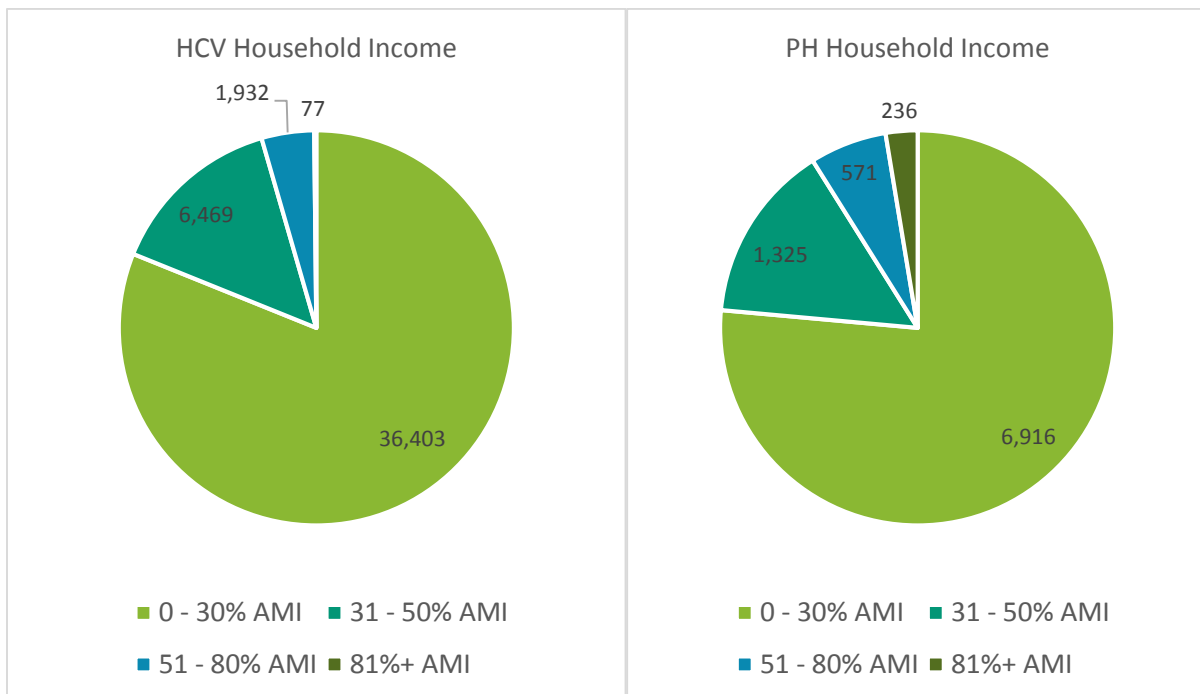
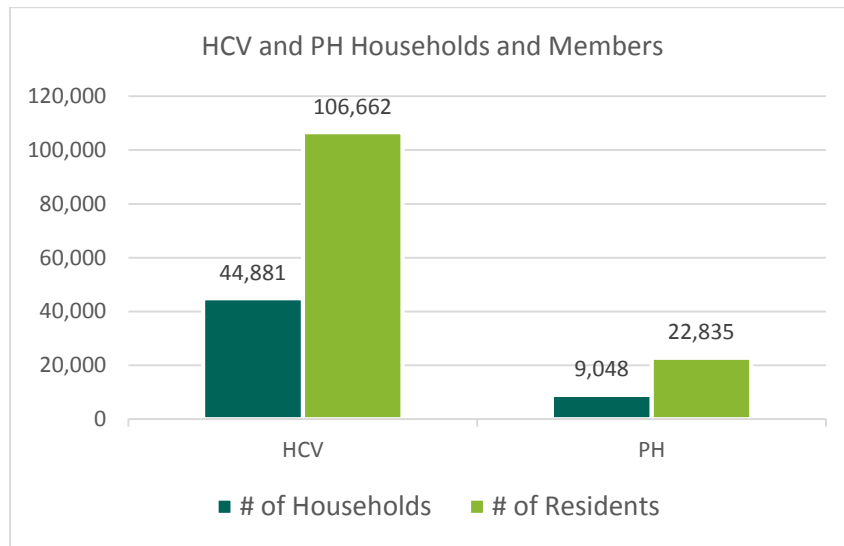
FSS is a HUD program that allows HCV participants and PH residents to build financial assets as the household increases income from wages. Participation generally lasts five years, during which participants identify educational, professional and personal goals.

