

PARMA PUBLIC HOUSING AGENCY (PPHA)
MODIFICATIONS: 2023 HCVP ADMINISTRATIVE PLAN

CHAPTER 4: APPLICATIONS, WAITING LIST AND TENANT SELECTION

PART III: SELECTION FOR HCV ASSISTANCE

Section 4-III.C. SELECTION METHOD

Page 4-11

This section has been revised to add the language highlighted in red below:

2. Residency Preference: Applicant families who reside in Cuyahoga County, **or** who are working or have been notified they will be working in Cuyahoga County, **or head of households who are attending school in Cuyahoga County** at the time of application. The preference will not be based on length of residency or employment in Cuyahoga County. At the time of initial application, applicants will be required to certify preference eligibility.

CHAPTER 8: HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

NOTICE PIH 2022-01 – Issued January 31, 2022

Carbon Monoxide Alarms or Detectors in U.S. Housing and Urban Development (HUD)-Assisted Housing

This notice clarifies that HUD will enforce the requirements instituted by Congress requiring that all Public Housing (PH), Housing Choice Voucher (HCV), Project Based Voucher (PBV), Project Based Rental Assistance (PBRA), Section 202 Supportive Housing for the Elderly (Section 202), and Section 811 Supportive Housing for Persons with Disabilities (Section 811) comply with the International Fire Code (IFC) 2018 standards on the installation of CO alarms or detectors by December 27, 2022.

Compliance changes incorporated into the 2023 Administrative Plan are listed below:

Additions to Page 8-2

- 1) Section 8-I.A. PART I: PHYSICAL STANDARDS - GENERAL HUD REQUIREMENTS
HUD Performance and Acceptability Standards**

Insert last bullet point:

- **CO Alarms or Detectors**

- 2) Section 8-I.A. PART I: PHYSICAL STANDARDS - GENERAL HUD REQUIREMENTS
A summary of HUD performance criteria is provided in Exhibit 8-1. Additional guidance on**

these requirements are found in the following HUD resources:

Insert last bullet point:

- **HUD Notice PIH 2022-01 Carbon Monoxide Alarms or Detectors in U.S. Housing and Urban Development (HUD)-Assisted Housing**

Addition to Page 8-8

Section 8-I.C. LIFE-THREATENING CONDITIONS [24 CFR 982.404(a); FR Notice 1/18/17]

Insert after last paragraph in the section:

The owner will be required to install and repair CO alarms and detectors in a manner that meets or exceeds the standards described in Chapters 9 and 11 of the 2018 publications of the International Fire Code (IFC), as published by the International Code Council (ICC).

CHAPTER 18: FAMILY SELF-SUFFICIENCY (FSS)

The Parma Public Housing Agency is required to incorporate into the 2023 Administrative Plan, Chapter 18 – Family Self-Sufficiency, HUD’s changes to regulations which govern the administration of the FSS program. The proposed rule makes changes to the existing FSS regulations at 24 CFR part 984 and adds a new 24 CFR part 887 to address the FSS program for owners of multifamily assisted housing. The PPHA’s 2023 Administrative Plan will be revised to comply with the HUD Final Rule summarized below. For more detailed PPHA policy changes related to the FSS program, review the Parma Public Housing Agency FSS Action Plan which can be found on the agency website – www.parmahousing.org

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FINAL RULE SUMMARY 24 CFR Parts 887 and 984

Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency (FSS) Program

Effective date: June 16, 2022.

Compliance date: Public Housing Authority and Owner compliance with this rule is required no later than November 14, 2022.

The changes include updating the mandatory size of a PHA's required FSS program and available exceptions; updating the definition of eligible families; allowing family members other than the Head of Household for rental assistance purposes to sign the Contract of Participation (CoP) and to meet the employment obligation; amending the definition of supportive services; changing the term of the CoP; amending the requirements pertaining to the management of the escrow account, including the

requirements for forfeiture of the escrow funds; and, amending reporting requirements. Also, the Economic Growth Act provided new provisions for private owners of multifamily assisted housing to set up their own FSS program or enter into a Cooperative Agreement with another private owner or PHA to offer an FSS program to the owner's assisted residents.

HUD also proposed changes, that were not statutorily required, to streamline the program, including removing references to the establishment of mandatory programs; requiring an FSS Program Coordinator as a Program Coordinating Committee (PCC) member; requiring that at least one resident participant from each HUD-assisted program served by FSS is a member of the PCC; revising the amount of time a family must be independent from welfare assistance prior to expiration of the CoP; expanding the definition of "good cause" for a contract extension to include the active pursuit of a goal that will further self-sufficiency, such as a college degree or credit repair program; removing the provision that automatically completes the FSS contract when thirty percent (30%) of the family's adjusted monthly income equals or exceeds the Fair Market Rent (FMR); requiring that nullification would occur when the PHA or owner and participant determine that services integral to an FSS family's advancement towards self-sufficiency are unavailable or when the head of FSS family becomes permanently disabled and unable to work or dies during the period of the contract, with exceptions; differentiating between "determining the FSS escrow amount" and "crediting that FSS escrow amount" to a family's FSS escrow account and requiring that, during the term of the FSS contract, the PHA or owner credits the escrow amount to each Family's FSS escrow account on a monthly basis; revising the provision concerning reduction of amounts due by the FSS family; and revising several provisions concerning FSS families that move with continued housing choice voucher (HCV) assistance from the jurisdiction of one PHA to the jurisdiction of another PHA under portability. HUD also reminded PHAs and owners that they may not establish mandatory goals or requirements for all participants other than the two mandatory goals set in regulation (seek and maintain suitable employment, and be independent from welfare assistance), and that all other goals must be set on an individual basis.

