NOVEMBER 2023



JOHN BURTON Advocates for Youth

What's Stopping California from Maximizing Federal Housing Assistance for Youth?

A Statewide Analysis of Housing Choice Vouchers for Former Foster Youth

Executive Summary

This report analyzes the status of federal Housing Choice Vouchers for transition-age former foster youth in California, made available through the Family Unification Program (FUP) and the Foster Youth to Independence (FYI) Initiative. Through the administration of a statewide survey of county child welfare agencies and interviews with Public Housing Authorities (PHAs) and other stakeholders, the current report makes 19 findings and offers 11 related recommendations. A subset of these is summarized below, with additional findings and recommendations included in the full report.

Key Findings

- California has made significant progress in its utilization of FYI/FUP, increasing the total number of FYI/FUP vouchers by **54%, from 870 in 2021 to 1,341 in 2023**.
- This increase is largely due to the receipt of competitive vouchers rather than the utilization of the more recently established non-competitive, on-demand vouchers. As of October 1, 2023, **just two California counties have received a total of 28 FY/FUP vouchers** through the on-demand process.
- Despite the increase in the total number of FYI/FUP vouchers in California, the number of youth waiting for an FYI/FUP voucher continued to grow. The survey showed that for counties keeping a waiting list, **those waiting lists increased from 280 in 2021 to 300 in 2023**.
- Two main factors were identified that explain why, with the consistent availability of federal funding for FYI/FUP vouchers, county child welfare agencies have not accessed these vouchers to serve additional youth, including those on waiting lists. **The first is insufficient funding for supportive services and the second is a lack of funding for PHAs to conduct landlord engagement.**

Key Recommendations

- **Local:** Refer every youth to FYI/FUP as part of the 90-day transition plan, in counties that administer the program.
- **State:** Modify the Housing Navigation and Maintenance Program, making PHAs eligible applicants and including funding for PHAs to conduct landlord engagement, modeled after the "Services Fee" that accompanied Emergency Housing Vouchers during the COVID-19 pandemic.
- **State:** Increase funding for the Housing Navigation and Maintenance Program for county child welfare agencies and adopt policies to require that the funding be allocated to counties within six months.
- **State:** Issue state policy guidance to county child welfare agencies and juvenile probation departments to inform them about FYI/FUP and request that they implement it.
- **Federal:** Align FYI/FUP vouchers with other Housing Choice Vouchers by making them permanent, rather than time limited.



Introduction

As the nation's most populous state, California is also home to the nation's largest foster care population, with 51,485 youth in care as of July 1, 2023. Of these youth, 7,904 are between the ages of 18 and 20, referred to as "non-minor dependents (NMDs)." California also has the largest population of unaccompanied homeless youth up to age 24, totaling 10,451 as of 2022—more than one-quarter (29%) of the nation's homeless youth population.

There's widespread awareness about California's lack of affordable housing: In 2023, a study showed that half of the nation's most expensive cities for apartments are in California.[1] What is less publicized is the impact of this housing market on youth and young adults, especially those transitioning out of the foster care system with little to no income, rental history, or credit; and without the support of a willing co-signer.

The federal government has recognized the unique housing needs of youth leaving foster care, establishing housing subsidies via specialized Housing Choice Vouchers for this population. However, the availability of these federal housing subsidies has not yet resulted in California ending homelessness for youth leaving foster care, even when taken in sum with other state resources.

In November 2021, John Burton Advocates for Youth (JBAY) set out to better understand the rate at which California communities were accessing these federal housing vouchers for former foster youth and the obstacles preventing or hindering access. The "2020-2021 Statewide Analysis of Supportive Housing for Former Foster Youth in California" analyzed the inventory of available supportive housing for former foster youth, including both state- and county-funded transitional housing and federally-funded housing vouchers, and how much additional housing would be needed to meet statewide demand.[2]

The current report builds on this earlier research, analyzing the current state of federal housing vouchers for former foster youth across California and remaining obstacles to full utilization, and makes recommendations to address these obstacles.



Background on Housing Choice Vouchers for Former Foster Youth

Overview

The U.S. Department of Housing and Urban Development (HUD) administers two Housing Choice Voucher programs for transition-age former foster youth: The Family Unification Program (FUP) and the Foster Youth to Independence (FYI) Initiative. Both programs provide Housing Choice Vouchers, commonly known as "Section 8" vouchers, to Public Housing Authorities (PHAs), which administer the vouchers to youth, in partnership with Public Child Welfare Agencies (PCWAs).