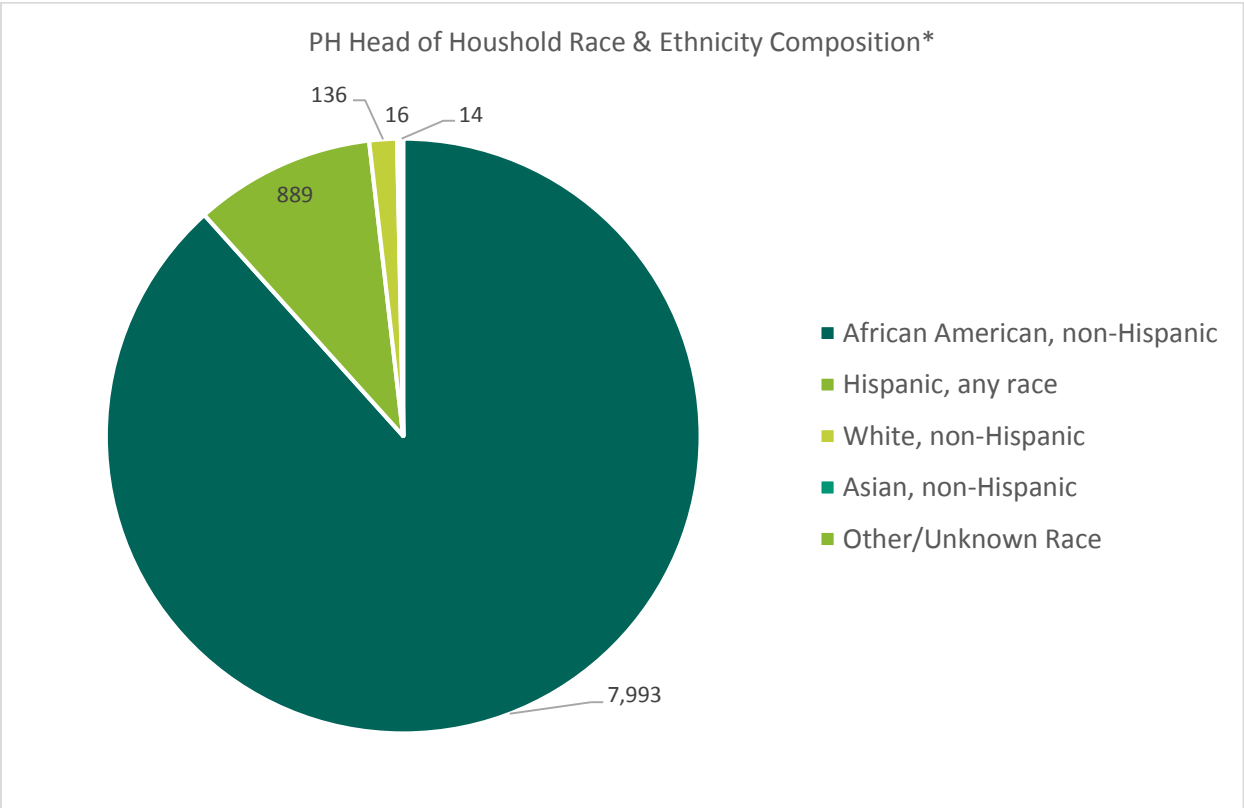
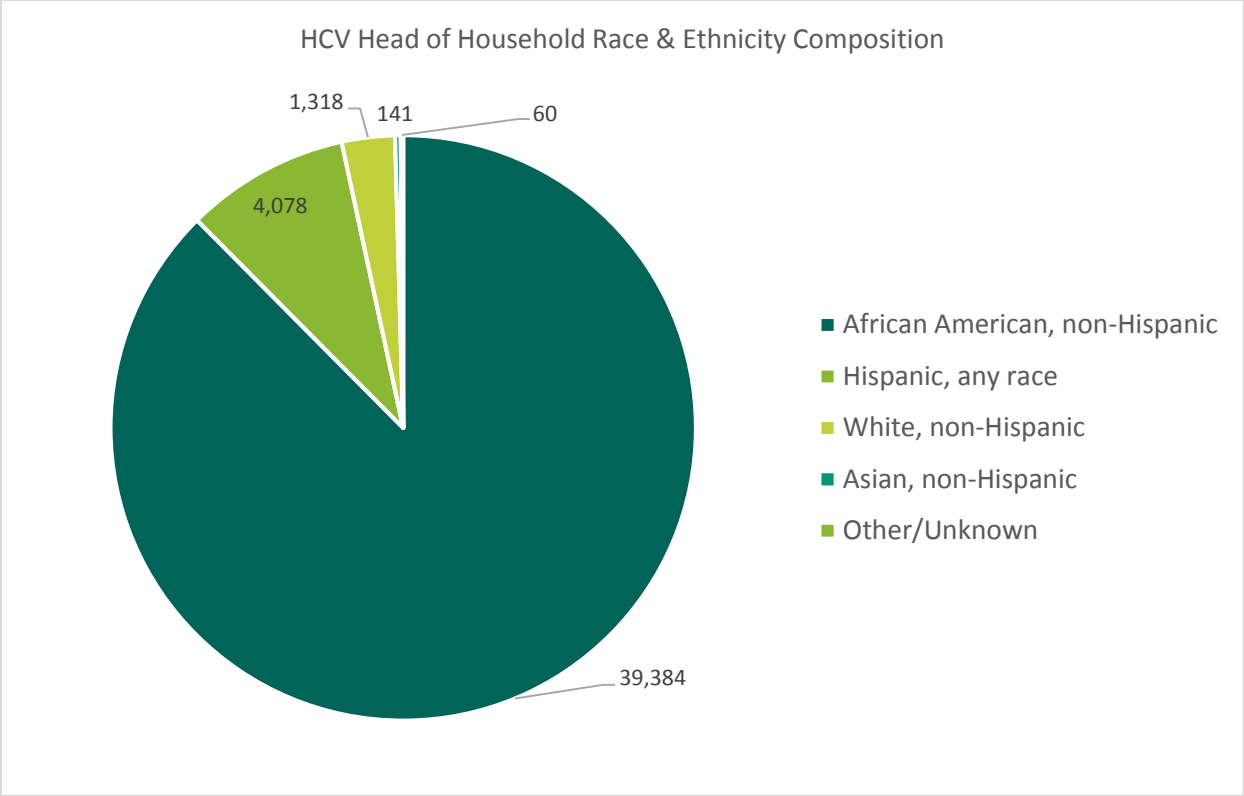
CHA's FSS program is administered by a contracted FSS service provider. Participating families work with an FSS Coordinator to develop and achieve goals specified upon enrollment in the program, including but not limited to: educational advancement, completion of specialized job training, job placement, career advancement, and potentially homeownership. As participants achieve their goals and increase their household income from wages, their rent increases; an amount equal to the monthly rent increase is set aside each month into an escrow savings account. When the participant meets his/her goals and graduates from the program, he/she is eligible to receive a payout of the escrow accrued throughout the duration of participation.

