

FUNDING SOURCES TO ADDRESS THE HOUSING NEEDS OF YOUTH AGING OUT OF FOSTER CARE

Young people aging out of the foster care system need safe, stable and affordable housing. There is no single funding stream for youth housing therefore, it is important to tap into a variety of funding streams to meet the housing needs of young people. Youth housing and services can be accessed through federal housing dollars, child welfare funding, community development resources, partnerships with housing authorities and public-private partnerships. Due to the increased demand of services, it is critical for program leaders to access a wide range of resources to meet the needs of young people. *Please note the list of resources below is not a complete list of funding sources available.*

FEDERAL HOUSING RESOURCES			
Program	Description	Funding Agency	Allocation Process
Housing Resources through Partnerships with Local Housing Authorities. The following housing resources can be accessed through established partnerships with local housing authorities.			
<u>Family Unification Program Vouchers (FUP)</u>	FUP facilitates and expedites housing and supportive services for young people aging out of foster care through a formal collaboration between child welfare systems and public housing authorities. In partnership, child welfare agencies and housing authorities implement the use of Section 8 vouchers for young people exiting care. Youth between the ages of 18 and 21 who left foster care at age 16 or older and who do not have adequate housing are eligible for FUP.	<u>US Department of Housing and Urban Development (HUD)</u>	To access FUP vouchers, public housing authorities (PHAs) respond to notices of funding availability (NOFAs) published in the <u>Federal Register</u> . Each NOFA identifies allocation areas, amount of funds available per area and the selection criteria for rating and ranking applications.
<u>Section 8</u>	Section 8 is the largest subsidy program for assisting very low-income individuals and families to afford safe and decent housing. The demand for housing assistance often exceeds the limited resources available to HUD and the local housing authorities so long waiting periods are common. However, program leaders can collaborate with housing authority administrators to establish local preferences or set aside Section 8 vouchers for youth. Each public housing authority has the discretion to establish local preferences to reflect the housing needs and priorities of its particular community.	<u>US Department of Housing and Urban Development (HUD)</u>	HUD provides funds to allow public housing authorities to make housing assistance payments on behalf of low-income individuals and families. When additional funds become available, HUD invites public housing authorities to submit applications for funds for additional vouchers. Applications are then reviewed and funds awarded to the selected PHAs on a competitive basis. HUD monitors the PHA administration of the program.

<u>Public Housing</u>	Public housing can be an option for older youth preparing to age out of foster care. Public housing comes in range of options from scattered single family houses to single units. Program leaders can partner with local housing authorities to expedite and prioritize applications for public housing. Generally residents of public housing are required to pay rent equivalent to 30 percent of their income.	<u>US Department of Housing and Urban Development (HUD)</u>	HUD administers Federal aid to local PHAs that manage the housing for low-income residents at rents they can afford.
<u>McKinney-Vento Homeless Assistance Programs</u>. HUD's homeless assistance programs were created under the McKinney-Vento Homeless Assistance Act. The following programs can be used for capital, services and operating activities focused on youth at very high risk of homelessness.			
<u>Supportive Housing Program (SHP)</u>	SHP encourages the development of supportive housing and services, including innovative approaches to assist homeless persons to transition into supportive housing while enabling them to live independently. SHP provides rental assistance to homeless youth.	<u>US Department of Housing and Urban Development (HUD)</u>	Grants under SHP are awarded through a national competition held annually. A notice of funding availability (NOFA), published in the <u>Federal Register</u> , establishes submission dates and specific rules of the competition for applicants. SHP projects should be submitted through the community <u>Continuum of Care (CoC)</u> system. Youth stakeholders can involve themselves in the planning stages to include youth in housing allocations.
<u>Single Room Occupancy Program (SRO)</u>	The Single Room Occupancy Program provides rental assistance for homeless persons in connection with the moderate rehabilitation of SRO residential properties. Once renovations are complete, dwellings will contain upgraded single occupancy units for individuals who are homeless. Public housing authorities and private nonprofit organizations are eligible for the SRO program. Nonprofit organizations, however must subcontract with a PHA to administer the rental assistance.	<u>US Department of Housing and Urban Development (HUD)</u>	Grants under the SRO program are annually awarded through a national competition. A notice of funding availability (NOFA), published in the <u>Federal Register</u> , establishes submission dates for applications. SRO projects should be submitted through the community <u>Continuum of Care</u> planning process.
<u>Shelter Plus Care (SPC)</u>	Shelter Plus Care provides housing and supportive services for youth experiencing homelessness, serious mental illness, chemical dependency, AIDS or other disabilities.	<u>US Department of Housing and Urban Development (HUD)</u>	Grants under the Shelter Plus Care program are annually awarded through a national competition. A notice of funding Availability (NOFA), published in the <u>Federal Register</u> , establishes submission dates for applications. Shelter Plus Care projects should be submitted through the community <u>Continuum of Care</u> planning process.