FUP was enacted in 1992, providing housing vouchers to child welfare-involved families and transition-age former foster youth. Launched in 2019, FYI was established with the goal of ending homelessness for youth leaving foster care, exclusively serving this population. To qualify for FYI or FUP vouchers, youth must be between the ages of 18 and 24 (not yet age 25), have left foster care or will leave foster care within 90 days, and are either homeless or at risk of homelessness. With the introduction of FYI, a new voucher administration process was established, with the goal of making vouchers available to youth on an as-needed basis.[3]

FYI and its new administration process grew out of advocacy from the Fostering Stable Housing Opportunities (FSHO) Coalition, a group of current and former foster youth led by ACTION Ohio in partnership with the National Center for Housing and Child Welfare (NCHCW), which worked with HUD to develop the FYI program, ensuring it was responsive to the specific needs of young people leaving foster care. In 2018, the FSHO Coalition presented a proposal to HUD which became the FYI Initiative. In 2020, The Fostering Stable Housing Opportunities Act (FSHO) was passed as part of the Consolidated Appropriations Act of 2021 and made FYI law.[4]

Key Acronyms

HUD
US Department of Housing & Urban Development

FUP
Family Unification Program

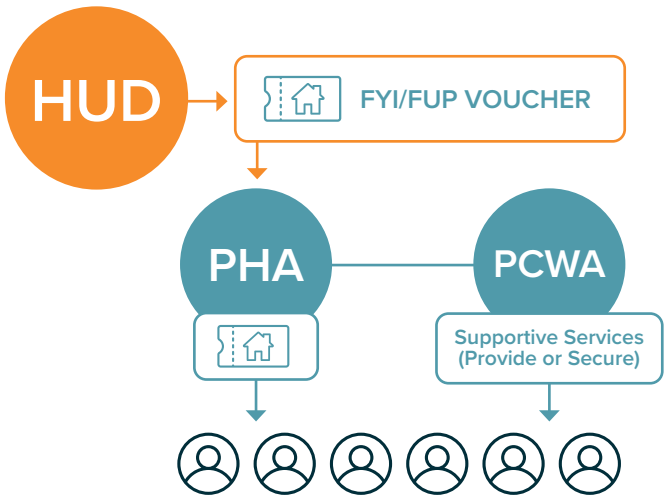
FYI
Foster Youth to Independence Initiative

PHA
Public Housing Authorities

PCWA
Public Child Welfare Agencies

FSHO
Fostering Stable Housing Opportunities Act of 2020

Voucher Distribution Process



What's Provided

FYI and FUP vouchers provide transition-age former foster youth with up to 36 months of housing assistance via a Housing Choice Voucher, coupled with supportive services offered by a PCWA. These supportive services include housing navigation (assistance with locating housing, rental lease agreements, and move-in costs) as well as ongoing services once in housing, such as basic life skills counseling, education, and job support.

Youth with FYI/FUP vouchers may extend the life of their 36-month voucher for an additional 24 months (for a total of five years), either by opting into the Family Self-Sufficiency (FSS) program if offered by the PHA from which they are receiving assistance, or by fulfilling certain education or employment participation conditions if the PHA does not offer FSS or if it is impacted. PHAs are required to offer this voucher extension to all youth with FYI/FUP vouchers.

In addition to a voucher extension, FSS provides services such as childcare, transportation, education, job training, financial literacy and the establishment of an interest-bearing escrow account. Any increases in the youth's rent as a result of increased earned income during the youth's participation in the program result in a credit to the youth's escrow account, which is accessible to the youth upon exit from the program.



Administration

FYI and FUP are administered by HUD directly to PHAs in partnership with PCWAs, which in California are county child welfare agencies and juvenile probation departments. PCWAs are responsible for identifying, prioritizing, and verifying eligible youth; as well as providing or securing a commitment for the provision of supportive services. PHAs, which administer the rental subsidy (voucher), are governmental bodies that assist in the development or operation of housing for low-income families. There are currently 97 PHAs operating within California. See appendix B for a statewide list of PHAs.

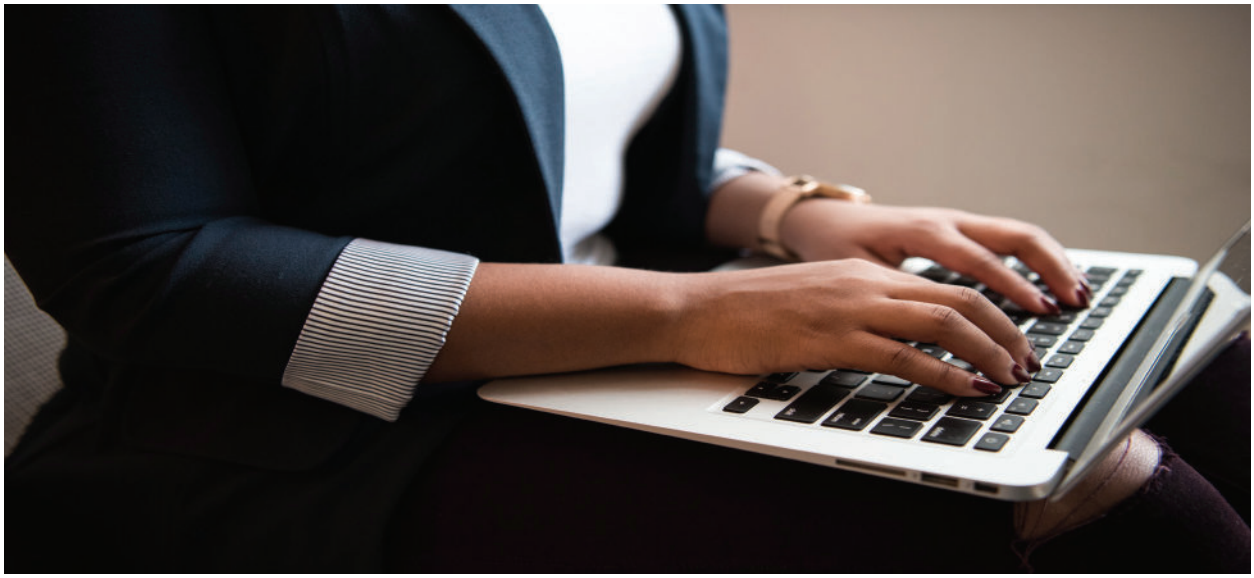
The PHA may apply for youth vouchers in one of two manners:

COMPETITIVE

FYI/FUP vouchers are administered competitively, through a Notice of Funding Opportunity released by HUD. Through this competitive process, PHAs may request a minimum of three and a maximum of 75 FYI/FUP vouchers for youth, based on the size of the PHA's overall voucher program and the identified need of eligible youth.