CHA's FSS program is a voluntary program open to households receiving a subsidy through CHA's HCV, Project Based Voucher (PBV), or PH programs. The primary goal of the FSS program is to provide families with resources needed to assist with building financial assets while empowering them to make positive life changes necessary to achieve self-sufficiency.

II. CHA FAMILY DEMOGRAPHICS

As reported in the CHA Quarterly Report, 2nd Quarter 2016, CHA houses 9,048 PH families and 44,881 HCV families. CHA's population reflects the make-up of the FSS program. The following charts detail general demographic information for both the PH and HCV populations.





**Includes traditional family, scattered site, and mixed-income portfolios; does not include senior-designated housing portfolio.*

III. FSS PARTICIPATION AND PROGRAM IMPLEMENTATION

Up to 1,250 eligible CHA FSS families are expected to receive supportive services based on available and anticipated federal, tribal, state, local, and private resources. CHA operates an FSS program for both HCV and PH participants. The HCV and PH FSS programs operated separately until January 2011, when programs merged under CHA's Resident Services Division.

The HCV FSS program began in 1996 with a target enrollment of 900 participants. As of October 2016, there are 495 active HCV participants in the FSS program. CHA intends to maintain a voluntary HCV FSS program with a maximum size of 900 participants. Households receiving a PBV subsidy are considered a subset of CHA's HCV program, and will be included in the 900 HCV FSS slots.

The PH FSS program began in 2006 with a target enrollment of 50 participants, and has since received HUD approval to serve up to 350 residents in mixed-income, scattered sites, and family developments. As of October 2016, there are 261 active PH participants in the FSS program. CHA intends to maintain a PH FSS program with a maximum size of 350.

IV. FSS FAMILY ELIGIBILITY AND SELECTION PROCEDURES

FSS is a voluntary program. All HCV participants in compliance with the voucher program, and all PH residents in compliance with their PH lease, are eligible for participation. The primary participant who enters into the COP of Participation (COP) must be the Head of Household (HOH), although other members of the household may have goals in the Individual Training and Services Plan (ITSP). FSS program participants shall be notified should they decide not to participate in the FSS program; it will not affect their PH or HCV rental assistance. FSS families will retain the right to occupancy according to their lease, ACOP, and HCV administrative plans.

CHA's selection procedures ensure that families are selected for participation without regard to race, color, sex, handicap, familial status, or national origin. CHA will not select participants based on prohibited motivation selection factors, including the family's educational level, educational or standardized motivational test results, previous job history or job performance, credit rating, marital status, number of children, or other factors, such as sensory or manual skills, and any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or nonminority groups.

a) Permissible Motivation Selection Factors

The FSS service provider may screen families for interest and motivation to participate in the FSS program by using permissible motivation selection factors per HUD regulations, including requiring attendance at FSS orientation sessions or pre-selection interviews. Reasonable accommodations will be made for individuals with mobility, manual, sensory, speech impairments, mental, or developmental disabilities. In addition, if the family needs either childcare or transportation to be able to attend, the FSS service provider shall assist the family in obtaining needed support services.

b) Selection Preference - Family Unification Program and Family Self Sufficiency Program Demonstration

In July 2016, CHA was approved for implementation of a Family Unification Program (FUP) and FSS Demonstration (FUP/FSS Demonstration) sponsored by HUD to test the effectiveness of combining

housing vouchers for eligible youth lacking adequate housing under FUP with assistance from the FSS program. FUP youth participants in the FUP/FSS Demonstration are able to extend the length of their FUP housing voucher (time-limited to 36 months) through the full term of their FSS participation. In order to be eligible for the FUP/FSS Demonstration, the FUP participant must be certified at the time of application by the local public child welfare agency (PCWA) to be at least 18 years old and not more than 24 years old, who left foster care at age 16 or older or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and who does not have adequate housing. CHA will determine eligibility for voucher assistance.

