# Connected by 25:

# Financing Housing Supports for Youth Transitioning Out of Foster Care

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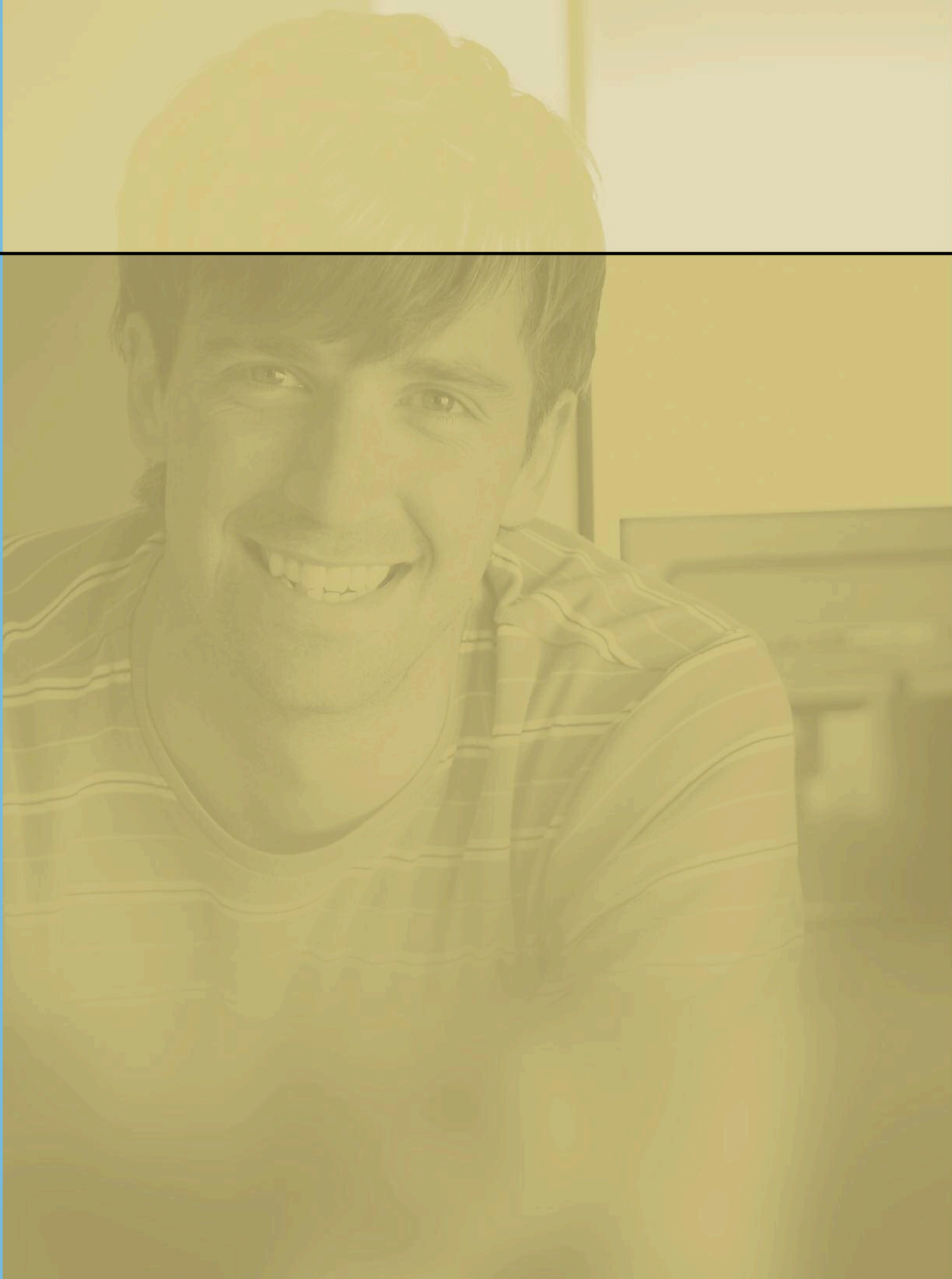

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# FINANCING Housing Supports FOR YOUTH TRANSITIONING OUT OF FOSTER CARE

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# Foreword

**This strategy brief is one of a series of briefs exploring strategies for financing supports and services that help foster youth make successful transitions to adulthood.** It was written by The Finance Project with support from the Foster Care Work Group. The Foster Care Work Group (FCWG) is one of three work groups of the Youth Transition Funders Group (YTFG), a collaboration of foundation leaders dedicated to improving the lives of the nation's most vulnerable young people. Foundation leaders participating in the YTFG are committed to achieving a common vision—ensuring that vulnerable youth are connected by age 25 to institutions and support systems that will enable them to succeed throughout adulthood. The FCWG brings together foundation leaders with a shared interest in preparing youth in foster care for their transition out of the child welfare system and providing them pathways to lifelong economic well-being.

In March 2004, the Foster Care Work Group, with assistance from The Finance Project, created *Connected by 25: A Plan for Investing in Successful Futures for Foster Youth*. Connected by 25 made the case for and outlined a bold agenda for foundation and government investment in helping foster youth become successful adults. An important premise of Connected by 25 is that as public child welfare systems grapple with their mandate to provide protection for all children in their care, preparation for independence and adulthood is often given short shrift. FCWG members chose to focus specifically on preparation for economic success, recognizing that youth aging out of foster care are faced with the economic realities of self-support at a much younger age than other young adults and that economic success is associated with a number of positive life outcomes. C*onnected by 25* outlined five strategies to connect foster youth to resources that would prepare them for economic success: advocating and supporting educational achievement, facilitating and creating access to workforce development opportunities, providing financial literacy education, encouraging savings and asset accumulation, and creating entrepreneurship opportunities. FCWG members recognize that an important foundation for success in all five strategy areas is connections to caring adults who can offer ongoing support and guidance to youth. Briefs in this series explore funding sources and financial strategies to support each of these critical resources.

Based on the recommendations presented in *Connected by 25*, FCWG members launched an ambitious demonstration initiative to build the capacity of communities to effectively support young people in transition. This collaborative effort began in three sites in Indiana, Florida, and California. Currently, the national *Connected by 25* initiative includes sites in Indianapolis, Indiana; Hillsborough and Brevard County in Florida; and Stanislaus, San Francisco, Solano, Fresno, Santa Clara, Humboldt, Orange and Glenn County in California. In each of these sites, funders and community leaders are coming together around the Connected by 25 vision and crafting efforts to prepare foster youth for successful adulthood, based on the unique needs and resources in their community. This brief explores the range of partners and resources that program and community leaders can engage to support housing services for youth aging out of the foster care system. It draws on the experiences of the field and the FCWG demonstration sites and aims to further inform those efforts.

# INTRODUCTION

**To successfully transition out of the foster care system, youth need safe, stable, and affordable housing. Such housing is vital to the ability of older youth in care to maintain steady employment, access health care, pursue higher education, and, in some instances, care for their children.** Unfortunately, youth exiting foster care are often forced to face harsh economic realities—a high rate of unemployment, a scarce number of jobs, and a narrow pool of housing options—with limited support networks. Today, youth transitioning out of care join thousands of individuals and families facing a lack of affordable housing. According to the National Low Income Housing Coalition, in no county nationwide can an individual work 40 hours per week at the minimum wage and afford a one-bedroom apartment at the local fair market rent.[1] Young people leaving foster care face considerable pressure to achieve economic independence despite living in a housing market with few affordable housing options.

Unlike their peers, youth who age out of foster care are forced to prematurely confront the shocking reality of the gap between the wages they earn and the cost of housing, often resulting in periods of housing instability and homelessness.[2] Youth who leave the foster care system are becoming homeless at alarming rates; between 12 percent and 36 percent of former foster youth experience homelessness.[3] After leaving foster care, 32 percent of youth reported changing living situations five or more times within two and to four years.[4] With limited supports, older foster youth must face the financial burdens of paying a security deposit, signing a lease, furnishing their home, and being able to afford monthly rental payments once they exit the system. These life demands, coupled with limited earning potential and a shortage of affordable housing, make the transition to adulthood challenging at best.