NON-COMPETITIVE

With the establishment of FYI came a new administration process. PHAs may request these vouchers directly from HUD on a rolling basis as youth are identified by the PCWA. Through this non-competitive, "on-demand" process, PHAs may request vouchers in batches as little as one or as large as 25. PHAs may request up to 50 on-demand vouchers in a fiscal year.



Recent Developments

ESTABLISHMENT OF STATE FUNDING FOR SERVICES

JBAY's 2021 research and publication uncovered that according to county child welfare agencies, the most pressing obstacle preventing counties from partnering to administer FYI/FUP vouchers was the lack of designated funding for the requisite supportive services. HUD provides funding to PHAs for the rental subsidy (voucher); however, HUD does not provide county child welfare agencies with funding to offer the services.

In response, the State Legislature included $8.7 million in ongoing funding in its 2022-23 budget for the purpose of serving youth with vouchers. Championed by Assemblymember Phil Ting (D-San Francisco), this funding expanded an existing program, the Housing Navigation and Maintenance Program (HNMP), bringing the annual budget from $5 million to $13.7 million. Senate Bill 187 expanded the eligible population for HNMP to align with the FYI/FUP-eligible population.[5] With these changes, California counties now have designated funding to draw from to provide housing navigation and services to youth with FYI/FUP vouchers.

FEDERAL POLICY CHANGE TO MINIMUM VOUCHER UTILIZATION RATES

Prior to a policy change made in March 2023, PHAs were required by HUD to have a minimum 90% utilization rate for their FYI and FUP vouchers—including family FUP vouchers—in order to request any new FYI/FUP vouchers. In smaller communities, PHAs had to reach a minimum of 50% utilization. Only vouchers currently leased up are considered "utilized." In many counties, tight housing markets make it challenging for 90% of voucher holders to be leased up at a moment in time. This resulted in a false impression that any PHA could request up to 50 on-demand vouchers per fiscal year, in addition to any they were awarded through the competitive process. In reality, PHAs and counties were struggling to get youth leased up; meanwhile their waiting lists were growing, and they were unable to request new vouchers.

In March 2023, HUD issued Notice PIH 2023-04, making several changes to the FYI initiative to make vouchers more accessible. The notice indicated that PHAs were eligible for an exception to the minimum utilization rate. PHAs seeking vouchers despite not meeting the minimum utilization rate are instructed to submit a narrative that explains, to HUD's satisfaction, why the PHA does not meet the utilization criteria and requires the award of FYI vouchers.

FEDERAL POLICY CHANGE MANDATING UNIVERSAL ACCESS TO FYI/FUP VOUCHER EXTENSION

Under 2022 amendments to the Fostering Stable Housing Opportunities (FSHO) Act of 2020, PHAs are now required to inform youth of the provisions that allow for a two-year extension of FYI/FUP assistance and the requirements to receive such an extension.[6]

Youth can access this two-year extension by opting into the Family Self-Sufficiency (FSS) program, offered at some PHAs. If the PHA is not carrying out an FSS program or is offering an FSS program in which the youth has been unable to enroll, a youth can still qualify for two separate 12-month extensions (totaling 24 months) through participation in an education, workforce development, or employment activity for at least nine of the twelve months preceding each extension.

This report explores the progress achieved to increase access to FYI/FUP vouchers, in part, as a result of these developments, and where California stands in 2023 in terms of its utilization of this critical federal resource to prevent homelessness among youth transitioning out of foster care.

FYI/FUP Voucher Extension Participation Conditions



Education

The youth was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.



Workforce Development

The youth was participating in a career pathway, as such term is defined in section 3 of the Workforce Innovation and Opportunity Act.[7]



Employment Activity

The youth was employed.



Exceptions to Participation Conditions

The FSHO Act also provides a 24-month extension to youth who are responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person; regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable, due to a documented medical condition.

Methodology

Statewide Survey of County Child Welfare Agencies

JBAY conducted an online survey of county child welfare agencies between July and October 2023, gathering information about FYI and FUP vouchers. The survey asked representatives from each of California's 58 county child welfare agencies to detail the state of voucher administration within their respective county, including information about their partnership with their PHA(s), voucher request process, voucher demand, service provision, and voucher extension. A total of 37 counties responded to the survey. These counties make up 85% of the state's non-minor dependent population and possess 93% of the state's FYI/FUP vouchers for youth. Four counties that have FYI/FUP vouchers did not respond to the survey, and JBAY was able to gather information about the number of vouchers these counties have, even though the survey was not completed, to provide a statewide voucher count.