In order to ensure prioritization of enrollment for FUP youth, CHA will employ a selection preference into the FSS program for FUP youth applicants who elect to participate in the demonstration. If a waitlist is currently maintained due to the program being at maximum capacity, FUP youth electing to participate in the demonstration will be moved to the top of the waitlist in the order in which the referral or inquiry is received and will be prioritized for enrollment into FSS. FUP youth enrolled in FSS through this selection preference will not exceed 50% of the total number of FSS slots for HCV FSS participants (450).

FUP participants will be held to all other FSS program requirements and policies as described in this Action Plan. It is anticipated that the FUP/FSS Demonstration will be rolled out in early 2017.

V. PARTICIPANT OUTREACH AND ENROLLMENT

In addition to offering incentives for FSS participation, CHA conducts outreach to recruit eligible FSS families. Opportunities are provided for enrollment into the FSS program when the current program participation level is below the target enrollment. Families are informed of availability in the FSS program through the following outreach methods:

- CHA's primary website and/or social media sites;
- HCV satellite, private property management, and case management provider offices;
- Information provided to resident representation (i.e. Local Advisory Council);
- HCV newsletter and/or other resident publications;
- CHA Call Center;
- Other outreach efforts as needed.

a) Enrollment of Previous Participants

There are instances in which FSS participants need to exit the program due to unanticipated circumstances or hardships that are beyond control of the family and/or may inhibit progress toward ITSP goals. Previous participants who exit from the program voluntarily, or unsuccessfully (i.e. due to non-completion of the ITSP goals), may be approved for re-enrollment into the FSS program after 12 months of being exited from the program. Re-enrollment is limited to one-time per participant. Any subsequent requests for enrollment will need prior approval from CHA, and will be reviewed on a case-by-case basis.

Previous participants are not eligible to re-enroll in FSS if:

- The FSS participant successfully completes the FSS Program; and
- The FSS participant is terminated for non-compliance pertaining to the public housing lease and/or HCV Program, or commits any fraud, bribery, or any other corrupt or criminal act in connection with any CHA housing programs.

b) FSS Waitlist Procedures

FSS enrollment is rolling as long as there are slots available in the program. The FSS service provider shall initiate and maintain a waitlist for both PH and HCV PH populations when the program is at capacity. When program slots are not available, referred individuals will be placed on either the HCV or PH FSS waitlist in the order in which the referral or inquiry is received. A maximum of 110 HCV and 45 PH families shall be maintained on the waitlist.

c) FUP/FSS Demonstration

For the FUP/FSS Demonstration, CHA will coordinate with the local PCWA to provide brochures and other marketing materials related to the FSS program to generate interest and referrals for the demonstration. The local PCWA may distribute these materials at one-on-one or group meetings/workshops/events with eligible youth.

Once referrals are received from the PCWA, FUP youth are scheduled for admissions/initial voucher briefings. At their admissions/initial voucher briefing FUP youth will receive information on the FSS program and FUP-FSS Demo through a presentation conducted by FSS and/or HCV admissions staff. At this time FUP youth will also receive information on the FSS program, including the term of the program requirements for participation and graduation, and a description of available services to be provided during participation. FUP youth will be provided with information about the FSS enrollment process, and contact information for FSS staff should they have any follow questions about the program.

FSS service provider or CHA staff will periodically follow up with FUP youth who do not enroll in the FUP/FSS Demonstration (i.e. quarterly or bi-annually) to provide additional marketing materials about the FSS program, including FSS success stories, and to address any questions about the program. Additional FSS workshops or information sessions specifically targeted to FUP youth may also be scheduled to inform participants of the demonstration program and services available.

VI. HCV PORTABILITY

If an FSS family elects to port-out to or port-in from another PHA, CHA will coordinate with the receiving and/or sending PHA to determine how to proceed with each FSS family's case. For the purposes of this section, "absorb" refers to the complete takeover of financial and administrative management of a housing voucher.

a) Port-Out to a Receiving PHA with FSS Program

- If the receiving PHA accepts the participant into their FSS program and fully absorbs the resident into their HCV program, CHA will transfer the COP, ITSP, and escrow balance to the receiving PHA.
- If the receiving PHA accepts the participant into their FSS program and only administers the housing voucher, but does not fully absorb the FSS participant into their HCV program, CHA will continue to maintain the FSS participant's escrow account.
- If the receiving PHA does not accept the participant into their FSS program or the participation is not transferred within 30 days of the port-out, CHA will end the COP and any escrow funds accrued will be forfeited.
- Only if the participant completed all of his/her ITSP goals at the time of the port-out, is he/she eligible for an early completion of the COP and will receive a full disbursement of the escrow account.

b) Port-Out to a Receiving PHA without FSS Program

If the receiving PHA does not operate an FSS program for the participant to engage in, CHA will end the COP and any funds accrued will be forfeited. Only if the participant completed his/her ITSP goals at the time of the port-out, he/she is eligible for an early completion of the COP and will receive a full disbursement of the escrow account from CHA's FSS program.

c) Port-In to CHA from other PHAs

CHA will accept a participant porting-in from another PHA into its FSS program only if the port-in is absorbed by CHA. The sending PHA and/or participant must provide CHA with the COP, ITSP, and escrow balance within 90 days of the port-in in order for CHA to continue to administer the COP. If the COP, ITSP, and escrow balance are transferred more than 90 days after the port in is complete, CHA may not accept the participant into its FSS program.