Child welfare leaders and program developers can consider various housing options for foster youth preparing to exit the system. These options generally fall within three broad categories: emergency, transitional, and permanent housing and services. When selecting housing arrangements, case managers should work in partnership with the young person and take into account his or her individual needs and readiness to live independently. The most suitable option will depend on the unique circumstances of the young person. It is not uncommon for a young person to experience a few housing placements before finding a good fit. Affording youth opportunities to experience two or three different living arrangements can sometimes even lead to better outcomes.[5]

1 National Low Income Housing Coalition, "Out of Reach 2007–2008," http://www.nlihc.org/oor/oor2008/introduction.pdf (Accessed March 8, 2009). The fair market rent (FMR) is the U.S. Department of Housing and Urban Development's estimate of what an individual seeking housing could afford to pay for shelter and utilities in the local market. For more information, see www.huduser.org/datasets/fmr/fmrover_071707R2.doc.

2 R. White, "Introduction," *Child Welfare*, vol. LXXXIII, no. 5 (September/October 2004): 389–392.

3 Ibid.

4 Casey Family Programs, "Improving Outcomes for Older Youth in Foster Care," see www.casey.org/NR/rdonlyres/983E5E8D-DE21-49A5-BC42-3C137D757FDE/658/WhitePaper_ImprovingOutcomesOlderYouth_FR.pdf (Accessed March 8, 2009).

5 M. J. Kroner and A. S. Mares, "Lighthouse Independent Living Program: Characteristics of Youth Served and Their Outcomes at Discharge," *Children and Youth Services Review* (2008): 1–9.

## Highlights of Recent Federal Legislation Supporting Youth Transitioning Out of Foster Care

Recently enacted legislation can help address the housing needs of foster youth as they prepare to exit care and transition to adulthood.

- **Fostering Connections to Success and Increasing Adoptions Act of 2008**[a]

  Signed into law in October 2008, this act aims to ensure greater permanence and improve the well-being of children and youth served in and transitioning out of the foster care system, including giving states the option to extend care until age 21 with continued federal support.[6] While the legislation does not directly provide funding for housing for young people, it does offer states partial reimbursement of costs associated with the provision of continued residential care and services. If states opt to extend care to meet the needs of older youth, youth will be eligible to receive supportive services longer to prepare them to successfully transition to adulthood, thereby potentially avoiding homelessness upon discharge. Additionally states already using state funds to provide supportive services for older youth may be able claim Title IV-E reimbursements for qualifying services, thereby freeing up state funds for other uses, including housing supports.

- **American Recovery and Reinvestment Act of 2009**[b]

  The $789 billion economic recovery bill signed into law February 25, 2009, is designed to boost employment and the economy. Specific investments can support community development services for youth aging out of foster care.

  - *Community Development Block Grant:* $1 billion will be allocated by the U.S. Department of Housing and Urban Development (HUD) to an estimated 1,200 state and local governments to invest in community development priorities, including public services and public facilities.
  - *Homelessness Prevention:* $1.5 billion will be invested in preventing homelessness and facilitate rapid re-housing of homeless individuals and families including funds for case management services, outreach, and rental assistance of up to 18 months.

## Emergency Housing and Services

This type of assistance is generally one-time or time-limited and is intended to address an immediate housing crisis that youth may experience. It could include short-term housing arrangements such as shelters and drop-in centers for young people who are temporarily unable to live independently. Emergency services can also include financial assistance to meet urgent housing needs (e.g., to cover late rent payments, security deposits or overdue utility payments).

## Transitional Housing and Services

This type of assistance is time-limited, typically lasting between one and two years. It is intended to help young people transition from foster care or, in some instances, to address a housing crisis, and then move into a more permanent, stable housing situation. These services help young people develop the skills and knowledge necessary to succeed in permanent housing. Transitional housing programs provide youth with the opportunity

[6] Child Welfare League of America, "Summary of Fostering Connections to Success and Increasing Adoptions Act of 2008," see www.cwla.org/advocacy/adoptionhr6893summary.htm (Accessed March 7, 2009).

- *Tax Credit Assistance Program:* $2.25 billion will be invested in a special allocation of HOME Investment Partnerships Program funds to accelerate production and preservation of affordable housing units. Funds will be disseminated by HUD.
- *Neighborhood Stabilization Program:* $2 billion will be used to alleviate the effects of foreclosures through the purchase and rehabilitation of foreclosed, vacant properties in an effort to create more affordable housing and encourage revitalization in neighborhoods affected by the economic climate. This funding source, operated by HUD, can be used to create new youth housing such as shared homes or group homes.
- *Community Services Block Grant:* $1 billion will be used to alleviate the causes and conditions of poverty in communities by providing services and activities to help meet the needs of low-income individuals, including the homeless.
- *Workforce Investment Act:* $3.95 billion will be provided for Workforce Investment Act training and employment services for dislocated workers, youth, and adults. Of this amount, $1.2 billion is set aside for youth activities, including summer employment. The U.S. Department of Labor (DOL) will distribute the funds.
- *YouthBuild:* $50 million will be targeted to YouthBuild, a community development program that addresses housing, education, and employment in low-income communities, including youth in foster care. DOL will distribute the funds.

Notes

[a] For more information on the Fostering Connections to Success and Increasing Adoptions Act of 2009, see www.clasp.org/publications/FINAL-FCSAIAAct1-pager.pdf.

[b] For more information on the American Recovery and Reinvestment Act of 2009, see The Finance Project, "Opportunities in the American Recovery and Reinvestment Act for Supports and Services for Youth Transitioning from Foster Care" at www.financeproject.org/publications/StimulusBrief32409.pdf.

to learn independent living skills and improve their education and employment skills while building a positive rental history to increase their access to permanent housing. Options for housing include group homes, shared homes, host homes, and scattered-site and semi supervised apartments. Transitional services can include time-limited rental subsidies and case management.

## Permanent Housing and Services

This type of assistance is particularly important for young people with disabilities who need both permanent housing and long-term supportive services, but it can also be used for youth facing homelessness or youth at risk of becoming homeless. A housing subsidy and a public housing unit are examples of this type of assistance.

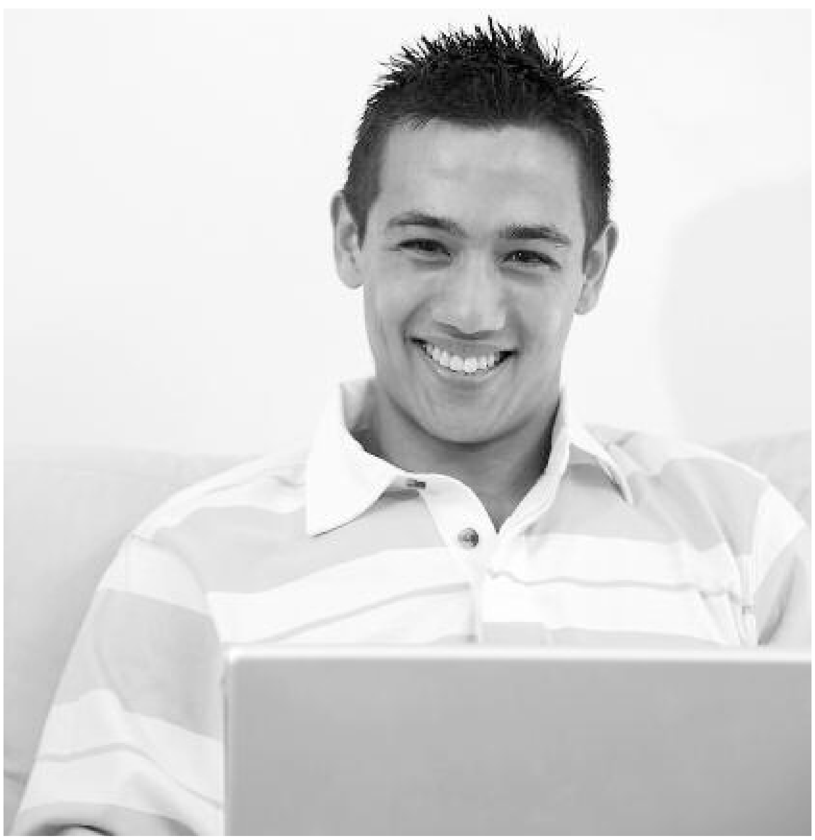
Homelessness can be very costly.[7] Preventing a homeless episode or ensuring a young person's smooth transition to stable permanent housing can result in significant cost savings for states. The lack of housing often