Runaway and Homeless Youth Act Programs (RHYA). RHYA programs aim to prevent victimizations and ensure the basic safety of unaccompanied youth while providing access to family reunification, housing, education, employment training, health care and other supportive services. Besides the Transitional Living Program, RHYA programs include the Basic Center and Street Outreach programs that provide emergency shelter and street outreach services.

<p><u>Runaway Homeless Youth Act Transitional Living Program (TLP)</u></p>	<p>The Runaway and Homeless Youth Act 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 to 21 who are not able to safely return home. TLPs provide youth with stable and safe housing and supportive services aimed to help them develop the important life skills needed to transition successfully into adulthood. Housing could include group homes, maternity group homes, supervised or scattered-site apartment or host family homes.</p>	<p><u>US Department of Health and Human Service, Administration of Children and Families, Family and Youth Services Bureau</u></p>	<p>The Family and Youth Services Bureau (FYSB) solicit applications for the Transitional Living Program through funding announcements. Applications are competitively reviewed by peer panels, and successful applicants can receive up to 5-year grants.</p>
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Additional Federal Funding Sources. Below are additional funding sources that can be used to support or create youth housing. They can be accessed through a variety of ways.

<p><u>HOME</u></p>	<p>The HOME investment Partnerships Program is a federal block grant that provides states with a flexible funding stream for affordable housing. These funds can be used in partnership with local non-profits to develop transitional housing, permanent supportive housing and affordable rental housing that could include low-income youth.</p>	<p><u>US Department of Housing and Urban Development (HUD)</u></p>	<p>Program funds are allocated to local jurisdictions based on a formula that considers the jurisdiction’s housing supply, its rate of poverty, its fiscal distress, and other factors. Each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved Consolidated Plan, which included an action plan that describes how the jurisdiction will use its HOME funds. Youth stakeholders should involve themselves in the planning process.</p>
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<p><u>Low-Income Tax Credits</u></p>	<p>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 typically administered by state housing finance agencies and create an incentive for private investments in low-income housing developments through federal tax credits to investors. Partnerships between child welfare or program leaders and investors can open doors to new opportunities for youth housing.</p>	<p><u>The Internal Revenue Service (IRS) – administered by State Housing Finance Agencies</u></p>	<p>The IRS annually allocates housing tax credits to designated state agencies which in turn award the credits to developers of qualified projects. States allocate housing tax credits through a competitive process. The state allocating agency must develop a plan for allocating the credits consistent with the state's Consolidated Plan. Federal law requires that the allocation plan give priority to projects that serve the lowest income families and are structured to remain affordable for the longest period of time.</p>