CHA may choose not to absorb HCV program participants who port-in from other PHAs. If CHA does not absorb the port-in, it will bill the initial PHA for the Housing Assistance Payment (HAP) and fees associated with administering the voucher. CHA will not accept participants porting in from other PHAs into CHA's FSS program unless they are absorbed into CHA's HCV Program. If the initial PHA does not continue to administer the COP, the individual may apply to participate in CHA's FSS program if slots are available. The participant would enter into a new COP with CHA with a zero-escrow balance.

d) Conflict of Interest Clause

When a CHA HCV participant is required to port-out due to a conflict of interest (e.g. a FSS HOH or family member is employed by the contracted FSS service provider or another contracted CHA service provider that works closely with the FSS program and has access to their record) CHA will handle the case similarly to that of a standard port-out.

VII. INCENTIVES FOR PARTICIPATION

FSS families receive the following incentives to participate in the FSS program:

- FSS escrow account;
- Service coordination; and
- Information, referrals, and workshop services.

VIII. SUMMARY OF FSS ACTIVITIES AND SUPPORTIVE SERVICES

CHA's FSS activities and support services are coordinated and administered by a contracted FSS service provider. The FSS service provider is responsible for program coordination, case management, employment and supportive services. CHA hosts monthly coordination meetings with the FSS service provider to identify and discuss services needs of the FSS population and to ensure the ongoing provision of adequate services.

a) Identifying Family Support Needs

Supportive services needs are identified through the completion of a needs assessment administered by an FSS Coordinator. The needs assessment covers areas such as employment, education, child care, health, social service systems, financial independence, and housing. The needs assessment is intended to solicit vital information regarding the participant's current personal status and to determine what

barriers need to be addressed. In addition, the FSS coordinator and client will write goals in the ITSP for the participant to achieve. Quarterly outreach and engagement activities (e.g. home visits, office visits, telephone check-ins) are scheduled with participants to review goals and make necessary changes. More frequent engagement may be necessary depending on the needs of the participant and the progress made toward FSS goals. Services are available to adult members on the household lease, especially if that family member also has to achieve goals in the COP (e.g. be free of welfare assistance).

b) FSS Activities and Support Services

The FSS service provider provides the following activities and support services to FSS families through direct services or coordination with public and private resources:

Financial Literacy

- Financial literacy sessions are conducted to address household budgeting, credit repair and maintenance, banking, savings, and homeownership preparation; and
- FSS participants engage in both group and on-on-one financial counseling sessions during the course of the program.

Employment Preparation & Retention

- FSS Coordinators assist participants with career planning, employment preparation, placement, retention services, and other employment related activities including but not limited to: work readiness, skill development, and career advancement; and
- FSS participants are referred to external partners and services within the community including Chicago Workforce Centers, job readiness training programs, and other community-based workforce services.

Educational Advancement

- FSS Coordinators make referrals to adult literacy and GED preparation courses if participants did not complete their high school diploma or GED, and/or need additional literacy courses prior to entering or advancing in the workforce;
- Participants who have completed their high school diploma or GED will be encouraged to enroll in college or other post-secondary education and job training opportunities; and
- FSS Coordinators encourage families to attend digital literacy courses or training to advance their computer and/or other technological skills.

IX. CONTRACT OF PARTICIPATION (COP)

Upon enrollment, FSS families enter into a COP between CHA and the participating HOH. The purpose of the COP is to set forth the principal terms and conditions governing participation in the FSS program, including the ITSP. The ITSP establishes goals for an FSS family to meet along the family's way to completing the Contract and becoming self-sufficient. The COP details the obligations of the participant, CHA, and the FSS Coordinator (as an agent of CHA) throughout the term of participation.

The COP lists the family's current annual income, the amount of earned income included in the annual income and the family's Total Tenant Payment (TTP) when the family begins FSS participation. This is the baseline used for calculating escrow credit. During the term of participation, increases in earned income and TTP are compared to the amounts listed in the COP for the purposes of calculating escrow credits.

The COP is effective the first of the month after its execution. The anticipated completion date of the COP is five years from the effective date, during which the participant will engage in activities to meet FSS goals and earn escrow credit. If the participant needs additional time to complete the FSS goals, they may be approved by CHA for a contract extension of no more than two years.