[7] K. Durham, Housing Youth: Key Issues in Supportive Housing (Washington, D.C.: Corporation for Supportive Housing, 2003), see http://documents.csh.org/documents/pd/youth/HousingYouthKeyIssues.pdf (Accessed March 6, 2009).

forces young people to rely on public support systems, including medical and corrections facilities. For example, it costs Colorado $53,655 to maintain one youth in the criminal justice system, but it only costs the state $5,887 to permanently move a young person off the streets.[8] By providing supportive housing resources for youth before they transition out of care, states could not only prevent homelessness and other risky behaviors among this vulnerable population but could also potentially save money. Investing in young people today will pay off in the future with reduced services when they become adults.

The shortage of affordable housing options and the soaring costs of homelessness are forcing states and communities to find innovative housing solutions for youth. Child welfare leaders and program developers across the nation are joining forces to craft innovative youth housing initiatives, such as creating all-year dormitories for college-bound students, including youth in local plans to end homelessness, developing new housing units, and advocating for dedicated state funding sources. Moreover, the recent federal Fostering Connections to Success and Increasing Adoptions Act of 2008 and the American Recovery and Reinvestment Act of 2009 can help address the needs of older foster youth including housing needs (see Highlights of Recent Federal Legislation Supporting Youth Transitioning Out of Foster Care on page 6).

As competition for housing and supportive services increases, child welfare leaders need to consider a variety of financing strategies and funding sources to meet the housing needs of young people transitioning out of care. No single funding stream for youth housing exists, so child welfare leaders and program developers must think creatively about how to cover the costs of housing development as well as pay for ongoing operating and service expenses.



This strategy brief aims to help policymakers, child welfare administrators, program developers, and community leaders address the housing needs of youth aging out of foster care. This brief presents five financing strategies, highlighting key funding sources, stakeholders, and considerations for implementation. Lastly, it highlights noteworthy programs nationwide that have successfully implemented these financing strategies.

8 J. V. Leeuwen, "Reaching the Hard to Reach: Innovative Housing for Homeless Youth through Strategic Partnerships," Child Welfare, vol. LXXXIII, no. 5 (September/October 2004): 389–392.

# Strategies to Finance Housing Supports for Youth Transitioning Out of Foster Care

Child welfare leaders can pursue five financing strategies to provide housing supports for youth exiting foster care:

1. Access federal housing resources;
2. Tap child welfare resources;
3. Access community development resources;
4. Create public-private partnerships; and
5. Improve coordination across systems.

## Strategy 1: Access Federal Housing Resources

Federal housing resources afford significant opportunities to ensure safe, stable, and affordable housing for youth transitioning out of foster care. These funding sources are typically accessed through partnerships with local housing authorities or directly through federal programs.

### Accessing Federal Housing Resources through Partnerships with Housing Authorities

Through partnerships with local housing authorities, child welfare leaders can gain access to federal housing resources, including the Family Unification Program, Section 8 set asides, and public housing. These established partnerships can ensure that young people have a place to live as they prepare to transition out of the foster care system (see National Center for Housing and Child Welfare: Resources to Create Cross-Agency Partnerships on page 10).

#### *Family Unification Program*

In October 2000, Congress passed legislation making youth aging out of foster care eligible for the Family Unification Program (FUP). Through a formal collaboration between child welfare systems and housing authorities, FUP aims to facilitate and expedite access to housing and supportive services for youth. This program provides Section 8 housing vouchers to youth between the ages of 18 and 21 who left foster care at ages 16 or older and who do not have adequate housing. Together, child welfare agencies and housing authorities implement the use of Section 8 vouchers for these youth.

Child welfare agencies refer eligible older youth, housing authorities provide housing vouchers through FUP, and child welfare agencies agree to provide time-limited after-care services. Currently, the federal government provides $20 million for incremental voucher assistance through the Family Unification Program.[9] To date, more than 500 young people have received housing and avoided homelessness through this program.[10]

Unlike the tenant-based Section 8 assistance program, the largest housing subsidy program for low-

[9] For more information on the Family Unification Program, visit the National Center on Housing and Child Welfare at www.nchcw.org.

[10] National Low Income Housing Coalition, "2008 Advocates' Guide to Housing & Community Development Policy," see www.nlihc.org/doc/AdvocacyGuide2008-web.pdf (Accessed March 5, 2009).

## National Center for Housing and Child Welfare: Resources to Create Cross-Agency Partnerships

A group of national experts in child welfare and affordable housing joined together to form the National Center for Housing and Child Welfare (NCHCW). NCHCW is dedicated to linking housing resources and knowledge to child welfare systems to ensure that children no longer linger needlessly in foster care as a consequence of family homelessness and that young people aging out of the foster care system have solid plans for stable housing and services to help them transition to adulthood. NCHCW works at the local, regional, and national levels to create cross-agency partnerships to enable communities to respond appropriately to families and youth facing homelessness. NCHCW worked with Congress to insert $20 million in new Section 8 vouchers for the Family Unification Program into the FY 2008 appropriations bill for the U.S. Department of Housing and Urban Development. These vouchers will be used to keep children out of foster care and provide housing solutions for youth exiting the foster care system.

For more information, visit www.nchcw.org.

income Americans, limitations on the use of the FUP voucher for youth exist. The voucher may only be used to provide housing for a maximum of 18 months. Therefore, program leaders must work on a long-term housing plan with the youth during this period. This long-term plan should include not only ways to secure housing, but also means to address employment skills, financial literacy skills, and the need for social networks and permanent connections. California, Colorado, Connecticut, Indiana, and New York are some of the states that successfully used FUP for youth (see Creating Partnerships with Local Housing Authorities: Colorado's Family Unification Program on page 11).

### *Section 8 Set Asides*

To increase housing options for youth aging out of foster care, child welfare leaders can also collaborate with housing authority administrators to grant set-aside Section 8 vouchers to youth or prioritize youth on Section 8 waiting lists. Twenty-three state Independent Living program coordinators report partnering with local housing authorities to place the names of youth discharged from foster care on standard Section 8 waiting lists and on lists for public housing.[11] For example, The New York City Housing Authority (NYCHA) is responsible for the city's Section 8 housing and grants the local child welfare agency a "priority code" that enables it to access Section 8 vouchers for young adults residing in foster care who have a permanency plan for independent living.[12] Accessing Section 8 vouchers for young people requires relationship building, collaboration and coordination.

### *Project Based Public Housing*

Child welfare leaders and program developers can also rely on project based public housing as an option for older youth preparing to age out of the system. Similar to giving set-aside Section 8 vouchers to youth aging out, child welfare leaders can work with their housing authorities to expedite and

[11] R. Torrico, "Child Welfare League of American Independent Living Coordinator Questionnaire Results," see www.cwla.org/programs/housing/housingreport.pdf (Accessed March 5, 2009).

[12] For more information on NYCHA's housing support services, see www.nyc.gov/html/acs/html/support_families/housing.shtml#3.