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<p><u>Tax-Exempt Housing Bonds (Private Activity Bonds)</u></p>	<p>Typically issued by a <u>state's housing finance agency</u> or other entities authorized to issue bonds, private activity tax-exempt bond preserve affordable housing. These housing bonds can be used to support the development of youth housing units.</p>	<p><u>The Internal Revenue Service (IRS) – administered by State Housing Finance Agencies</u></p>	<p>State and local governments sell tax-exempt bonds. The state's housing finance agency oversees their use.</p>
<p><u>Homelessness Prevention & Rapid Re-housing (HPRP)</u></p>	<p>President Obama signed the American Recovery and Reinvestment Act of 2009, which includes \$1.5 billion for a Homeless Prevention Fund. This fund can provide housing assistance, rental assistance and housing related case management that may be used to support the housing needs of youth exiting the foster care system who may be risk of becoming homeless or youth who are already homeless.</p>	<p><u>US Department of Housing and Urban Development (HUD)</u></p>	<p>Funding for this program is being provided through the same formula as HUD's Emergency Shelter Grants (ESG) program, but can only be used for prevention and re-housing. Communities must submit a plan for funding to HUD by May 18, 2009. HUD must approve of the plans within 45 days of submission, and agreements between grantees and sub grantees must be signed by September 30. HUD is using the <u>Homelessness Resource Exchange</u> as a portal for distributing information and resources on HPRP. Youth stakeholders should work with homeless assistance providers, local officials who administer ESG and homelessness funding and services, advocates, community-based agencies serving at-risk populations, and entities that administer the Continuum of Care to plan how they will utilize funding.</p>
<p><i>Child Welfare Resources.</i> Child Welfare funding can be used to meet the housing needs of young people aging out. In addition to the federal sources below, state and local child welfare funds can be used. Communities can combine states and local funds with federal funds to address the housing needs of young people.</p>			
<p><u>Chafee Foster Care Independence Program (CFCIP)</u></p>	<p>CFCIP funds services for youth in foster care and those youth who have aged out. States can also use up to 30 percent of these funds to provide room and board services to youth who have left foster care but who have not yet reached age 21. This includes young people who have exited foster care, who have transitioned directly from foster care to Independent Living programs or have lost contact with the child welfare agency and have returned before their 21st birthday. CFCIP dollars are generally used for direct housing supports but can also be used for minor renovations of existing youth housing; they cannot be used to purchase real property to build youth housing units.</p>	<p><u>US Department of Health and Human Service, Administration of Children and Families</u></p>	<p>CFCIP provides \$140 million annually to improve service delivery for young people. Funds are allocated to states based on the relative percentage of all children and youth in foster care within the state. States must submit a five-year plan for their CFCIP to the federal government as part of their larger <u>Child and Family Services Plan</u> and must provide a 20 percent nonfederal match.</p>