The COP shall be executed no more than 120 days after the household's most recent annual or interim re-examination. If more than 120 days have passed since the last re-examination, a new re-examination must be completed by the property manager or HCV staff. In CHA's FY2017 Moving to Work (MTW) Annual Plan, CHA requested authorization for an exemption from the requirement that FSS enrollment must take place within 120 days of an annual or interim recertification of income. CHA intends to implement this exemption upon approval from HUD.

a) Individual Training and Services Plan (ITSP) Development

In conjunction with the COP, the participant completes an ITSP that establishes the interim and final goals of the individual's participation in the program, including specific deadlines for achievement of the goals. The ITSP is a component of the COP and thus a participant obligation. These goals enable CHA, the FSS Coordinator, and the participant to measure the family's progress toward self-sufficiency. Interim and final goals will differ depending on the family's individual needs. An ITSP is required for the HOH participant, although additional family members may elect to develop an ITSP.

The COP and ITSP may be modified by the participant, the FSS Coordinator, and CHA to reflect changes in personal interests and achievable goals, and family circumstances (e.g. change in HOH status, family member illness). Changes in the ITSP must be included as a written revision and as an attachment to the COP. All changes must be initialed and dated by the participating HOH and a CHA representative (staff of FSS service provider or CHA staff).

i) ITSP Required Goal – Free of Welfare Assistance

The FSS provider shall inform each family participating in the FSS program, regardless of whether the family is receiving welfare assistance at the time COP implementation, that the family must include a goal in the ITSP for the family to become and/or remain independent from welfare assistance for at least one year (12 consecutive months) before the expiration of the term of the COP.

ii) ITSP Required Goal - Employment Requirement

Pursuant to CHA's FY2014 MTW Plan, CHA's FSS graduates are required to maintain 12 months of continuous employment prior to graduation. In the FSS Action Plan approved by HUD in March 2015, CHA noted that this requirement will impact FSS participants enrolling in the FSS program on or after 6/1/2015. Families that enrolled prior to 6/1/2015 will be held to the previous requirement to maintain 90-days of continuous employment to complete the COP.

The HOH is required to **seek and maintain suitable employment** during the term of the COP and any granted extension. Although other members of the FSS family may seek and maintain employment during the term of the COP, it is only a requirement for the HOH. For purposes of CHA's FSS program, **seek employment** means the HOH has either applied for employment or a job training program, attended job interviews, and otherwise followed through on employment opportunities as outlined in their ITSP of the COP.

Maintain employment means that the FSS HOH will complete all of the obligations outlined in the ITSP of the COP and will be continuously employed for the stated requirement prior to completion of the COP. FSS participants who experience a lapse in employment history due to unexpected termination may still be considered as meeting the employment requirement on a case-by-case basis. However, for those participants with a requirement to complete 12 months of continuous employment, new employment must be attained within 90 days of their initial termination date to still be in compliance with the requirement of maintaining employment.

Similarly, lapses in employment history due to seasonal employment (i.e. employed by the local school district or related service provider) may be considered, however the participant must document intent to return to work and/or exhibit a pattern of seasonal work that show that employment will be regained within 90 days of the initial termination, or separation from employment. CHA will require verification of continuous employment and earned income by the HOH in its system of record and may request supporting documentation as needed (e.g. check stubs, letter from the employer, family or self-attestation).

Suitable employment, as defined in this FSS Action Plan, will include employment that is outlined in the ITSP of the COP and is based on the skills, education, and job training of the HOH.

iii) ITSP Required Goal - Financial Literacy Requirement

CHA requires that FSS families engage in financial literacy activities in order to successfully complete the FSS Program. Pursuant to CHA's FY2014 MTW Annual Plan, FSS participants are required to complete at least three (3) financial literacy activities each year in order to increase knowledge of financial literacy and progress to self-sufficiency. CHA implemented this participation requirement for FSS participants entering into a contract with CHA 6/1/2015 or after.

FSS Coordinators shall work with FSS families to ensure they meet this requirement, and also conduct, at a minimum, quarterly financial literacy sessions that cover topics including, but not limited to:

- Tax preparation and filing;
- Household budgeting;
- Banking, savings, investments, and retirement planning;
- Credit repair and maintenance;
- Homeownership preparation; and
- Escrow planning.

If a participant engages in a financial literacy activity as part of an orientation to the FSS program, or learns about FSS while attending an FSS service provider-sponsored financial literacy session, this activity may be counted toward the financial activity requirement even if it pre-dates the start date of the COP. However, the activity must be within 30 days of the COP start date to be counted toward this goal.

iv) ITSP Interim Goals

FSS families may also include other educational, professional, or personal goals in the ITSP. Examples of these interim goals include, but are not limited to:

- reducing debt/improving credit;
- educational advancement (e.g. GED or post-secondary);
- obtaining employment;

- career advancement;
- starting a business; and
- homeownership.

Unlike the required goals, interim goals are flexible and may be modified during the course of participation. Interim goals must also be accomplished to successfully complete the program.

b) COP Completion

By regulation, the COP is considered completed, and a family’s participation in the FSS program is considered to be concluded, when one of the following occurs:

- The FSS family has fulfilled all of its obligations under the COP on or before the expiration of the Contract term, including any extension thereof; or
- 30% of the monthly adjusted income of the FSS family equals or exceeds the published existing housing Fair Market Rent (FMR) for the size of the unit for which the FSS family qualifies based on CHA’s occupancy standards. The COP will be considered completed and the families’ participation in the FSS program concluded on this basis even though the COP term, including any extension thereof, has not expired, and the family members who have ITSP’s have not completed all the activities set forth in their plans.

