



November 20, 2020

Regulations Division
Office of General Counsel
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410-0500

RE: Docket No. FR-6114-P-01, Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency (FSS) Program

To Whom It May Concern:

On behalf of Stewards of Affordable Housing for the Future (SAHF), thank you for the opportunity to provide comments on HUD's proposed rule streamlining and implementing the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act) provisions for the Family Self-Sufficiency (FSS) program. SAHF supported this legislation, specifically making permanent the expansion of FSS to private owners of multifamily assisted housing. This statutory provision will help ensure that more HUD-assisted residents can access FSS, a proven model that promotes earnings and savings by combining personalized support with a financial incentive. While relatively small now, FSS is ready to go to scale with program improvements and clarifications made by implementing the legislative provisions through rulemaking, coupled with a bold federal investment in its expansion.

About SAHF

SAHF is a collaborative of thirteen exemplary multi-state nonprofits who collectively own, operate, and manage more than 147,500 affordable rental homes in 2,000 properties across the country. SAHF members appreciate HUD's efforts to promote economic mobility and its recognition of housing as a platform for enhanced wellbeing. As mission driven practitioners, SAHF members know that service-enriched affordable housing is key to improving economic mobility and other outcomes for residents.

In fact, SAHF began [its Outcomes Initiative](#) in 2012 to create a common framework for its members to demonstrate with data the impact on residents of providing housing-based services and support in five key areas: Financial Stability & Resilience; Housing Stability; Youth & Education; Community Engagement & Safety; and Health & Wellness. In its latest round of data collection, SAHF collected outcomes data in these areas on more than 151,000 residents at 1,400 of its members' properties. Through its data collection efforts, SAHF and its members have gained a deeper understanding of how service-enriched housing can address barriers to economic mobility, have developed robust partnerships, and participated in new demonstration projects to improve their service delivery. For instance, continually housed families in service-enriched SAHF properties experienced a gain of \$14,000 in median income from 2014-2018, while families in properties without services experienced a gain of only \$10,000. Also, from 2015 to 2018, the employment rate for continuously-housed, non-disabled working age residents increased by 2.0 percentage points in service-enriched properties and decreased by 1.8 percentage points in properties without service coordination.

Stewards of Affordable Housing for the Future

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SAHF's Outcomes Initiative has affirmed what other evaluations of the FSS program have found: stable homes that facilitate both income increases and savings are vital for economic mobility. SAHF member Preservation of Affordable Housing (POAH) became the first private multifamily owner to participate in FSS. In less than four years, POAH has launched FSS programs at 30 sites, with nearly 400 households enrolled. More than 65 percent of participants have accumulated an average of \$6,795 in their escrow account and through employment advances, gained an average increase in \$4,615 in earnings per year. Unemployment rates among participants have decreased by 18% and the rate of participants with no credit history has declined by 17%.

FSS Rule Must Support Operation of FSS in PBRA-Assisted Properties

The extension of FSS eligibility to residents of PBRA-assisted properties, and the extension of eligibility for FSS coordinator funding to independently operated PBRA FSS programs, are critical elements of the Act's FSS provisions which should be fully realized in HUD's final FSS rule. While only one SAHF member is currently participating in FSS, several more are interested and are eagerly anticipating clear and thoughtful rulemaking that will facilitate participation of PBRA properties. We therefore urge HUD to revise the following to ensure the final rule supports the successful operation of independent PBRA FSS programs.

FSS Allocation Formula

The Economic Growth Act provides that "the Secretary shall establish a formula by which annual funds shall be awarded..." We urge HUD to incorporate such a formula into the rule and address how HUD will approach the discretionary authorities provided in this section of the Act.

HUD's final FSS rule should clarify certain aspects of how the two-tier allocation priorities defined in the statute will be applied to the annual funding formula. Specifically, HUD should clarify that the first priority ("renewal of the full cost of all coordinators in the previous year at each eligible entity with an existing FSS program that meets applicable performance standards set by the Secretary") encompasses only the renewal of the full costs of the same number of full-time and part-time coordinators as were funded by FSS awards in the prior year, with appropriate adjustments for local staffing costs and for year-to-year cost-of-living increases; and that the second priority ("New or incremental coordinator funding authorized under this section") encompasses all other funding requests, whether for new coordinators, incremental increases from part-time to full-time coordinators, or for existing coordinators not previously funded with FSS award funding. These clarifications further the intent of Congress to allow funding to cover coordinators at programs that were not previously funded, for new as well as existing FSS programs, while giving first priority to renewal of prior year grants.

We also urge HUD to address in the final rule its intended approach to determining awards of "new or incremental coordinator funding" under the second priority, which will require a competitive selection process. HUD should define general principles which will govern the allocation of new or incremental coordinator funding, and commit to provide fair and reasonable access to programs operated by PBRA owners.

The Act gives the Secretary the discretion to determine the policy concerning awards for eligible entities serving fewer than 25 participants, and suggests that such a policy could include prorating the award amount or allowing such entities to combine programs. This is important flexibility for PBRA owners operating coordinated FSS programs across multiple smaller properties, and should be incorporated into a final rule.

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Action Plans

Section 887.105(3) of the proposed rule requires that a PBRA FSS program have an Action Plan approved by HUD but 984.201(b) of the proposed rule appears to provide authority for development of an Action Plan only to PHAs. HUD should revise the proposed rule to clarify that PBRA owners are also authorized to develop Action Plans.

Jurisdiction

The proposed rule's definition of an FSS program refers to "a program established by a PHA or owner within its jurisdiction". The phrase has no applicability to owners, and could sow confusion. We urge HUD to delete "within its jurisdiction" from this definition for owners.

FSS Rule Must Lower Barriers for Participation

SAHF is pleased to see that the proposed rule effectively implements both the Act's statutory provision requiring that any adult member of the household be able to execute the Contract of Participation (CoP) as well as the provision that the PHA or owner and the FSS family may mutually agree to modify the CoP in regards to the head of the FSS family during the contract term. These changes will make it easier for more eligible households to participate in the program.

We also strongly support HUD's decision to revise the requirement that participating households be independent from welfare assistance for twelve months prior to the expiration of the CoP. The existing requirement that households be independent from welfare assistance for a specific length of time has no positive effect on a participant's progress and instead serves only as an additional barrier for participants to overcome in order to successfully graduate from the program.

A further way to lower barriers to participation in FSS could be to have the option for participants to "pause" their participation. Participants can encounter challenging situations, such as a health or family crisis, during their time in the program that can make it difficult to actively participate in the program. Under current rules, these types of challenges contribute to increased terminations. Being able to pause participating in services and suspending accumulation of escrow, while extending the contract end date by the same period of time that the participant pauses their participation would help to strengthen program participation and graduation rates, and support participants to maximize their escrow accumulation.

Finally, as owners and participants navigate participation during COVID-19, we recommend that HUD make clear there is flexibility for services to be conducted onsite or virtually.

SAHF and its members appreciate HUD's efforts to implement the Act's provisions to ensure utilization of this important economic mobility program in HUD PBRA properties. Please feel free to contact me at aarnold@sahfnet.org with any questions about our comments above.

Sincerely,

Althea Arnold
Senior Vice President, Policy

Stewards of Affordable Housing for the Future