## Creating Partnerships with Local Housing Authorities: Colorado's Family Unification Program

The Colorado Family Unification Program (FUP) focuses on serving former foster care youth experiencing homelessness. In 2001, the Colorado Department of Human Services received 100 FUP vouchers from the U.S. Department of Housing and Urban Development (HUD) for youth transitioning out of the foster care system. These Section 8 vouchers last for 18 months and are targeted specifically for youth ages 18–21 that leave foster care at age 16 or older with inadequate housing. The Department of Human Services began to implement the FUP program in 2002 through the Division of Supportive Housing and Homeless Programs (SHHP), a statewide public housing agency that works to provide housing assistance linked with supportive services to low-income individuals with disabilities and other special needs. As a natural extension of its efforts, SHHP began working with child welfare and community partner agencies to ensure youth transitioning from foster care had access to appropriate case management and services offered outside of the FUP program. SHHP currently administers FUP vouchers for 90 youth transitioning out of the foster care system in Colorado.

In early 2009, SHHP partnered with Mile High United Way (MHUW), county Departments of Human Services, and local youth service providers to create a comprehensive network of case management support for former foster youth who have housing needs and to ensure that youth served by FUP are self-sufficient after completing the 18-month housing program. SHHP entered into a contract with MHUW, a Jim Casey Youth Opportunities Initiative grantee, to coordinate housing intake and service provision for FUP participants. MHUW now provides housing counseling, housing search assistance, and compiles all required documentation, verifications, and other HUD required paperwork for submission to SHHP. MHUW also facilitates the provision of supportive services and case management to FUP participants by coordinating services that are available through county child welfare agencies and community service agencies.

By linking FUP housing assistance with the consolidated administration of supportive services, Colorado created a comprehensive network that allows youth to utilize the wide array of resources available through strategic partnerships in the community. The FUP administrators report since they created this partnership, referrals have increased and the program is almost at full capacity.

For more information, contact Andy Johnson, Homeless Youth Coordinator, Colorado Department of Human Services, at 303-866-7366 or Andrew.Johnson3@state.co.us.

prioritize applications for public housing. Individuals and families reside in project based affordable housing. Typically residents of public housing are required to pay rent equivalent to 30 percent of their adjusted gross income. Several state and local housing authorities, including NYCHA, give foster youth priority for public housing.[13] While several jurisdictions have been successful in accessing assisted and public housing for youth preparing to age out of foster care, it is important to note it is often challenging to access these resources due to the increased demand and lack of supply.

## Tapping Other Federal Housing Resources

In addition to partnerships with local housing authorities, child welfare leaders can consider several other federal funding sources to create housing solutions for youth at risk of homelessness. These funding sources include low-income tax credits, the HOME Investment Partnerships Program, tax-exempt housing bonds, the McKinney-Vento Homeless Assistance Act, and the Runaway and Homeless Youth Act Transitional Living Program. Youth may also have access to housing services through the American Recovery and Reinvestment Act's recent investment of $1.5 billion for homeless prevention and rapid re-housing activities.[14]

Depending on the jurisdiction, many of these funding sources can be accessed through the state's housing finance agencies (HFAs). HFAs are state-chartered authorities established to help meet the affordable housing needs of residents. They often administer several potential sources for youth housing, including HOME, low-income tax credits, and tax-exempt housing bonds, and sometimes administer Section 8 and Community Development Block Grants.[15]

### *HOME Investment Partnerships Program*

The HOME Investment Partnerships Program, authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, is a federal block grant that provides states with a flexible funding stream for affordable housing. HOME provides formula grants to states and localities that are often used in partnership with local nonprofit groups to develop transitional housing, permanent supportive housing, and affordable rental housing that could include low-income youth. Approximately $2 billion of HOME funds are allocated among states and hundreds of localities nationwide.[16] HOME funds can be combined with other funding sources such as CDBG and state and local funds to create affordable housing units. It is important to note that HOME is only for production, acquisition and rental assistance; it is not for on-going supportive services. Counties in California and New Jersey and Seattle, Washington, have successfully used HOME funds to fund housing for young people aging out of foster care.

### *Low-Income Tax Credits*

Low-income tax credits can be used to develop housing for low-income youth. These credits are the largest source of capital financing for affordable rental housing. They are administered by state housing finance agencies and create an incentive for private investment in low-income housing developments through federal tax credits to investors. Private investors, such as banks and corporations, buy the tax credits from the affordable housing developer. The developer then uses the proceeds

[13] For more information on this program, see www.nyc.gov/html/acs/html/support_families/housing.shtml#4.

[14] National Alliance to End Homelessness, "Additional American Recovery and Reinvestment Act Homelessness Resources," see www.endhomelessness.org/content/article/detail/2179 (Accessed March 5, 2009).

[15] For more information on state housing finance agencies, visit www.ncsha.org.

[16] U.S. Department of Housing and Urban Development, "HOME Investment Partnerships," see www.hud.gov/offices/cpd/affordablehousing/programs/home/ (Accessed March 5, 2009).

## Continuum of Care Planning Process

The U.S. Department of Housing and Urban Development has created a single, uniform, and comprehensive planning process, the Continuum of Care, for communities to use when applying to HUD for homeless assistance funding. Specific funding sources could include McKinney-Vento funding, Community Development Block Grants, and HOME. This planning process could also include other federal, state, and local funding. To ensure youth housing is a priority for the community, child welfare leaders and program developers should participate in their community's consolidated planning process. This planning is critical for federal funding to be leveraged with other funding sources to aid in providing housing services and supports for youth.[17]

from the sale of tax credits, referred to as "equity," to construct or rehabilitate housing. Investors typically receive a federal tax credit for a 10-year term. Partnerships with developers can help child welfare leaders open doors to new opportunities for youth housing.[18] However, due to the current credit crunch, housing providers are finding it challenging to find investors to develop low-income housing even with tax credits.

### *Tax-Exempt Housing Bonds (Private Activity Bonds)*

Generally issued by a state's housing finance agency or other entities authorized to issue bonds, private activity tax-exempt bond financing has become a popular approach for preserving affordable housing because of the below-market interest rates and the low-income housing tax credits that are available when this financing source is used. State and local governments sell tax-exempt housing bonds and then use the proceeds to finance low-cost mortgages for lower-income, first-time homebuyers or to create apartments at rents affordable to lower-income families.[19] Program leaders should consider these types of bonds where tax credits are extremely competitive or when sufficient funding sources can be blended to make the youth housing projects feasible.

### *McKinney-Vento Homeless Assistance Act*

HUD's homeless assistance programs were created under the McKinney-Vento Homeless Assistance Act. These programs generally focus on youth at very high risk of homelessness (e.g., street youth). Programs can be used for capital, services, and operating activities.

- **Supportive Housing Program.** The Supportive Housing Program (SHP) promotes the development of supportive housing and supportive services, including innovative strategies to aid homeless persons in the transition from homelessness to supportive housing while enabling them to live as independently as possible. SHP provides rental assistance payments and is a housing resource for homeless youth. SHP funding can be accessed through HUD's annual SuperNOFA.[20] Generally, communities include SHP in their Continuum of Care planning process[21] (see Continuum of Care Planning Process above).
- **Single Room Occupancy Program.** The Single Room Occupancy (SRO) program is author-

[17] National Low Income Housing Coalition, "2008 Advocates Guide to Housing and Community Development Policy" see www.nlihc.org/doc/AdvocacyGuide2008-web.pdf (Accessed March 5, 2009).

[18] For more information, see www.hud.gov/offices/fheo/lihtcmou.cfm.

[19] For more information on housing bonds, seewww.ncsha.org/section.cfm/3/34/36.

[20] "SuperNOFA" is a streamlined way HUD notifies and distributes funding available through competitive grant programs. For more information, seewww.hud.gov/offices/adm/grants/fundsavail.cfm.