FYI/FUP Community of Practice

JBAY has partnered with the National Center for Housing and Child Welfare (NCHCW) to host the 2023-24 FYI/FUP Voucher Community of Practice, launched in February 2023. The community is open to county child welfare agencies and PHAs to collaboratively develop and promote best practices for effectively administering FYI and FUP vouchers. Since February 2023, representatives from 15 counties have participated in virtual monthly sessions, alternating between one-on-one technical assistance sessions with partners from each county and larger peer-learning sessions convening the 15-county group to discuss pertinent voucher topics. In cases where a county contracts out direct services for voucher holders to third-party organizations or includes the homeless Continuum of Care as a referral partner, these additional community partners are also included.

COUNTIES PARTICIPATING IN 2023-24 FYI/FUP COMMUNITY OF PRACTICE
Alameda
Butte
Contra Costa
Los Angeles
Marin
Nevada
Orange
Sacramento
San Francisco
San Joaquin
San Mateo
Santa Clara
Santa Cruz
Sonoma
Stanislaus

Methodology

Counties participating in the Community of Practice bring varying levels of respective progress in local voucher administration, with some counties already possessing more than 100 FYI/FUP vouchers and some not yet having established the infrastructure to request any vouchers. JBAY is encouraged by the varying degrees of progress of the participating counties over the past several months, and JBAY looks forward to sharing key lessons learned from this process statewide to ensure California makes use of this critical resource for youth. Although specific details about each county learned through the Community of Practice remain confidential, JBAY was able to draw upon conversations with child welfare agencies, PHAs, and service providers to generate holistic findings for this report.

PEER LEARNING TOPICS

February 2023
Kick-Off Session

April 2023
Building & Maintaining Partnerships, Requesting Vouchers from HUD

June 2023
Identifying & Preparing Eligible Youth

August 2023
Services: Offering, Funding & Finding Support Services

October 2023
Landlord Recruitment & Incentives

February 2024
Voucher Extension/Family Self Sufficiency (FSS) Program



Findings

Survey Findings

1. **Since 2021, the number of specialized Housing Choice Vouchers for former foster youth has increased 54%, from 870 to 1,341 statewide**

   As of October 1, 2023, county child welfare representatives reported that their partner Public Housing Authorities (PHAs) collectively administer 1,341 FYI/FUP vouchers for youth. This is a 54% increase from 2021 when county child welfare representatives reported their PHAs collectively administering 870 FYI/FUP vouchers in California. See Appendix A for a list of vouchers by county as of October 1, 2023.

2. **A total of 35 county child welfare agencies (60%) partner with at least one PHA to administer FYI/FUP vouchers to youth. Statewide, a total of 42 PHAs administer FYI/FUP vouchers to youth.**

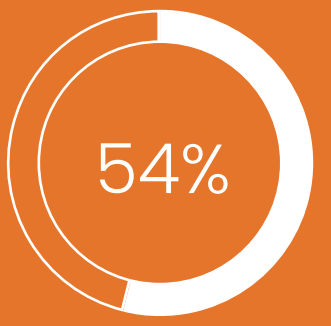
   Over half of California's county child welfare agencies (35 counties or 60%) have a partnership with at least one PHA to administer FYI/FUP vouchers. The balance (40%) of county child welfare agencies do not partner with a PHA to administer FYI/FUP vouchers to youth in their county. Statewide, there are 42 PHAs administering FYI/FUP. Of the counties with partnerships, 86% partner with one PHA, and 11% partner with two PHAs. One county, Los Angeles, has partnerships with three PHAs.

3. **A total of five PHAs in 9% of counties (5 counties) have requested at least one on-demand FYI voucher and PHAs in 3% of counties (2 counties) have received a voucher through the on-demand process.**

   PHAs in five counties have requested a combined total of 79 on-demand vouchers. These counties include Contra Costa, Nevada, Orange, Sacramento, and San Francisco. Two of these counties have received a collective total of 28 on-demand vouchers (Contra Costa—3, and Sacramento—25). PHAs in the other three counties are still awaiting their voucher award as of the writing of this report. The balance of the increase in FYI/FUP vouchers since 2021 has been the result of competitive awards.

4. **FYI/FUP vouchers are concentrated in more populated parts of the state.**

   The 35 counties that offer FYI/FUP vouchers are home to 93% of the state's NMD population. The remaining 23 counties that do not partner with a PHA to administer FYI/FUP vouchers are largely rural and tend to have smaller populations of foster youth.



Increase in the number of housing vouchers for former foster youth since 2021



5. **Among counties with FYI/FUP vouchers for youth, the average number of vouchers per county is 38, ranging from 1 voucher to 202 vouchers.**

   The number of FYI/FUP vouchers per county ranges from one voucher (El Dorado County, Kings, Napa, and Plumas Counties) to 202 vouchers (Los Angeles County). The average number of vouchers per county is 38. The counties with the highest number of vouchers include Los Angeles (202 vouchers), Orange (140 vouchers), and Sacramento (98 vouchers). See appendix A for a list of vouchers by county as of October 1, 2023.