<u>Chafee Education and Training Vouchers (ETVs)</u>	<p>Chafee Education and Training Vouchers (ETVs) provide resources to meet the education and training needs of youth who are aging out of foster care and those who have been adopted, up to age 23. This includes two-year and four-year colleges and universities and vocational and trade schools. Vouchers can be up to \$5,000 per year and can be applied towards allowable expenses such as tuition, transportation, health insurance, application fees, books and supplies, dependent child care and housing. ETVs can cover room and board costs however its primary purpose is education.</p>	<u>US Department of Health and Human Service, Administration of Children and Families</u>	<p>The federal government annually allocates up to \$60 million in ETV funds. Allocations are based on the state's percentage of youth in foster care.</p>
<p>Community Development Resources. These resources can help to support youth facilities and housing gaps for older youth in foster care.</p>			
<u>Community Development Block Grant (CDBG)</u>	<p>CDBG provides flexible funding to states and communities for community development and revitalization uses, primarily benefiting individuals with low and moderate incomes. CDBG has many allowable activities however <i>Public Services</i> and <i>Public Improvements and Facilities</i> are the most relevant to young people. <i>Public Services</i> can be used to provide a wide array of services that may be provided by youth programs including supporting a housing outreach worker, employment services and other transitional supports for youth aging out of care. <i>Public Improvements and Facilities</i> can be used to fund the purchase, construction, or rehabilitation of youth facilities such as shelters or group homes.</p>	<u>US Department of Housing and Urban Development (HUD)</u>	<p>Annual CDBG funds flow from HUD to entitlement communities and states on a formula basis. Entitlement jurisdictions receive 70 percent of these funds while states receive the other 30 percent. Typically communities receive funds through a request for proposals (RFP) or request for applications (RFA) process. Once these funds have been awarded they can be allocated to sub-contractors or community development organizations.</p>
<u>Community Services Block Grant (CSBG)</u>	<p>The CSBG program aims to decrease poverty in communities. The funds provide a wide array of services and activities to assist the needs of low-income individuals including at-risk youth, custodial and non-custodial parents, residents of public housing, individuals with disabilities, homeless individuals and individuals transitioning from incarceration into the community. The CSBG program provides services and activities addressing housing, employment, education, better use of available income, nutrition and emergency services.</p>	<u>US Department of Health and Human Service, Administration of Children and Families</u>	<p>Annual applications are required for a CSBG award. <u>Notice of funds availability (NOFA)</u> is made once the Congress appropriates and the Office of Management and Budget allocates the approved funds. The CSBG Act mandates that states pass through 90% of the funds allocated to the eligible entities. Grant awards are determined by a formula based on each state's and Indian Tribe's poverty population. State Offices of Community Services work together with local CSBG service providers to prepare annual State Plans which describe how the state will carry out the assurances.</p>

HIGHLIGHTED RESOURCES

Badeau, Susan. *Frequently Asked Questions II About the Foster Care Independence Act of 1999 and John H. Chafee Foster Care Independence Program*. Available at: www.casey.org/NR/rdonlyres/E8E5EC9B-2C0B-496B-A165-5A55D2F793A5/194/ChafeeFAQII1.pdf

Corporation for Supportive Housing. *Overview of the Continuum of Care Grant Programs and Planning Processes*. New York, NY: Corporation for Supportive Housing, November 2007. Available at: <http://documents.csh.org/documents/ResourceCenter/FinancingGuide/CoCOverviewFINAL.pdf>

National Alliance to End Homelessness. *Additional American Recovery and Reinvestment Act Homelessness Resources*. Washington, D.C.: National Alliance to End Homelessness, February 2009. Available at: www.endhomelessness.org/content/article/detail/2179

National Alliance to End Homelessness. *New Funding for Homeless Youth Services and Youth*. Washington, D.C.: National Alliance to End Homelessness, March 2009. Available at: http://www.endhomelessness.org/files/2217_file_Youth_Homelessness_Prevention_and_Rehousing.pdf

National Low Income Housing Coalition. *2008 Advocates' Guide to Housing & Community Development Policy*. Washington, D.C.: National Low Income Housing Coalition, 2008. Available at: www.nlihc.org/doc/AdvocacyGuide2008-web.pdf.

Nixon, Robin. *Frequently Asked Questions III About the Foster Care Independence Act of 1999 and the Chafee Education Training and Voucher Program*. Washington, DC: National Foster Care Coalition, May 2005. Available at: www.casey.org/NR/rdonlyres/E8E5EC9B-2C0B-496B-A165-5A55D2F793A5/193/ChafeeFAQIII1.pdf

Torrice, Roxana and Flynn-Khan, Margaret. *Using CDBG to Support Community-Based Youth Programs*. Washington, D.C.: The Finance Project, January 2008. Available at: www.financeproject.org/publications/CDBG_PM.pdf.

Torrice, Roxana and Bhat, Soumya. *Financing Housing Supports for Youth Transitioning Out of Foster Care*. Washington, D.C.: The Finance Project, May 2009. Available at: www.financeproject.org

ORGANIZATIONS

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

Local Initiatives Support Corporation
<http://www.lisc.org/section/aboutus/>

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

The Finance Project
www.financeproject.org

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

U.S. Department of Health and Human Services, Administration of
Children and Families
www.acf.hhs.gov