Written Testimony of Mr. Stacy L. Spann

Executive Director

Housing Opportunities Commission of Montgomery County



Before the U.S. House Committee on Financial Services'
Subcommittee on Housing and Insurance

Overview of the Family Self-Sufficiency Program
Wednesday, September 27, 2017

Good afternoon, Chairman Duffy, Ranking Member Cleaver, and members of the House Committee on Financial Services' Subcommittee on Housing and Insurance. Thank you for the opportunity to testify before you about the Department of Housing and Urban Development's (HUD) Family Self-Sufficiency (FSS) program and to share our approach and experiences with the FSS program at the local level.

My name is Stacy Spann, and I am the Executive Director of the Housing Opportunities Commission of Montgomery County (HOC) in Montgomery County, Maryland. The Housing Opportunities Commission is the county's largest provider of high-quality, amenity-rich, affordable housing to low- and moderate-income households. As Montgomery County, Maryland's designated Public Housing Authority and Housing Finance Agency, we serve approximately 13,800 households through our housing programs, including administration of the federal Housing Choice Voucher program and HUD's other Section 8 programs. We also operate non-federal affordable housing programs, as well as finance and develop affordable units throughout the county. In our role as social Housers, we take great pride in the enrichment programs and supportive services we provide and connect our customers with to help the folks we serve reach their fullest potential. HOC delivers robust workforce and education programming for adults and youth including our Fatherhood Initiative, a suite of educational opportunities for adults and youth we call HOC Academy, in addition to HUD's Family Self-Sufficiency program.

HOC's FSS program has transformed the lives of hundreds of families by providing career development support that helps HOC customers achieve increased self-sufficiency. Participants receive comprehensive case management and service connections that support them in gaining and improving employment through one-on-one assessments, goal setting, referrals, skills training, and education. Since HOC's FSS program began in 1993, we have graduated 938 participants from the program.

However, HOC's FSS program has evolved significantly since it began. In 2015, the program had a shift in leadership which compelled the agency to look inward and reevaluate the way we were administering the program. We wanted to ensure that enrolling customers in the FSS program and guiding them through the process was not just *pro forma*. We are not interested in simply checking the box and tallying numbers. We took a step back and asked ourselves,

"What are we doing to help our customers achieve progress? Are we requiring people to take meaningful strides toward self-sufficiency in order to graduate?" We understand that making a decision to change your life is difficult. As an agency, we want to make certain that we give our best effort to help our customers do this deep work. If participants were graduating only to find they were accessing emergency rental assistance services or facing eviction a few months later, then we were not doing our jobs, and we were not doing our clients justice.

HOC took time to reassess its FSS processes and created a more comprehensive case management. FSS case managers became responsible for tracking families as they came up for recertification—ensuring they were familiar with all aspects of a participating family's progress. We evaluated the strength and quality of our partnerships with service providers. At the end, we offered participants the opportunity to reaffirm their commitment to the FSS program and the new guidelines for setting goals toward graduation. We lost many participants, but gained individuals who were prepared to be part of a program that was viable and meaningful, that they believed would help propel themselves and their families closer to their personal goals.

This process took a year before we re-opened new admissions to the program. As an agency, I do not pretend that this process was easy. It is not always easy for organizations or people within organizations to both self-assess and be honest. Our program in many respects mirrored the experiences of the national program and HUD's own efforts to illustrate the program's outcomes and impacts.

As a result of HOC's program restructuring, our 2017 graduation ceremony, held just last week on September 21st, celebrated the accomplishments of 63 FSS graduates. Where 52 percent of graduates were unemployed at enrollment 100 percent were employed by graduation having at least 12 consecutive months of employment. As a group, the average earned income of participants more than quadrupled—from \$8,106 to \$37,393 annually. When accounting for federal entitlement and other income support payments, the average household income for participants upon graduation was \$42,520 annually. Nearly 20 percent increased their earnings enough to become independent of housing assistance and five graduates achieved the American dream of homeownership—and as an agency with the resources to more fully support homeownership through our own mortgage products, we want to see if we can do more.

While our graduates have accomplished much, numbers without context cannot fully convey the extent of their experience. Through the process of resetting our FSS program, there are a few things we have come to learn:

Self-sufficiency is a continuum and one size cannot fit all. Participants come to the FSS program with different experiences and at various stages in their life. To truly help customers achieve the goals they set for themselves, we must recognize the diversity of their experience and be ready and willing to meet them where they are on that continuum. We also must respect the personalized nature of developing goals and what success looks like for each FSS participant. Honoring that diversity is crucial for helping participants establish challenging, reachable and fulfilling goals. But it is also essential that we challenge ourselves as administrators to create an FSS program that is flexible enough to be "right-sized" for every community in which it operates and every participant it serves. That means understanding and respecting how progress and success will look different for different participants as well as different communities.