6. **As of October 1, 2023, 300 youth were on a waiting list for an FYI/FUP voucher, a figure that is largely unchanged from June 2021.**

   Of the 35 counties that partner with PHAs to administer FYI/FUP vouchers for youth, 13 had current waiting lists at the time of the survey, collectively totaling 300 youth. This number is slightly higher than the 290 youth on a waiting list in 2021, despite a 54% increase in FYI/FUP vouchers statewide. This suggests that the demand for vouchers has outpaced the increase in the FYI/FUP voucher inventory. The counties with the largest waiting lists are Santa Clara and Los Angeles (100 each).

   It is important to note that this is likely to be an underestimate of the existing need for vouchers because (1) not all counties with programs are maintaining a waiting list, and (2) it is not clear that counties that are not yet implementing a voucher program are documenting those in need of vouchers.

7. **Three county child welfare agencies that offer FYI/FUP vouchers (9%) conduct landlord recruitment and provide landlord incentives.**

   Child welfare agency representatives were asked whether their county contracts with a realtor or other entity to conduct landlord recruitment and provide incentives, or otherwise secure living units for youth with FYI/FUP vouchers. Among respondents offering FYI/FUP vouchers, 9% of child welfare representatives confirmed that their county contracts with an entity to conduct these activities.

8. **In almost all counties, it requires 1-2 months or more for a youth to successfully identify housing.**

   Child welfare agency representatives were asked for the average length of time it takes for youth with an FYI/FUP voucher to identify housing, from the time the housing search or selection process begins, to the time a rental unit is secured. The most common response, provided by respondents from 45% of counties, is that this process takes 1-2 months. A total of 29% of counties reported an average of 3-4 months, 13% of counties reported longer than six months, 10% of counties reported 5-6 months, and 3% reported less than one month.

9. **Counties provide FYI/FUP services through a variety of arrangements; contracts with community-based providers are the most common.**

   Child welfare agency representatives were asked how supportive services are provided to youth with an FYI/FUP voucher. Among counties that offer FYI/FUP vouchers, 50% reported that the county contracts with one or more community-based providers to provide these services. A total of 13% of counties provide these services with county personnel. In 7% of counties, services are provided by another public entity (i.e., their PHA, homeless Continuum of Care, or another county department), and in 30% of counties, services are provided by a combination of these options.

10. **Representatives from roughly two-thirds (65%) of county child welfare agencies that offer FYI/FUP vouchers were unaware of the opportunity to extend the vouchers from three to five years.**

    In interviews with PHA representatives, JBAY observed that PHAs are consistently meeting federal requirements by allowing youth to extend their voucher term by an additional two years through participation in the FSS program if it is available, or by meeting a participation requirement as authorized under the federal FSHO Act. However, 65% of county child welfare agency representatives were unaware that all youth with FYI/FUP vouchers have this opportunity to extend the voucher term.

Interview Findings

11. **Many county child welfare and PHA representatives remain unaware of the on-demand voucher request mechanism and recent policy changes that simplify the request process.**

    In interviews with PHA and child welfare representatives, counties expressed a lack of awareness about the availability of on-demand vouchers and lack of familiarity with the non-competitive process for requesting up to 50 FYI/FUP vouchers annually. Additionally, many representatives were also unaware of federal policy changes that removed the requirement that PHAs must utilize (lease up) at least 90% of current FYI/FUP vouchers prior to requesting additional FYI/FUP vouchers. This requirement was considered an obstacle to requesting on-demand vouchers and was removed to facilitate their utilization.

12. **County child welfare representatives report that despite the establishment of specified funding for FYI/FUP services, insufficient allocation amounts are a limiting factor in requesting additional FYI/FUP vouchers.**

    The Housing Navigation and Maintenance Program (HNMP) was expanded by $8.7 million in 2022 to provide designated funding to county child welfare agencies for the provision of housing navigation and supportive services for youth with FYI/FUP vouchers. Since 2022, the number of FYI/FUP in California has increased 54%, from 870 to 1,341, due in part to this expansion of services funding.

    However, county child welfare representatives and their contracted providers have expressed concerns about requesting additional vouchers without additional services funding, particularly in reference to on-demand vouchers. Some county child welfare representatives have stated that their annual HNMP allocation does not cover the full cost of services for their current voucher holders. According to Community of Practice participants, requesting additional vouchers would stretch this funding and potentially compromise the provision of quality supportive services and the ability for youth to successfully lease up.

13. **The time-limited nature of FYI/FUP vouchers presents challenges for landlords, PHAs and youth.**

    Interviews with PHA representatives uncovered that the time-limited nature of FYI/FUP vouchers presents unique challenges, when compared to other Housing Choice Vouchers, which have no time restriction. According to PHA representatives interviewed, landlords tend to prefer longer-term tenants and want to avoid the time and cost associated with tenant turnover, including more frequent repairs and maintenance, and the heightened risk of evictions.

    PHA representatives also disclosed that the time-limited nature of the FYI/FUP voucher was a potential deterrent for PHAs taking on this program, noting that many youth with an FYI/FUP voucher are unable to secure stable housing after the three- to five-year voucher term. To address this, a small number of PHAs prioritize foster youth for receipt of non-Special Purpose Housing Choice Vouchers. For the vast majority that do not, in some cases it places the PHA staff in the uncomfortable and unfamiliar position of exiting a youth to homelessness or housing instability, should the youth and service provider be unsuccessful in securing stable housing at the end of their voucher term.