[21] For more information on supportive housing programs, see www.hud.gov/offices/cpd/homeless/programs/sro/.

ized under Section 441 of the McKinney-Vento Homeless Assistance Act. Through SRO, HUD enters into annual contributions contracts with public housing agencies in connection with the moderate rehabilitation of residential properties. While tenants are required to pay 30 percent of their income for rent, public housing authorities make Section 8 rental assistance payments to owners of property on behalf of homeless individuals who rent the rehabilitated dwellings.[22]

- **Shelter Plus Care.** Shelter Plus Care (SPC) provides housing and supportive services for homeless youth with serious mental illness, chemical dependency, AIDS, or other disabilities (see Providing a Continuum of Services for Homeless Youth with Federal Housing Funds on page 15). SPC allows for various housing options and supportive services generally funded by other sources to respond to the needs of vulnerable homeless people with disabilities.[23] These funds are accessed through HUD's annual SuperNOFA.

### *Runaway and Homeless Youth Act Transitional Living Program*

Many youth who run away from foster care often end up facing episodes of homelessness. Unfortunately, many of these youth are considered some of the most underserved.[24] Frequently, these young people end up using Runaway and Homeless Youth programs. These programs aim to prevent victimization and ensure the basic safety of unaccompanied children and youth and provide access to family reunification, housing, education, employment training, health care, and other social services. Congress first enacted the Runaway and Homeless Youth Act (RHYA) in 1974 as Title III of the Juvenile Justice and Delinquency Prevention Act. In October 2008, allocations for RHYA programs were increased from $105 million to $140 million for fiscal 2009.[25] Besides the Transitional Living Program, RHYA programs include the Basic Center and Street Outreach programs, which provide emergency shelter and services and street outreach services.

Administered by the Family Youth Services Bureau (FYSB), the RHYA Transitional Living Program (TLP) provides grants to community-based, faith-based, and public agencies to support housing for up to 21 months and support services to youth ages 16 through 21 who are unable to return home safely. TLP grantees are required to provide young people with stable, safe housing and services that help them develop the life skills necessary to transition to adulthood successfully. Housing arrangements can include host family homes, group homes, maternity group homes, supervised apartments, or scattered-site apartments. To help youth become self-reliant and successful adults, TLPs connect participants to education, workforce, and other supports. TLPs also serve pregnant and parenting youth by helping them access prenatal care, parenting classes, child care, education services, and housing to promote their independence and ensure the well-being of their children.[26]

## Considerations:

- State leaders should be strategic in determining how best to use funds to meet the housing needs of youth formerly in foster care, such as investments in startup housing funds, emergency funds, or longer-term housing subsidies.
- Community leaders, child welfare administrators, and housing authorities all benefit by working

[22] For more information on the Single Room Occupancy program, see www.hud.gov/offices/cpd/homeless/programs/sro/.

[23] For more information on Shelter Plus Care, see www.hud.gov/offices/cpd/homeless/programs/splusc/.

[24] D. Straka, C. Tempel, and E. Epstein (2000), *Supportive Housing for Youth,* see http://cohhio.org/pdf/online_library/Supportive_Housing_for_Youth.pdf (Accessed March 7, 2009).

[25] National Network for Youth, Network News, see www.nn4youth.org/news.aspx (Accessed March 7, 2009).

[26] D. Straka, C. Tempel, and E. Epstein (2000), Supportive Housing for Youth, see http://cohhio.org/pdf/online_library/Supportive_Housing_for_Youth.pdf (Accessed March 7, 2009).

## Providing a Continuum of Services for Homeless Youth with Federal Housing Funds

Lighthouse Youth Services, Inc. provides a number of supports for youth currently in or transitioning from foster care or involved in the local homeless system in Cincinnati, Ohio, including the Shelter Plus Care Program, wrap-around, home-based services, independent and transitional living programs. Using vouchers from the U.S. Department of Housing and Urban Development (HUD), the Shelter Plus Care program provides housing and support services for homeless young adults with mental health and chemical dependency issues, including some youth who have aged of foster care. The program offers a source of permanent housing for youth through approximately 65 scattered site apartments, where youth can choose a location that is convenient for them, based on their support network, educational and employment situations.

Since many young people enter Shelter Plus Care after receiving a myriad other services, program leaders intentionally involve other community partners to provide additional support for a youth living in supportive housing. For example, case managers make referrals to other homeless programs and adult mental health and chemical dependency programs, whose long-term case management services can continue even after they are no longer in Shelter Plus Care housing.

HUD funds only support the housing vouchers portion of the Shelter Plus Care program. Lighthouse Youth Services uses other state and local resources to cover staffing costs. Over the years, the organization has utilized funding from the Ohio Department of Development's Housing Trust, the local United Way and city funding to support general staffing and other operational costs of the program.

For more information, contact Mark Kroner, Director of the Lighthouse Training Institute, at 513-487-7130 or mkroner@lys.org.

together to explore housing solutions for youth aging out of foster care. Child welfare leaders benefit by having access to housing options for youth, and housing authorities keep their occupancy rates high and know they are receiving eligible referrals from a credible partner.

- After-care and supportive services provide essential supports to help youth maintain their housing placement. Child welfare administrators should consider other funding sources to provide after-care and supportive services for youth once they receive housing.
- Partnerships between a public and private agency and housing developers can lead to new housing opportunities. Nonprofit organizations typically have diverse experience in providing services to youth while developers have housing finance expertise that is critical in accessing and using a mix of federal funding and tax credits to build new youth housing.

# Strategy 2: Access Child Welfare Resources

Child welfare funding is another resource to consider using for housing supports for older youth in foster care. The federal Chafee Foster Care Independence Program and Chafee Education and Training Vouchers offer limited funding for transitional services for older youth, including housing supports. In addition to these funding sources, some state child welfare agencies allocate state or local funds to support the housing needs of these young people.

## Chafee Foster Care Independence Program (Chafee)

Chafee funds services and activities for older youth currently in foster care and youth who have aged out of the system (see Maximizing Child Welfare Funding: Illinois Youth Housing Assistance Program on page 17). Chafee provides $140 million annually to improve service delivery for youth transitioning out of foster care and is proportionally allocated to states based on the relative percentage of all children and youth in foster care within the state. Allowable activities include education, training, employment, counseling, mentoring, tutoring, and housing. States must submit a five-year plan for their Chafee program to the federal government as part of their larger Child and Family Services Plan and must provide a 20 percent nonfederal match.

States can use up to 30 percent of Chafee funds to provide room and board services to youth who left foster care at age 18 but who have not yet reached age 21. This includes youth who aged out of foster care, who have transitioned directly from foster care to Independent Living programs, or who have lost contact with the child welfare agency and have returned before their 21st birthday. None of these funds may be used for room and board services for youth below age 18. Chafee dollars are generally used for direct housing supports, but they can also be used for minor renovations of existing housing for program participants. Chafee funds cannot be used to purchase real property to build housing units for foster youth.[27]

Many states use Chafee funds to address housing gaps. At least 11 states report using 30 percent of their Chafee dollars for youth housing services.[28] However, these funds are not nearly enough to provide comprehensive housing services for former foster youth. Even if states used all their Chafee funding for youth housing, each youth would receive only $800 per year.[29]

## Chafee Education and Training Vouchers Program (ETVs)

ETVs provide resources specifically to meet the education and training needs of young people who are aging out of foster care and those who have been adopted, up to age 23. The federal government allocates up to $60 million annually in ETV funds. Awards to states are based on the state's percentage of foster youth. Vouchers of up to $5,000 per year can be applied toward the cost of education and training activities in a qualifying institution of higher education as defined by the Higher Education Act. This includes two-year and four-year colleges and universities and training, vocational, or trade schools. Tuition, transportation, health insurance,

[27] S. Badeau, "Frequently Asked Questions II About the Foster Care Independence Act of 1999 and John H. Chafee Foster Care Independence Program," see www.casey.org/NR/rdonlyres/E8E5EC9B-2C0B-496B-A165-5A55D2F793A5/194/ChafeeFAQII1.pdf (Accessed March 4, 2009).