If the COP is completed when 30% of a family’s monthly adjusted income equals or exceeds FMR, the FSS family will be considered to have completed all of its obligations even though family members have not completed all the activities in their ITSP. In this circumstance, the HOH must certify that no family member is receiving welfare, but the requirement to have been off welfare assistance for a year does not apply. The family does not have to be free of housing assistance to have completed the COP. Upon successful completion of the FSS Contact and program, participants are invited to a graduation ceremony hosted by CHA and the FSS service provider.

c) COP Extension

The initial term of the COP is five years. FSS families may be granted extension(s) of up to two (2) years for good cause. The family must request a COP extension in writing and include a description of the need for the extension. **Good cause**, as defined in this FSS Action Plan, may involve needing additional time to remain free of welfare assistance for 12 consecutive months, meet the employment requirement, and/or complete other ITSP goals, or may involve one or more of the following circumstances:

- Involuntary loss of employment;
- HOH is in school, but has not yet completed a program/degree;
- Change in family’s HOH status;
- Death in the family; or
- Serious illness.

The FSS family and FSS Coordinator shall provide a specific reason for the COP extension request and provide relevant supporting documentation.

d) COP Termination

The COP is automatically terminated when the FSS family’s housing subsidy assistance is terminated due to non-compliance with the HCV program or the PH lease. The COP may also be terminated before the expiration of the contract term due to the following:

- Mutual consent of the parties (CHA and FSS family);
- The family's voluntary withdrawal from the FSS program;
- Such other act as is deemed inconsistent with the purpose of the FSS program;
- Failure of the FSS family to meet its obligations under the COP without good cause. This includes:
 - Failure of the FSS family to meet the goals included in the ITSP;
 - Failure of the FSS family to provide documentation of completion of the COP; or
 - Failure to respond to attempts at engagement¹ by the FSS Coordinator prior to expiration of the COP.
- The family ports-out to a PHA that does not administer an FSS program.

To voluntarily exit, a participant must complete a written request to exit the FSS program. If the COP is terminated prior to or without successful completion, the participant will forfeit escrow credit earned during participation. Termination for non-completion of the FSS Program will not affect eligibility for the PH or HCV programs for traditional FSS participants.

e) FUP/FSS Demonstration – Contract Completion and Termination

Participants of the FUP/FSS Demonstration, who are able to extend the length of their housing voucher through the full term of their FSS participation, will no longer receive housing assistance upon completion of the COP, regardless of whether the COP is terminated due to non-compliance or successful completion of the program.

If a participant in the FUP/FSS Demonstration is terminated from the FSS program prior to completion of the COP, the participant will no longer be considered a part of the FUP/FSS Demonstration. With the FSS termination, the participant is subject to the statutory time limit of 36 months, beginning from the time the first HAP contract is signed. If the participant has been assisted for more than 36 months, their housing assistance will be terminated. In accordance with CHA's HCV Administrative Plan, the participant will be eligible for an informal hearing to appeal the termination.

X. ESCROW ACCOUNT MAINTENANCE AND CREDIT

CHA maintains FSS families' escrow in an interest-bearing depository account. The full amount of the escrow credit is available to the participant upon successful completion of the COP. The amount of the full escrow credit a participant receives is based on increases in the family's total TTP resulting from increases in the family's earned income during the term of participation, plus the interest accrued while in the escrow account.

FSS families are required to complete an annual re-examination of income with their respective programs (HCV or PH). At the time of re-examination, the household must declare all current income, in order to have the rent and TTP re-calculated. A household may also report increased or decreased income and receive an interim re-examination at any point between the annual re-examination periods. The escrow credit is calculated any time CHA conducts an annual or interim re-examination of income for an FSS family during the term of participation.

¹ For the purpose of this FSS Action Plan, engagement will be defined as FSS participants being required to have at least one face-to-face meeting with their FSS Coordinator each year.

CHA monitors rent calculation, escrow credits and escrow balances in its system of record. CHA provides an annual report to the family on the escrow account including, but not limited to:

- The balance at the beginning of the reporting period;
- The amount credited during the period;
- Any deductions made from the account;
- The amount of interest earned on the account; and
- The total in the account at the end of the reporting period.

a) Earned Income Disregard

The Earned Income Disregard (EID) program allows eligible CHA families (PH families and HCV participants with a disability) who have an increase in employment to temporarily prevent and phase in of a rent increase. EID is a one-time opportunity that may be used for a total of 24 consecutive months according to the following implementation schedule:

- Once active, 100% of any increase in income from employment will be excluded for 12 months;
- After 12 months, up to 50% of an earned income increase will be excluded for another 12 months; and
- If the participant opts out of EID once receiving the benefit, the 24-month period will continue and the participant will not be eligible for EID after the 24-month timeframe is over.