    Finally, the time-limited nature poses obvious challenges for youth themselves. Youth with FYI/FUP vouchers are commonly enrolled in school or working, yet do not earn enough money to secure market rate housing at the conclusion of their voucher term.

14. Escalating housing costs and a scarcity of landlords renting to voucher holders have intensified the challenges of utilizing FYI/FUP vouchers.

In interviews with representatives from both child welfare agencies and PHAs, respondents expressed that housing affordability is consistently one of the most significant barriers that youth with FYI/FUP vouchers confront when attempting to secure housing. Representatives expressed that in addition to tight housing markets, Housing Choice Voucher holders are competing with one another to secure housing from willing landlords. Youth are often not the most competitive tenants given their limited tenancy history, young age, and the time-limited nature of their voucher, when compared to families or older adults who are often viewed as more desirable tenants and have permanent vouchers.



15. Landlord engagement is an integral part of voucher utilization and a core competence of PHAs.

JBAY interviewed child welfare agencies and PHA representatives that have successfully requested and utilized FYI/FUP vouchers and found that PHAs play a unique and critical role in the success of voucher utilization. Unlike county child welfare agencies, PHAs have strong, extensive relationships with landlords in the community and an expertise in how to administer landlord recruitment, engagement, and incentive programs. According to PHA representatives, these programs are critical to achieving a high voucher utilization rate, which is a key metric measured by HUD.

These programs include signing bonuses for property owners, modified tenancy requirements to address low or no credit or a lack of tenant history, a risk mitigation fund that covers damages and lost rent that exceeds a security deposit, a small-repair fund to help a unit pass a Housing Quality Standards inspection, and holding fees to reserve a unit during the application and inspection period or for a yet-to-be-determined tenant.

While these programs are considered essential to PHAs, they are not provided in most counties for FYI/FUP vouchers because there is no source of funding. JBAY was only able to identify two PHAs that operate a landlord engagement program for FYI/FUP vouchers by utilizing private funding or by using funding intended for other voucher types.

16. Incompatibility between county child welfare agencies' claiming processes and the state's funding administration process has led to HNMP funds taking over a year to reach counties.

The main funding source used by county child welfare agencies to fund supportive services for FYI/FUP voucher holders is the Housing Navigation and Maintenance Program (HNMP), administered by the California Department of Housing and Community Development (HCD). It currently takes over a year for counties to receive this funding. There are several reasons for this.

One, there is a lack of familiarity on the part of county child welfare agencies with HCD's allocation process, which is distinct from the process used by the California Department of Social Services (CDSS) and requires the submission of county forms to accept the funding, a county board resolution, and the execution of a standard agreement between the state and county. These activities alone can take several months, meaning standard agreements are not fully executed and funding is not made available to counties until the tail end of the fiscal year in which the funding was appropriated.

A second reason for a delayed administration process is the county claiming process. Once the standard agreement is executed between the state and a county, that county can begin drawing down funding, however many counties are drawing this funding down using a cost-reimbursement structure rather than a fixed allocation structure. With cost reimbursement, counties are reimbursed funding as they spend it, rather than requesting the full awarded amount at the onset of the fiscal year. This method is common for county child welfare agencies, however unfamiliar and administratively burdensome to HCD.

Lastly, county child welfare administrators are accustomed to receiving policy guidance from CDSS—the state department from which they most commonly receive funding—in the form of an All County Letter or County Fiscal Letter. These policy notices are well known and well understood by county child welfare administrators, unlike communications they receive from HCD, which historically, has not administered funding to county child welfare agencies.

17. Vague statutory language about the purpose of HNMP has resulted in confusion among some county administrators.

When HNMP was established in 2019 for the purpose of assisting current foster youth with identifying housing, the section in Health & Safety Code added for this program was written using extremely broad language. Similarly, when the program was expanded and the budget was augmented in 2022 to establish specific funding for serving youth with FUP/FYI vouchers, statutory language remained quite broad. It currently states, "the department shall allocate funding to county child welfare agencies to provide housing navigators to help young adults who are 18 to 24 years of age, inclusive, secure and maintain housing.[8]"

The result of this lack of specificity and stated purpose is a lack of programmatic guidance for county child welfare agencies in terms of eligible uses of the funding. This has left some county personnel trepidatious about using the funding for its intended purpose of assisting youth with FUP/FYI vouchers.



18. The local and optional nature of the FYI/FUP program is a key reason why it has been underutilized in California.

FYI/FUP is a federal program that PHAs and county child welfare agencies have the option to implement locally. HUD does not require PHAs to administer FYI/FUP vouchers, and the State of California does not require county child welfare agencies to initiate partnerships with local PHAs. Given this, whether a youth can access FYI/FUP is entirely dependent on whether local agencies have elected to implement the program. This has two main effects. First, it has resulted in significant variation across California in terms of whether vouchers are available. Certain parts of California are actively participating in FYI/FUP. In these parts of the state, youth leaving foster care will likely have safe, affordable housing for up to five years, while youth in other parts of the state will not. This raises serious equity concerns.