[28] R. Torrico (2004), Child Welfare League of American Independent Living Coordinator Questionnaire Results, see www.cwla.org/programs/housing/housingreport.pdf (Accessed March 5, 2009).

[29] National Alliance to End Homelessness, "Fact Finder," see www.endhomelessness.org/files/1659_file_10606_NAEH_YouthHomelessness_4_.pdf (Accessed March 4, 2009).

### Maximizing Child Welfare Funding: Illinois Youth Housing Assistance Program

The Illinois Department of Children and Families (DCFS) uses Chafee dollars to support its Youth Housing Assistance Program. The project provides housing advocacy and cash assistance services for youth at risk of becoming homeless who have already transitioned or are preparing to exit the foster care system and have not yet reached 21.

As part of the program, housing advocates help youth locate, secure, and maintain affordable housing. The Illinois DCFS issues contracts with primarily private agencies to serve as advocates and assist youth and families with housing needs. Advocates are properly oriented and receive a Housing Advocacy Training Manual from DCFS outlining expectations and guidelines of the program. Within six months of closing a case, case workers contact the Youth Housing Assistance Program coordinator directly to fill out the paperwork and determine eligibility for the program. Once approved, advocates are able to work with the youth to identify potential housing options, provide budgeting lessons, and other targeted services.

Youth without stable housing can receive cash assistance as part of the second component of the program. Eligible youth must first submit a detailed housing budget to DCFS outlining the amount required to obtain a stable housing situation. The budget typically costs out items such as linens, essential furniture, a security deposit, and basic household items. There are two types of cash assistance offered to youth: 1) up to $800 for youth transitioning out of care (if the youth is pregnant or disabled, they can receive up to $1200) and 2) after the case is closed, the young person can receive up to $2000 per year or $4000 before they reach 21. Cash assistance to transition youth out of care is generally used for security deposits, furniture and miscellaneous household items. Cash assistance after the case is closed can also be used for these items as well as rent and utility arrears. The youth needs to complete a budget with the housing advocate showing that s/he will be able to pay for that item in the future. If the youth does not have an income that will allow them to afford the item but is actively seeking an income, the Youth Housing Assistance Program allows a one-time exception for up to $600. To expedite the process, DCFS contracts with another set of private agencies to cut the checks for cash assistance. The case worker or advocate is charged with picking up the check and then pays the agency on behalf of the young person.

The program also provides a housing subsidy for youth who have already aged out of the foster care system that lasts up to 12 months after they leave the system (up to the age of 21). The maximum subsidy provided is $250 and is dependent on the young person's income. A young person receiving cash assistance will initially be responsible for only 30 percent of their housing costs (rent and utilities) with the housing subsidy covering the remainder, up to $250 per month. After six months, the subsidy is reduced and the young person becomes responsible for 50 percent of his or her housing costs to help the youth prepare for the time when the subsidy ends.

For more information, contact John Cheney Egan, Public Service Administrator, Office of Housing and Cash Assistance, at 312-814-1878 or John.J.Egan@illinois.gov.

## Orphan Foundation of America: Supportive Administration of the Chafee Education and Training Vouchers Program

The Chafee Education and Training Vouchers (ETV) program offers payments for education and training, including housing, health care, and mental health care costs, to youth who are in the foster care system while enrolled in a postsecondary program. The program is administered by the Orphan Foundation of America (OFA), whose ETV coordinators work closely with students to review their financial aid package and ensure they are aware of available campus services, such as tutoring, job placement, and student health services. Initial ETV awards are prioritized based on certain selection criteria to maximize the number of eligible young people receiving services. Funding awards are based on a student's actual need, calculated by deducting any grants, scholarships, and other financial assistance received from his or her cost of attendance. Tuition payments are coordinated with the school by OFA, and the remainder is sent to the student to cover living expenses, including rent. OFA is currently serving as ETV Program Administrator for nine states, including Alabama, Arkansas, Colorado, Indiana, Maryland, Missouri, New York, North Carolina and Ohio.

For more information, contact Eileen McCaffrey, director, Orphan Foundation of America, at 703-203-0270 or Eileenm@orphan.org.

application fees, books and supplies, dependent child care, and housing expenses are allowable expenses. ETVs may also cover any type of housing. However, most voucher dollars support direct education costs, such as books and tuition.[30]

## State Child Welfare Funding

State child welfare funds can also be used to meet the housing needs of older youth as they prepare to transition out of foster care. In some instances, states have also blended state funds with federal funds to provide youth housing supports. These funds can be used to support activities such as emergency assistance, security deposits, or case management services. Several states, including California, Connecticut, and Maine, have used state funds to support the housing needs of youth (see Public–Private Partnerships: California's Transitional Housing Placement Plus Program on page 21).

## Considerations:

- Chafee funds are the only dedicated funding source for older youth in foster care, so child welfare leaders and program developers need to think strategically about where gaps exist in providing supports for older youth in care, including housing supports, and how to use Chafee funds and other funding sources to fill these gaps.
- Child welfare leaders can identify opportunities to combine Chafee funds with other housing programs by including state and local housing and homeless experts in the planning and implementation of the Chafee program.
- Although Chafee ETV funds can cover room and board expenses in addition to education expenses, the payment of education expenses typically consumes most of the allotment. Program leaders need to consider other resources to cover room and board expenses if ETVs are not sufficient.

[30] R. Nixon, "Frequently Asked Questions III About the Foster Care Independence Act of 1999 and the Chafee Education Training and Voucher Program," see www.casey.org/NR/rdonlyres/E8E5EC9B-2C0B-496B-A165-5A55D2F793A5/193/ChafeeFAQIII1.pdf (Accessed March 4, 2009).

## Strategy 3: Create Public-Private Partnerships

In addition to accessing public funding sources, public-private partnerships can be important in financing housing supports for older youth in foster care (see Establishing Effective Partnerships: Lindquist Apartments in Minneapolis, Minnesota on page 20). These partnerships draw on diverse expertise and resources from multiple community sources, including volunteers, local businesses, private foundations, housing developers, community coalitions, public and private child welfare agencies, local housing authorities, local youth development programs and advocacy organizations. Public-private partnerships have created new housing models as well as new housing options, such as the development of new buildings, acquisition and renovation of existing buildings, and dedication of specific units within nonprofit or privately owned buildings.

These types of partnerships and collaborations have created innovative housing opportunities for youth. For example, an established partnership between leaders in California's Santa Clara County and San Jose State University provides former foster youth attending community college and four-year universities access to on-campus housing. Partnerships with landlords can also yield new housing opportunities for older youth in foster care. Moreover, partnerships involving philanthropists can be vital to supporting youth housing initiatives. The John Burton Foundation, the California Department of Social Services, and the Corporation for Supportive Housing formed a successful partnership to reduce homelessness among former foster youth by expanding access the Transitional Housing Placement Plus Program (see Public–Private Partnerships: California's Transitional Housing Placement Plus Program on page 21). Through these types of partnerships, foundations can provide resources to youth-serving programs, including funding, in-kind supports, training, technical assistance, and support in advocacy efforts.

### Considerations:

- Identifying partners with different expertise can strengthen efforts to address the housing needs of older youth in foster care by drawing on each partner's unique capacities. A developer can provide financial expertise while nonprofit organizations and public agencies have human services experience.
- Partnerships with public and private agencies can extend the reach of an individual foundation's investment in supporting youth transitioning out of the foster care system. Foundations can also be essential in providing startup funding, supporting the development of innovative housing approaches, and supporting collaborations with housing authorities.
- Collaborations take time to develop and can be challenging. Each partner needs to buy into the vision of supporting the housing needs of youth transitioning out of foster care.
- Young people can be valuable contributors in any public-private partnership. To take best advantage of young people's expertise and perspective, adults should consider what support young people need to fully participate in these partnerships, including child care and transportation.

