



# Recommendations for Strengthening HUD's Family Self-Sufficiency Program

## Executive Summary

HUD's Family Self-Sufficiency (FSS) program is a proven approach for helping families in public housing and the Housing Choice Voucher program build assets and make progress toward self-sufficiency and homeownership.<sup>1</sup> FSS works by combining (a) stable, affordable housing with (b) service coordination to help families access services needed to overcome barriers to work and achieve other goals and (c) an escrow account that grows as families' earnings grow. The escrow account functions as both an asset-building vehicle and a tangible financial incentive for families to increase their earnings.

Despite the great benefits of FSS in helping families achieve self-sufficiency and homeownership, enrollment in FSS has *declined sharply* over the past two years. To prevent further declines in FSS program participation, there is an urgent need to stabilize funding for FSS. As described more fully in the complete analysis, this could be accomplished, within current HUD funding levels, by implementing the following recommendations:

1. HUD should revise the Housing Choice Voucher FSS Coordinator NOFA to distribute appropriated funds more equitably and efficiently.
2. Congress should adopt the "fix" included in the Administration's FY 2007 Budget Request to fund contributions to FSS escrow accounts *before* the balance of Housing Choice Voucher funds are distributed to housing agencies.
3. HUD should issue a PIH Notice authorizing Public Housing Agencies to request additional Public Housing Operating Funds to cover the costs of one public housing FSS coordinator, as specified in Section 23(h)(2) of the United States Housing Act of 1937. In addition, HUD should request, and Congress should provide, the funding needed to fully support public housing operating costs.
4. HUD and Congress should restore funding for the ROSS program to historic levels and increase its stability by funding it as an ongoing, dedicated program (rather than a set-aside within the public housing capital fund).

Once the immediate problems have been fixed, HUD should initiate discussions with Congress, practitioners, AASC, CFED, FSS Partnerships, NAHRO, the National Low Income Housing Coalition (NLIHC), New America Foundation and other stakeholders to discuss how to provide long-term stability and support for the FSS program so that it can help more families build assets and make progress toward self-sufficiency and homeownership. Several recommendations for long-term funding solutions are included in the complete analysis. We also recommend that:

5. HUD should reach out to federal and state agencies to encourage them to partner with HUD and public housing agencies to support an expansion in the number of families benefiting from FSS.

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<sup>1</sup> For the complete analysis on *Recommendations for Strengthening HUD's FSS Program*, data on FSS results, and a summary of HUD's recent positive evaluation of FSS, visit <http://www.fsspartnerships.org/publications.htm>.