



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

PUBLIC AND INDIAN HOUSING

April 26, 2016

Dear Executive Director,

Due to HUD's funding cycles and HUD's general policy of allowing extensions in the past several years, the public housing (PH) Family Self-Sufficiency (FSS) program ended up with a "backlog" of unexpended funds. As HUD moved from separate PH and Housing Choice Voucher (HCV) FSS programs to a combined FSS program in Fiscal Year (FY) 2014, HUD recognized that this backlog was not conducive to a consistently implemented program. In the process of program consolidation, HUD has also been working to move all FSS programs to a calendar year schedule (where feasible) as another means of consistent implementation and streamlined management.

HUD has worked for over a year to assist PHAs to draw down funds for all already-incurred eligible expenses and to plan for creative uses of such funds (as much as was possible within the parameters of the NOFA). Through this process, it was explained that HUD would recapture any "extra" money that, if left, would continue to result in the need for extensions and overlapping funds year after year. This is also explained in Article I.4 of the FY 2014 FSS Grant Agreement. And, we have explained that we would not start recaptures until after December 31, 2015. Outstanding funds from PHAs that are not awarded FY 2015 FSS funding will not be recaptured.

HUD's records show that as of March 15, 2016, your agency has unexpended FSS funds from FY 2014 and/or PH FSS funds from FY2013 or prior FYs. Our records also indicate that your agency was awarded FY 2015 FSS funds. **Therefore, we are requesting that you respond to the Director of Public Housing in your local HUD Field Office by May 13, 2016, with one of the following options:**

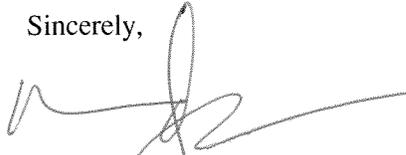
1. My agency has drawn down funds for all eligible expenses incurred prior to December 31, 2015 and requests the recapture of all remaining funds.
2. My agency requests to use the remaining funds for the [specify FY(s) grant(s)].

It is important that you identify the grants in your response, as funds will be recaptured for those FY14 FSS or prior PH FSS grants that are not part of your response. Also, your agency will have until April 30, 2017 to drawdown the funds. **Please note:**

- Your agency should have already started using your FY 2015 FSS funds and should continue to do so. If your agency elects to use the remaining funds, then you will be using the FY 2015 FSS funds and the past FSS funds simultaneously.
- Eligible expenses may include things such as contracting to do FSS data collection/clean-up/analysis, building the capacity of the Program Coordinating Committee, strengthening your agency's outreach strategies, etc.
- Your agency may also hire an extra, temporary FSS coordinator to help with your agency's existing FSS caseload or FSS special projects (see preceding bullet). However, such FSS coordinator positions will not be considered renewal positions in future FSS funding competitions.
- The remaining funds may not be used to continue paying the standard salary for current coordinators.

If your agency has not responded to the Director of Public Housing in your local Field Office by May 13, 2016, HUD will recapture any remaining funds in FY14 or prior PH FSS grants. Please contact your local Field Office or FSS@hud.gov with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Milan M. Ozdinec', with a long horizontal stroke extending to the right.

Milan M. Ozdinec
Deputy Assistant Secretary for
Public Housing and Voucher Programs

Cc: PH Director, Office of Public Housing
