

HOW HOUSING MATTERS

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Leveraging Housing Assistance to Strengthen Family Economic Security

CASE STUDY Family Self-Sufficiency Program,
Montgomery County, Maryland

Prepared by the Center for Housing Policy



Type of housing

Public housing and voucher-assisted housing

Funding sources

HUD plus supplemental funding from Montgomery County government

Number of residents served

450 households currently enrolled or in the application process

Budget

\$690,518 annually for nine staff salaries, client support services, and administrative costs

The Housing Opportunities Commission (HOC) in Montgomery County, Maryland, operates one of the oldest and most established Family Self-Sufficiency (FSS) programs in the country. One of the keys to the program's success is the partnerships HOC has developed to increase its capacity for case management and provide additional resources to help families achieve their educational and employment goals.

History

The Family Self-Sufficiency program is a HUD initiative designed to help families using housing vouchers and in public housing build assets and make progress toward economic security. FSS works by combining three elements to help families achieve their goals: (1) stable affordable housing; (2) case management to help participating families overcome the barriers to increased earnings by connecting them to needed services, such as child care, financial counseling, or transportation; and (3) a financial incentive for families to increase their earnings in the form of an escrow account that grows as families' earnings rise.

Like other families in HUD-assisted housing, families participating in FSS pay 30 percent of their adjusted income for housing. When their incomes rise, families in HUD-assisted housing pay more in rent. However, for those enrolled in FSS, an amount roughly equal to the increase in rent due to increased earnings goes into an escrow account for the family. The residents receive these funds upon successfully graduating from the FSS program. Graduation requires that families no longer receive assistance from Temporary Assistance for Needy Families (TANF), that the head of household is employed, and that families achieve other goals included in the contract at the outset of the program, such as completion of an educational program. Families have five years in which to achieve their goals, with two additional years available at the discretion of their case managers.

Montgomery County, located immediately north of Washington, D.C., is one of the largest jurisdictions in the metropolitan area, with an estimated population of nearly one million. It is also one of the most affluent counties in the nation, with fair market rents of more than \$1,400 for a two-bedroom apartment and a median home price of close to \$1 million for a new single-family home and \$405,398 for an existing single-family home or townhouse. The high cost of living in the county means it is particularly difficult for lower-income residents to build assets, become economically secure, and achieve homeownership. FSS provides participants with a unique opportunity to get ahead and make progress toward economic security.

HOC started its FSS program in 1993 and over time has graduated 731 families. HOC currently has 380 families enrolled in FSS, and approximately 70 families are in the application process but have not yet executed their FSS contract.



FSS PARTICIPANT MEETS WITH HER CASE MANAGER. COURTESY OF THE HOUSING OPPORTUNITIES COMMISSION.

Opportunities

HOC's FSS program reports large increases in the earnings and assets of program graduates:

Income Increases. Historically, HOC's FSS graduates have more than doubled their average annual earned incomes during their participation in FSS, from \$12,067 at enrollment

to \$29,788 upon graduation. The most recent program graduates, in 2010, increased their average annual earned incomes from \$15,872 to \$32,401 over the course of their participation in the program.

Asset Increases. Historically, HOC's FSS program graduates have accumulated an average of \$8,780 in FSS escrow account savings. The 2010 graduating class reported an average escrow savings balance in excess of \$12,000.

Graduation Rates. As of July 2011, HOC's FSS program had an overall graduation rate of 45 percent. Of those participants who completed the program's full five-year term, almost 83 percent successfully graduated by becoming employed, independent of TANF assistance, and achieving the other goals in their initial contracts.

Homeownership. Some 131 of the program's graduates (18 percent) became homeowners when they graduated from FSS. In many cases, these new homeowners were assisted by HOC's First Time Homebuyer Program, which offers comprehensive homeownership education, credit counseling, and guidance on finding affordable homes for purchase. A quarter of HOC's FSS graduates who went on to become homeowners were unemployed or on TANF assistance when they first entered the FSS Program.

Despite the difficult economic times, HOC reports that 221 of the 380 current FSS participants have escrow savings and 60 percent are employed. Most of the remaining participants are engaged in employment-related education or similar activities. About 95 percent of participants are single parents, and they have an average of two children.

One FSS graduate notes the tremendous change in her life since leaving an abusive relationship nine years ago. "I am getting ready to buy my first house ...with the money I saved in escrow with FSS," she said. "My girls are healthy honor roll students."

Challenges

Funding. One of the biggest challenges for all FSS programs is funding. Although HUD pays for the escrow accounts, there is only limited financial support for FSS coordinators and case management and no money available for direct services. HOC has not let this challenge prevent it from offering a strong FSS program. In order to manage the large caseload, HOC has instituted an innovative case management model, described below. It has also developed a volunteer network and built strong partnerships with service providers to leverage work-promoting services for program participants.

Case Management. To augment limited HUD funding for case management, HOC has developed a case management partnership with the Montgomery County Department of Health and Human Services (DHHS) and Crossway Community, Inc., a local non-profit provider of housing plus services for low-

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MONTGOMERY COUNTY'S FSS GRADUATION, 2010. COURTESY OF THE HOUSING OPPORTUNITIES COMMISSION.



COMPUTER TRAINING FOR FSS PARTICIPANTS. COURTESY OF THE HOUSING OPPORTUNITIES COMMISSION.

income single mothers. Case management duties are shared among the three FSS partners. HOC employs eight case managers (three of whom work part-time). DHHS provides three case managers to work with FSS participants who are also part of its TANF caseload. Crossway Community provides an additional case manager who handles the cases of about 30 FSS participants who live in Crossway's housing. The

partnership with DHHS and Crossway Community reduces the expense and time involved in case management by identifying organizations that are already providing similar case management services to the same clientele, avoiding duplicative work.

Volunteers. Early in the course of implementing its FSS program, HOC saw an additional opportunity to enhance the services and supports available to FSS participants by tapping into volunteer resources. This initially involved a partnership with Friends in Action, a local volunteer network, but staff turnover there led HOC to start its own volunteer program. In 1994, the Meyer Foundation provided the seed money for HOC's FSS Volunteer Mentoring Project. A HOC employee now supervises a team of 45 trained volunteer mentors. Volunteers are recruited from the broader community, as well as past FSS graduates and HOC staff. Each volunteer is usually assigned to one FSS family, providing dedicated one-on-one assistance for a minimum of one year. The volunteers provide regular encouragement as well as assistance with job search activities, such as preparing for interviews.

Community Supports. HOC also partners with a wide range of agencies and nonprofits, including a University of Maryland branch, to connect families with additional resources such as adult education programs, free or low-cost computers, and discounted used cars. More community supports are needed to help families access core services, such as childcare and training opportunities, that will allow them to make progress toward economic security.

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This case study was prepared by the Center for Housing Policy, the research affiliate of the National Housing Conference (NHC). In partnership with NHC and its members, the Center works to broaden understanding of the nation's housing challenges and to examine the impact of policies and programs developed to address these needs. For more information, see www.nhc.org.