## Establishing Effective Partnerships: Lindquist Apartments in Minneapolis, Minnesota

Through a partnership between RS Eden and The Link, two experienced nonprofit organizations in the Twin Cities, the Lindquist Apartments opened in September 2005. The project provides affordable supportive housing for young people who are homeless and facing chemical dependency as they emerge from foster care or juvenile justice facilities. Tenants in 24 efficiency apartments are eligible to receive intensive case management services, assistance with job placement, and assessments to help them define and reach their goals. Lindquist currently receives referrals for housing from youth shelters, Hennepin County Foster Care and other Hennepin County services branches, RS Eden and other chemical dependency treatment centers, and other youth service agencies and programs.

With the help of the National Corporation for Supportive Housing, The Link initially approached RS Eden about a partnership to develop supportive housing for youth in 2001. The two organizations worked together for the next four years to secure initial funding to establish the four-story Lindquist apartment building. In addition to a $600,000 capital campaign spearheaded by RS Eden, the partners blended public and private sources to support the project over the long term, including low-income tax credits, housing loans, federal HUD dollars, and state, county, and city funding. Financing for the $5.2 million project included $440,000 from the Minnesota Housing Finance Agency, $525,000 from the city of Minneapolis, $400,000 from Hennepin County, and a $2.6 million equity investment by Fannie Mae through the National Equity Fund, Inc. The project also contracts with the Minnesota Public Housing Authority for 24 project-based Section 8 certificates to accommodate its unemployed tenants; the certificate remains with the building even if the young person moves out.

By pooling resources and expertise, both nonprofit organizations are able to provide permanent, safe housing options for at-risk youth in Minneapolis. The effective partnership continues today, with RS Eden managing assets and operations and The Link taking responsibility for service delivery at Lindquist Apartments.

For more information, contact Deborah Renshaw, executive director of The Link, at 612-767-4467 or drenshaw@thelinkmn.org; or Dan Cain, president of RS Eden, at 612-287-1611 or dcain@rseden.org.

## Public–Private Partnerships: California's Transitional Housing Placement Plus Program

The Transitional Housing Placement Plus (THP-Plus) Program is one of the nation's largest state-funded, county-administered housing programs for youth transitioning out of foster care. By providing affordable housing and comprehensive supportive services for up to 24 months, the program helps youth ages 18 to 24 who have been in foster care or on probation make a transition from out-of-home placement to independent living. THP-Plus is administered by the California Department of Social Services, which distributes THP-Plus funds to counties. County departments of social services then provide services directly or contract with nonprofit THP-Plus providers. In 2007–2008, the program had a $35.2 million budget and provided more than 1,500 youth with affordable housing and supportive services, including counseling, job training, and educational support.

In a unique public-private partnership begun in June 2006, the John Burton Foundation launched the THP-Plus Statewide Implementation Project to reduce homelessness among former foster youth by expanding access to the THP-Plus Program in California. The Project provides training and technical assistance to counties and advocates for increased public funding. The initiative aims to enhance statewide capacity by 700 percent and has already surpassed their initial goal of providing services to over 1,000 California youth in need of supportive housing. The THP-Plus Statewide Implementation Project is a joint effort between the John Burton Foundation, the California Department of Social Services, and the Corporation for Supportive Housing and is supported by several private foundations.

For more information, contact Michele Byrnes, project manager, at 415-693-1323 or Michele@johnburton-foundation.org.

# Strategy 4: Access Community Development Resources

Child welfare leaders and program developers should also consider pursuing community development resources to fill housing support gaps for older youth in foster care. This funding generally focuses on developing or rebuilding economically distressed communities and supporting services such as mentoring or job-related training activities. The Community Development Block Grant (CDBG) is an important funding source for providing housing supports for youth transitioning out of foster care. Under the American Recovery and Restoration Act, Congress appropriated $1 billion in new CDBG funding that affords new opportunities to serve older youth in care.

## Community Development Block Grant

Administered by the U.S. Department of Housing and Urban Development, CDBG aims to develop thriving communities by promoting decent housing and suitable living environments. It seeks to expand economic opportunities for low- and moderate-income families and individuals and is a potential funding source for youth aging out of the foster care system.[31] Most CDBG grant funding (70 percent) flows to entitlement communities—defined as cities with populations of 50,000 or more and certain counties with populations of 200,000 or more. States receive the other 30 percent to allocate to smaller cities and towns.

All CDBG activities must meet one of the following national objectives:

- benefit persons of low and moderate income;
- aid in the prevention or elimination of slums or blight; or
- meet other community development needs of particular urgency.

In addition to meeting the national objective, CDBG funds must be used to support defined allowable activities. The allowable activities most relevant to youth housing programs are public services and public improvements and facilities (see Using CDBG Funds for Shelter Expansion: Urban Peak on page 23).

- **Public Services.** CDBG can be used to fund a wide range of services that may be provided by youth housing programs, including case management services (e.g., landlord recruitment and assistance in locating housing) or other transitional support for youth aging out of care. According to federal regulations, no more than 15 percent of total block grants can be used to support public services.
- **Public Improvements and Facilities.** This activity allows CDBG funds to be used for the purchase, construction, or rehabilitation of youth facilities (e.g., expansion of a youth shelter or youth housing sites). The amount of funding that can be used to support a public improvement or facility project is not restricted by federal regulations.

CDBG funds can be used to support activities related to youth programs and services, youth housing facilities, and youth involvement in community development initiatives. In FY 2008, 1,233,661 young people were served with CDBG funds.[32] Every five years, each state and entitlement community is required to prepare a consolidated plan that addresses the community needs and priorities for CDBG and other HUD-funded programs as well as

[31] The information presented in this section is adapted from information provided in R. Torrico and M. Flynn-Khan, *Using CDBG to Support Community-Based Youth Programs* (Washington, D.C.: The Finance Project, January 2008), see www.financeproject.org/publications/CDBG_PM.pdf.

[32] U.S. Department of Housing and Urban Development, see www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/CDBGNationalAccomplishmentsFY2005_2008.xls.

## Using CDBG Funds for Shelter Expansion: Urban Peak

Urban Peak serves as a provider of and gateway to services and programs to help youth and young adults ages 14 to 24 escape life on the streets and overcome real-life challenges that can put them at risk of becoming homeless. For 20 years, Urban Peak has continued to expand in response to the growing number and diverse needs of youth and young adults to help them achieve self-reliance and success in their lives. As the only licensed homeless youth shelter in the Denver, Colorado, metropolitan area, Urban Peak provides shelter to youth and young adults and works with them to develop a plan to help them permanently exit street life by reunifying them with their family, arranging for appropriate supportive housing, and supporting their living independently. Urban Peak recently received $200,000 in Community Development Block Grant funding from Denver's Office of Economic Development, Housing and Neighborhood Development to expand its shelter. This expansion will add 1,150 square feet of habitable space. The addition is needed to increase lobby space to hold group meetings, handle dormitory overflow, provide space for recreational programs; expand capacity for high school diploma equivalency classes, introduce a crisis intake room, and expand storage for the belongings of the youth housed at the shelter.

For more information, contact Kay Ramachandran, executive director of Urban Peak, at Kay.Ramachandran@urbanpeak.org.

the intended use of these funds. To increase their chances of accessing CDBG funds to support housing programs for older youth in foster care, program leaders should understand the CDBG planning process in their community.

## Considerations:

- Child welfare leaders and program developers should establish strong partnerships with community development advocates, young people, partner organizations, and other key stakeholders to advocate that youth in foster care become a priority for CDBG funds.
- To successfully access these funds, program leaders will likely need to demonstrate that youth housing programs address broader community development objectives and understand the planning processes for allocating these funds.
- Program leaders interested in accessing CDBG funding for their youth facility or youth housing program should determine whether other service providers could benefit from the facility or program. By building a broader support network for the project, leaders can increase their chances of successfully accessing CDBG funding.