For example, while HOC's 2017 graduates accomplished an amazing feat by more than quadrupling their average earned income, that success is still relative to their fellow county residents in Montgomery County and their ability to achieve what others may judge to be full economic self-sufficiency—and off federal housing assistance completely. The area median income for a family of four in Montgomery County is \$110,300. The hourly wage required to afford a two-bedroom apartment at the fair market rent in Montgomery County is \$33.58, which means a household must earn nearly \$70,000 a year to afford to rent in the private marketplace. While the increased average annual earned income of \$37,393 by our clients is a tremendous personal milestone, it is also an extremely far cry from full economic self-sufficiency, independent of other government supports in our community. Similarly, it is important to recognize that successful program participation will manifest differently in communities and regions with high concentrations of people that may be unable to work—communities where there are significant numbers of persons with physical or other disabilities or elderly persons.

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¹ National Low Income Housing Coalition (NLIHC) (2017). Out of Reach.

We believe HUD's acknowledgement of diversity in participant experiences is essential to accurately and meaningfully measuring outcomes in the Family Self-Sufficiency program. The efficiency and effectiveness of an FSS program cannot rest solely on the number of people who pass through the doors. Success must be measured from where the graduate begins and chart the depth of their experience with the program—higher education accomplished, homeownership achieved, children sent to college. While this approach will not lend itself easily to the comparison of program success across localities and regions, it is the key to creating a genuine roadmap of progress for our participants. In addition, agencies that do the hard work of revamping their basket of services, resources and supports should not be penalized for having done so.

Doing the deep work required to serve FSS participants takes time and effort. But serving less can mean more. Simply, it takes a tremendous amount of work to assist FSS participants to move from one milestone to the next and meaningfully move along the continuum of self-sufficiency. It is the rare person among us who got it right the first time, made a difficult climb without the help of others, pulling themselves out of a hole that at first glance seemed insurmountable. It takes people to serve people. That means that case workers, mentors, and tutors must consistently touch clients as they move from one hurdle to the next to chart progress, and provide support and encouragement along the way. HOC's FSS program recognizes and prioritizes these interactions by requiring case workers to continue follow-ups with graduates six and 12 months after they achieve graduation.

However, engagement at this level means that coordinators and case workers must stretch themselves to make certain each client gets the level of touch they require to move forward. That may mean that, in order to do the deep work it takes to achieve positive outcomes, we ultimately serve a lower number of clients but with a higher-quality experience. We urge HUD to carefully consider this approach, and to employ flexibility in defining criteria for measuring successful program performance.

Breaking the cycle of intergenerational poverty calls for a holistic approach. The Family Self-Sufficiency program is about moving participants *and* families toward economic independence and long-term success. While coordinators and case workers are primarily focused on goals and accomplishments of FSS participants, it is critical to connect all family members to

services when and where available. Once a household is in HOC housing or in the FSS program,

it opens the entire family up to our other basket of services. It ensures we are taking a two-

generational approach to guiding families toward economic stability and opportunity. HOC's

FSS program provides training for participants that encourages long-term financial planning and

stability—requiring the completion of courses in financial capability and building credit—in

addition to providing access to programming that supports educational success for the next

generation—homework clubs, STEM camps, coding courses and camps targeted toward girls,

scholarships, summer internship employment opportunities and much more. In determining

which metrics are relevant for gauging FSS participant progress, there is an opportunity to

consider the participation of children and other related household members in educational and

enrichment programming as a key outcome measurement for success.

HOC supports putting families on a real path toward economic mobility and stability. In

order to achieve this objective in the Family Self-Sufficiency program, metrics and

measurements for participant and program success must meaningfully consider the diverse

experiences and varying needs of participating families. It will require careful introspection

about our willingness to do the hard work to implement the flexibility that fosters, instead of

frustrates, innovative solutions and serves participants more deeply. I applaud this Subcommittee

for taking an interest in the Family Self-Sufficiency program and for looking for opportunities to

improve its effectiveness and invest in the lives of many of the country's most vulnerable

households. I hope this hearing serves as the first of many public discussions about how we can

all work smarter to help individuals achieve the best possible outcomes for themselves and their

families.

In addition to my testimony today, I encourage members to listen to the stories and

successes of some of this year's FSS graduates, through video testimony found here:

2017 FSS Graduate Evelyn's Story: http://bit.ly/2hsiawX

2017 FSS Graduate Iya's Story: http://bit.ly/2flfFrM

2017 FSS Graduate Yvette's Story: http://bit.ly/2hrHRxE

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