A second implication of the local and optional nature of FYI/FUP is that it results in California underutilizing federal funding to prevent homelessness among youth exiting foster care. Instead of maximizing this federal resource, California is largely utilizing scarce state and county funds to house former foster youth, namely the Transitional Housing Program-Plus (THP-Plus), which is realigned county funding; and the Transitional Housing Program (THP), state funding administered by HCD. This is due in large part to county child welfare agencies having the discretion to access state-funded housing programs without availing themselves of federally funded FYI/FUP.

19. Child welfare agencies in large counties experience challenges in securing partnerships with multiple PHAs.

Although several smaller counties have only one available PHA with which to partner in administering FYI/FUP vouchers, many larger counties are home to numerous PHAs affiliated with various cities as well as the county. For example, California's most populous county, Los Angeles, is home to 20 different PHAs, one associated with the county of Los Angeles, and others tied to various cities located within the county. Child welfare representatives within some of the larger counties have expressed interest in establishing PHA partnerships beyond those with whom they currently partner, however they have frequently been unsuccessful in securing these additional partnerships. This may be due in part to the time-limited nature of FYI/FUP vouchers, which can be a deterrent for PHAs to administer the program because of the additional administrative workload associated with tracking voucher terms and tenant turnover.



Recommendations

Local Recommendations

1. **Maximize use of the on-demand FYI process, allowing for the administration of 50 vouchers per Public Housing Authority (PHA) annually.**

   The non-competitive, on-demand mechanism for requesting FYI/FUP vouchers enables each PHA in California to request up to 50 FYI/FUP vouchers for former foster youth annually, on top of the competitive FYI/FUP vouchers they apply for. Yet, awareness about on-demand vouchers is scarce, and only 9% of counties across the state have utilized the on-demand process for requesting these specialty vouchers. The on-demand nature of FYI vouchers makes them a unique and critical tool for social workers, probation officers and others helping ensure youth leaving foster care have a stable housing plan. Increased awareness is needed to ensure this resource is available to youth in every county.

2. **Refer every youth to FYI/FUP as part of the 90-day transition plan, in counties that offer the program.**

   California requires a 90-day transition plan for nonminor dependents exiting foster care. At these meetings, county case workers (social workers and/or probation officers) discuss several topics, including housing. FYI/FUP vouchers are authorized to be provided to youth who are 90 days from leaving foster care for this very purpose—to ensure their availability as a resource during transition planning. Studies consistently demonstrate that youth exiting foster care are at heightened risk for homelessness and housing instability, even when they initially have a housing plan. The on-demand nature of FYI/FUP provides counties the opportunity to formally incorporate voucher referrals into the 90-day transition planning meetings for every youth, particularly in counties with waiting lists for transitional housing.



3. **Develop partnerships with multiple PHAs in larger counties to maximize the number of vouchers available to youth.**

   Although many smaller counties may be able to partner with only one PHA to offer FYI/FUP vouchers, larger counties tend to have multiple PHAs, which each have the capacity to request 50 on-demand FYI vouchers annually from HUD, in addition to applying for competitive vouchers. Establishing formal partnerships with as many PHAs as possible will increase the number of FYI/FUP vouchers available to youth in the county.

4. **Ensure child welfare partners and other relevant stakeholders are aware that youth must be offered the opportunity to extend their FYI/FUP voucher to five years through participation in the FSS program or by fulfilling participation conditions.**

   The federal FSHO Act requires PHAs to inform youth of the provisions that allow youth to extend the life of an FYI/FUP voucher from 36 months (3 years) to 60 months (5 years) through participation in an FSS program or by engaging in certain education or employment activities. While PHAs are reportedly offering this extension to youth voucher holders, survey respondents from a full 65% of county child welfare agencies that offer FYI/FUP were unaware of the extension opportunity and the requirement in federal law to make youth aware of the extension. Knowledge of this opportunity among all relevant agencies can help bridge communication with youth, facilitating this extension, which could prove invaluable in providing youth the opportunity to be better prepared to transition into permanent housing after the life of their voucher.

5. **Transition youth from an FYI/FUP voucher to a non-Special Purpose Housing Choice Voucher at the conclusion of their voucher term.**

   FYI/FUP vouchers are time-limited to 3-5 years. At the conclusion of this time period, youth may confront housing challenges, given the cost of housing in California and the relatively low income of transition-age former foster youth, which is well documented. Additionally, a subset of youth with FYI-FUP vouchers are custodial parents, presenting additional risks should youth not secure stable housing. Counties and PHAs can ensure the safety and well-being of these former foster youth by transitioning them from an FYI/FUP voucher to another Housing Choice Voucher that is not time-limited, providing further runway for youth in their housing journey. According to federal guidelines, PHAs have the discretion to establish local preferences to reflect the housing needs and priorities of their particular community.



6. **Explore options to fund supportive services with the California Advancing and Innovating Medi-Cal (CalAIM) program.**

   California has made significant changes to its Medi-Cal program in recent years, expanding the number of allowable services that the program funds. This statewide reform is known as CalAIM. Recognizing that homelessness is a critical barrier to physical and mental health, CalAIM can fund services (including case management) that address and prevent homelessness. To maximize the utilization of FYI/FUP vouchers, local stakeholders should learn about CalAIM, its local application and how the program can be used to fund supportive services for youth utilizing FYI/FUP vouchers.