This final rule also clarifies in § 984.101 that participation in the FSS program, or lack thereof, may not be used as cause to terminate rental assistance.

This final rule maintains the current definition of "effective date of the Contract of Participation" which currently is the first day of the month following the month in which the FSS family and the PHA or owner entered into the Contract of Participation. HUD revises the definition slightly so the effective date will be the first day of the month following the date in which the FSS family and the PHA or owner entered into the Contract of Participation.

"FSS family in good standing" as recommended by some commenters to mean an FSS family that is in compliance with their FSS CoP, has satisfied or is current on any debts owed the PHA or owner, and is in compliance with the regulations regarding participation in the relevant rental assistance program.

This final rule also expands the definition of "Personal welfare" in § 984.103 to include health, dental, mental health and health insurance services.

This final rule specifies in §§ 887.107 and 984.106 that Cooperative Agreements between PHAs and owners of multifamily properties must include processes for the entities to communicate with each other about changes in their Action Plans to ensure continued coordination between the participating entities in administering their program.

Contract of Participation. In § 984.303, which covers the “Contract of Participation,” this final rule makes various changes and revisions. This clarifies that there will only be one CoP per household, and there may be an Individual Training and Services Plan (ITSP) for as many members of the household that wish to participate, which will be incorporated into the CoP. The rule also revises the regulatory text in paragraph (b)(3) to clarify that all considerations allowed for other residents for repayment agreements and other matters shall also be allowed for FSS participants. The rule revises § 984.303(b)(2) to state that being independent from welfare assistance will be a mandatory final goal instead of an interim goal.

Additionally, the rule revises paragraph (b)(4)(iii) to note that the determination of suitable employment will be made with the agreement of the affected participant, so that the affected participant has input into this matter along with the PHA or owner, and expands the regulation to include that the determination will involve consideration of the receipt of other benefits of the participant, to ensure that new employment will not cause the loss of necessary supports, in addition to the skills, education, and job training of that participant.

This final rule eliminates the requirement from the proposed rule that the family consult with the PHA or owner in designating the head of FSS family, as HUD believes that it is generally in the best interests of assisted households to choose the head of FSS family that is most suitable for their individual household circumstances.

This final rule also revises paragraph (d) to clarify that the determination of good cause for a Contract extension can include circumstances beyond the control of the FSS family that impede the family's ability to complete the CoP obligations and can include any circumstance that the PHA or owner determines warrants an extension, as long as the PHA or owner is consistent in its determinations.

Further, this final rule provides in paragraph (k) that while the CoP will be terminated, escrow can be disbursed to the family when services that the PHA or owner and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable.

This final rule revises paragraph (f) to clarify that modifications to the CoP must be in writing and signed by the PHA/owner as well as the head of FSS family.

Additionally, this final rule revises paragraph (j) to clarify that only non-HUD funds or non-HUD restricted funds can be used by PHAs and owners to offer supportive services to former FSS families that have left assisted housing.

Lastly, this final rule provides in paragraph (k) that a CoP will be terminated but escrow can be disbursed to the family rather than forfeited, if an FSS family in good standing moves outside the jurisdiction of the PHA for good cause, as determined by the PHA, and continuation of the CoP after the move, or completion of the CoP prior to the move, is not possible.

H. *FSS escrow account.* This final rule removes from § 984.305 language that would permit a PHA or owner to set a policy to either conduct a new re-examination of income before the effective date of the FSS contract, or to use the amounts on the family's last income re-examination when setting a participant's baseline rent. This final rule will instead require the PHA or owner to use the amounts on the most recent rent certification. HUD believes this is more in line with congressional intent.

Additionally, this final rule expands the list of eligible activities for which forfeited escrow funds may be used to include other costs related to achieving obligations outlined in the CoPs of remaining FSS participants and adds to the list of ineligible activities “general administrative costs of the FSS program.”

This final rule does not contain language from the proposed rule that would have provided for escrow disbursement to an estate if the head of the FSS family dies before a CoP is completed, as HUD determined that there is no legal authority for this. However, if the head of the FSS family dies before the CoP is completed, another member of the FSS family may take over the CoP.

In § 984.306, this final rule clarifies that a PBV family that has been enrolled in the FSS program for 12 months, and who exercises its right to transfer from the PBV unit to tenant-based rental assistance in accordance with [24 CFR 983.261](#), may move outside of the jurisdiction of the initial PHA in accordance with standard portability regulations. The PHA's discretion to allow portability moves for TBRA FSS participants within the 12 months following the effective date of the CoP also applies to PBV families who become Tenant-Based voucher families.

Additionally, this final rule provides that a receiving PHA that is already serving the number of families identified in its FSS Action Plan and determines it does not have the resources to manage the additional FSS contract is not required to enroll a porting family. In such cases, the initial PHA must discuss with the family options available to the family, such as modification of the FSS contract, termination of the FSS contract and forfeiture of escrow, termination of the contract and the release of escrow if the initial PHA determines there is good cause for the move or locating a receiving PHA that has the capacity to enroll the family into its FSS program. HUD has made this change after considering public comments and determining that a lack of capacity to serve a ported FSS family would be a reasonable justification for a receiving PHA to deny enrollment of the ported FSS family into its FSS program.

This final rule allows a family that was not an FSS participant at the initial PHA to enroll in a receiving PHA's program when the receiving PHA bills the initial PHA if the initial PHA agrees, and the initial PHA manages an FSS program.