The 24-month EID period begins on the date employment begins and can stop and start along with employment. For example, a person can start and maintain employment for three months, use EID, and then stop working. If they begin working again within 12-months of the first use of EID, the participant can use EID to fully disregard the remaining of the 12-months of employment income. If they begin working after the first 12-months of EID has passed, 50% of the earned income could be disregarded for the second 12-months of the 24-month limit. In the case of FSS participants, not using the EID will positively affect their ability to earn escrow more quickly, potentially resulting in a higher escrow payout over time.

With HUD's approval of CHA's FY2014 MTW Annual Plan, FSS participants have the option of eliminating EID to take advantage of escrow accrued by gaining new employment. FSS participants who enrolled on or after 12/01/2015 are eligible for the EID opt-out. For FSS participants **opting into the EID** program their rent will not increase for 12-months, but no escrow will be accrued during this period. The additional earned income can be used to pay for the cost of keeping employment, such as transportation, work clothing, and child care expenses. FSS participants **opting out of EID**, will have a rent increase and accrue escrow according to the traditional calculation.

CHA also administers a Jobs Plus Pilot Program in which participants are eligible for the Jobs Plus Earned Income Disregard (JPEID). CHA's JPEID is a rent incentive for residents of the Jobs Plus target community whether or not they participate in the Jobs Plus program. Residents of the Jobs Plus target community who have a rent increase due to employment can be disregarded through the grant period (ending September 2019). JPEID must be offered to all residents of the target community ages 18+, even if they participated in EID in the past. Residents of the target community who also participate in FSS are not required to participate in JPEID so that they are able to earn escrow due to earned income increases.

b) Disbursement of Escrow Funds

A participant is eligible to receive a full disbursement of their escrow account upon successful completion of the COP and completion of the ITSP goals. All escrow accounts undergo an audit conducted by CHA staff prior to payout. FSS families have no income tax liability for funds held in the escrow account or for escrow payments made at the completion of the COP. All escrow disbursements are made directly to the FSS participant.

CHA permits FSS families to withdraw funds from their escrow account prior to the completion of the COP if the circumstance for the withdrawal is for the purpose of meeting a goal in the ITSP, including, but not limited to:

- Purchasing a car or making car repairs if they need their car to get to work;
- Enrollment in adult basic education courses, college, graduate school, or job training;
- Materials and supplies for college, graduate school, or job training;
- Start-up expenses involved in the creation of a small business; or
Towards the purchase of a home (e.g. independently or through participation in CHA’s Choose to Own Homeownership Program)

The participant must submit the request for an interim disbursement in writing to their FSS Coordinator. For interim disbursements, FSS families must submit a price estimate that is no more than 30 days old. Interim disbursements may not be more than half of the of the amount of the current balance of the participant’s escrow account unless for the purposes of homeownership.

If the family receives an interim disbursement of escrow and the family does not complete its COP, the family is not required to repay CHA unless the advance payment was provided based on fraudulent information from the family.

c) Forfeiture of Escrow Funds

The escrow funds accrued by the participant will be forfeited if the COP is terminated due to non-compliance or non-completion of the ITSP, or if the family uses their housing voucher to port-out to another PHA that does not administer an FSS program and the participation in CHA’s program is ended.

XI. GRIEVANCE PROCEDURES

If a family feels that termination from the FSS program was not justified, or the family feels they have been subjected to another adverse action related to FSS (e.g. denial of COP extension, denial of interim escrow payout), they may submit their concerns in writing to CHA FSS staff. A written determination will be provided by CHA staff to the family. The grievance and informal hearing procedures for the FSS program will follow the grievance and hearing procedures adopted for the PH and HCV programs in CHA’s ACOP and HCV Administrative Plan, respectively. The ACOP and HCV Administrative Plan are available on CHA’s website.

If the termination of the COP is overturned at an informal hearing, the former participant will be eligible for re-enrollment into the FSS program. If the COP expiration date has not been reached at the time of re-enrollment into the program, the participant will resume their previously executed COP. Any escrow account that was accrued and forfeited prior to a participant’s re-enrollment into the FSS program will be re-instated and will continue to accrue escrow credit if eligible.

XII. PROGRAM COORDINATING COMMITTEE (PCC)

CHA maintains a PCC to assist in securing commitments of public and private resources for the operation of the FSS program. This includes developing the action plan, implementing the program and developing and coordinating local resources available for FSS families. CHA combines the PCC for the HCV and PH FSS programs. CHA's PCC includes representatives from CHA, social service program partners and representatives from the City of Chicago and/or sister agencies, and individuals from the HCV program and PH population, including current and/or past FSS participants. CHA's PCC meets four times each calendar year to discuss the development of resources for FSS families. If a representative of the PCC misses three consecutive meetings (unexcused or without notification), they will be removed from the committee.

XIII. CERTIFICATION OF COORDINATION

In order to avoid duplication of services, CHA certifies the services and activities associated with its FSS program have been coordinated with HUD, local public agencies including the City of Chicago and Chicago Cook Workforce Partnership, and private and non-profit service providers, including members of the PCC, to avoid duplication of services and activities.