## Strategy 5: Improve Coordination Across Systems

Safe, stable, and affordable housing is fundamental to a young person's transition to adulthood. Young people also need access to higher education, steady employment, health care benefits, and economic security. Several states and communities provide comprehensive supports and services, including housing supports, through different approaches to better coordinate the multiple agencies and systems that work to support older youth in foster care (see Interagency Collaboration: New Jersey's Youth Supportive Housing Initiative page 25). For example, a young person may be referred to an upcoming housing unit after a person from the local housing authority notifies a foster care worker during an interagency meeting that a unit has become available. Because of the established cross-agency partnership, this young person is easily processed through the housing screening process.

Multidisciplinary exchanges enable systems to educate one another in order to integrate programs and improve services for youth preparing to age out of the foster care system (see Improving Federal Coordination Across Systems: A Shared Youth Vision on page 26). This type of coordination can take place at both the case level and the systems level. As case managers work to solidify young people's transition plan, they should also coordinate with partner agencies to identify available housing units and upcoming education or employment opportunities as well as identify public benefits for which the youth might be eligible. Through solid transition plans and the integration of services, intersections of foster care with pregnancies and early parenthood, incarceration, unemployment, and homelessness can be prevented. Although it is important that case managers work across systems to successfully meet the needs of young people through referrals and service coordination, it is also vital that cross-agency structures are in place to facilitate interagency collaboration and coordination at the systems level.

Cross-system collaboration is beneficial for all youth in foster care, but it is even more critical for youth who have a physical or mental disability. For example, ensuring that youth with disabilities apply to receive Supplemental Security Income—a federal benefit available to individuals with disabilities—or ensuring that a permanent supportive housing unit is identified before they exit care can significantly improve their transition to adulthood.

### Considerations:

- Building cross-agency partnerships requires agency administrators' buy-in, a shared vision, and consistent meetings to discuss progress and further opportunities for collaboration. Establishing these partnerships can be challenging and time consuming. Yet when these partnerships are structured effectively and supported well, the payoffs can significantly outweigh the costs.
- By streamlining the delivery of transition services, youth can access critical supports and resources they need to transition to adulthood. Child welfare leaders and program developers should continue to review feedback from case managers and young people on what systems or services are challenging to access and how systems can work together to facilitate efficient delivery of supports and services.
- Cross-system exchanges are particularly important for youth with special needs. Support for such youth requires collaborating with systems providing adult services. Paperwork often takes time to process, so case managers need to be skilled in administrative requirements and ensure applications for services on behalf of youth are submitted in a timely fashion.

## Interagency Collaboration: New Jersey's Youth Supportive Housing Initiative

The Special Needs Housing Trust Fund (SNHTF) was passed in New Jersey in 2005 and dedicates $200 million in capital financing for supportive housing and community residences for individuals with special needs. SNHTF enables a unique interagency partnership model called the Youth Supportive Housing Initiative (YSHI). The partners include the New Jersey Housing and Mortgage Finance Agency (HMFA), New Jersey Department of Community Affairs (DCA), New Jersey Department of Children and Families (DCF), Juvenile Justice Commission (JJC), and Corporation for Supportive Housing (CSH). YSHI aims to create supportive housing for youth transitioning out of the foster care system, youth leaving the juvenile justice system, and homeless youth.

New Jersey's integrated approach includes coordinating the application and evaluation processes, creating new supportive housing programs through agency collaborations, and conducting joint reviews of funding proposals by staff from DCF, HMFA, and DCA to more efficiently allocate state resources and encourage innovative youth housing services. Since the development of the YSHI, the HMFA has committed over $17 million in financing for ten nonprofit organizations to develop 132 supportive housing units for youth. Projects funded in the initiative have additionally leveraged the Trust Fund dollars with federal and local revenue, including federal Low Income Housing Tax Credits, local and state HOME funds, the Federal Home Loan Bank Affordable Housing Program, Casino Redevelopment Agency funds, and the federal McKinney-Vento Homeless Assistance Act's Supportive Housing Program.

For more information, contact Pamela McCrory, New Jersey Housing and Mortgage Finance Agency, at 609-278-7456 or pmccrory@njhmfa.state.nj.us.

### Improving Federal Coordination Across Systems: A Shared Youth Vision

In response to a 2003 *White House Report on Disadvantaged Youth*, The Shared Youth Vision Federal Collaborative Partnership was created to strengthen program focus and coordination among federal youth-serving agencies. Since 2004, 16 states have received funding through this initiative to develop interagency collaboration as well as state and local partnerships to provide transition assistance to disadvantaged youth, including youth in the foster care system. As one of the partnering agencies, the U.S. Department of Housing and Urban Development (HUD) is able to support the state teams by connecting each with local Public Housing Authorities to assure the interests and needs of youth residing in public and low income housing communities are incorporated in the state strategic plans. HUD also refers state teams to the appropriate housing commissioner to ensure housing needs are addressed for targeted communities wherever possible.

Collaborative partners include the U.S. Departments of Labor, Justice, Education, Transportation, Health and Human Services, and Housing and Urban Development, the Social Security Administration, and the Corporation for National and Community Service. The partnership sponsored regional forums in 2004 and 2006 to emphasize the value of mapping and coordinating resources while focusing on youth outcomes. A technical assistance plan is also in place to help facilitate the implementation of their collaborative vision.

For more information, contact Maria Queen, U.S. Department of Housing and Urban Development, at 202-402-4890 or Maria-Lana.Queen@hud.gov; or visit www.doleta.gov/RYF/.

## Conclusion

Aging out of foster care is already challenging without facing a shortage of affordable housing, high unemployment rates, and the increasing cost of living associated with the current economic climate. Many young people will continue to face their transition to adulthood without the support of a family and, often, without a permanent living arrangement. With access to safe, stable, and affordable housing, youth are better able to obtain and maintain employment, pursue higher education, and maintain a secure social network. By considering the five financing strategies discussed in this brief and focusing on partnerships and system coordination, child welfare leaders, policymakers, and youth stakeholders can develop new and innovative housing opportunities for young people exiting the foster care system.

# Resources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Child Welfare League of America
www.cwla.org

Corporation for Supportive Housing
www.csh.org

The Enterprise Foundation
www.enterprisefoundation.org

Federal Home Loan Bank
www.fhlbanks.com/html/programs.html

Federal Housing Finance Board
www.fhfb.gov

John Burton Foundation for Children Without Homes
www.johnburtonfoundation.org

Local Initiatives Support Corporation
www.lisc.org

National Alliance to End Homelessness
www.endhomelessness.org/youth

National Center on Housing and Child Welfare
www.nchcw.org

National Child Welfare Resource Center for Youth Development
www.nrcys.ou.edu/yd

National Council of State Housing Agencies
www.ncsha.org

National Foster Care Coalition
www.natl-fostercare.org

National Low Income Housing Coalition
www.nlihc.org

National Network for Youth
www.nn4youth.org

Orphan Foundation of America
www.orphan.org

State Housing Agencies
www.ncsha.org

U.S. Department of Housing and Urban Development
www.hud.gov


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## About The Finance Project

*Helping leaders finance and sustain initiatives that lead to better futures for children, families, and communities.*

The Finance Project is an independent nonprofit research, consulting, technical assistance, and training firm for public- and private-sector leaders nationwide. It specializes in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families, and communities. Through a broad array of tools, products, and services, The Finance Project helps leaders make smart investment decisions, develop sound financing strategies, and build solid partnerships. To learn more, visit www.financeproject.org.

## Financing and Sustaining Supports and Services for Youth Transitioning Out of Foster Care

This publication is part of a series of tools and technical assistance resources on financing and sustaining initiatives supporting youth transitioning from foster care developed by The Finance Project with support from the Foster Care Work Group. These tools and resources are intended to help policymakers, program developers, and community leaders develop innovative strategies for implementing, financing, and sustaining effective programs and policies. To access these resources and for more information on this project, visit www.finance project.org/special/practice/fcwg.cfm.

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