7. **Ensure equal access to FYI/FUP vouchers for youth exiting the juvenile probation system.**

   Youth who have an out-of-home placement order from the juvenile probation system are eligible for FYI/FUP vouchers. Many juvenile probation systems are not aware of this eligibility and lack formal relationships with their local PHA, meaning young people exiting this system do not have access to this critical housing program. As of October 1, 2023, no county juvenile probation department was in a formal agreement with a California PHA to implement or access FYI/FUP vouchers. To address this, efforts should be taken to educate county probation agencies about the program, including both the competitive and on-demand processes, and assist them with the development of relationships with local PHAs. This implementation can be achieved by facilitating referrals through existing partnerships with county child welfare agencies or by establishing independent referral processes between the juvenile probation department and local PHAs.

State Recommendations

8. **Modify the Housing Navigation and Maintenance Program (HNMP) to include funding for PHAs to conduct landlord engagement, modeled after Emergency Housing Vouchers.**

   The American Rescue Plan Act of 2021 (ARP) included in its $1.9 trillion relief package, $5 billion for new, incremental Emergency Housing Vouchers.[9] Due to the urgent nature of this housing relief during the pandemic, each Emergency Housing Voucher was accompanied with a “Services Fee” to help facilitate a successful lease up. This Services Fee was a one-time fee equal to $3,500 for each Emergency Housing Voucher allocated to the PHA that could be used for a range of activities supporting successful lease up, including signing bonuses at lease-up; a vacancy fund to cover costs while a unit awaits initial inspection; and a damage mitigation fund, which pays landlords for excessive tenant-caused damage that the tenant cannot sufficiently cover financially.

   PHA representatives cited the success of the Emergency Housing Voucher Services Fee and its potential applicability to FYI/FUP vouchers. They noted a critical difference in the effectiveness of Emergency Housing Vouchers when accompanied with a Services Fee to engage landlords. One strategy to replicate the success of the Emergency Housing Voucher program would be to augment the $13.7 million HNMP budget to include a similar “Services Fee” to fund landlord engagement and expand the eligible applicants for HNMP to include PHAs.

9. **Increase funding for HNMP for county child welfare agencies and adopt policies that result in the funding being allocated to counties within six months.**

   As noted in the findings, county child welfare representatives report that a key barrier to requesting enough vouchers to meet local housing demand among former foster youth is insufficient funding for supportive services. The current annual budget for HNMP is $13.7 million. A total of $5 million of this funding was appropriated in 2019 to assist current non-minor dependents with locating housing when placed in a Supervised Independent Living Placement. In 2022, the budget was augmented with $8.7 million, to provide funding to serve youth with FYI/FUP vouchers.

   Given an estimated average annual cost of service provision of $10,000 per youth, the $8.7 million in HNMP funding intended for FYI/FUP services allows for approximately 870 youth to be served. This is 471 less youth than the current number being served, and another 300 less when considering the 300-person waiting list for FYI/FUP as of October 1, 2023. Given this, the annual state funding should be increased by at least $7.7 million to serve all youth who currently have vouchers and eliminate the waiting list, and preferably by $10 million to allow county child welfare agencies to serve an additional 235 youth with vouchers in the 2024-25 fiscal year, assuming similar annual growth in vouchers as occurred between 2021 and 2023.

   In addition to more funding, it is important to modify the administration of HNMP to allocate it to counties within six months. Currently, a full year is required for a county to claim this funding. Changes to the administrative process that would facilitate this include adding a deadline in statute for HCD to release the funding to counties; removing the requirement for counties to secure a resolution from their Board of Supervisors; and requiring counties to request their full allocations up front, rather than using cost-reimbursement process.

10. **Align HNMP statute and program administration with the program's legislative intent.**

    A lack of specificity in statute governing HNMP has resulted in a lack of programmatic guidance for county child welfare agencies in terms of eligible uses of the funding. This has left some county personnel trepidatious about using the funding for its intended purpose of assisting youth with FUP/FYI vouchers.

    In order for both HCD and county child welfare agency personnel to have a shared understanding of the purpose of HNMP, and for that understanding to be aligned with the intent of the State Legislature when it established and amended this program, statute must be amended to reflect the legislative intent of HNMP.



11. Issue state policy guidance to county child welfare agencies and juvenile probation departments to inform them about FYI/FUP and request that they implement it.

Although FYI/FUP is a federal program adopted at the discretion of local agencies, there are ways the California Department of Social Services (CDSS) could play a helpful role in promoting access to FYI/FUP vouchers. On the most foundational level, this would include disseminating information about FYI/FUP to county child welfare agencies and probation departments. Key topics to include would be information about the on-demand request process, a list of PHAs, information about the availability of HNMP to fund supportive services, and the responsibilities of county child welfare agencies and juvenile probation departments to ensure foster youth make a safe, supported transition from foster care.

Similar practice guidance was issued in All County Letter 18-15 in 2018 prior to the availability of on-demand vouchers, advising counties that transition services include assisting non-minor dependents with locating and securing appropriate after-care housing, such as transitional housing and FUP vouchers.[10] In 2021, CDSS drew on federal relief funding to launch a $4 million pilot program providing funding to counties to provide services to youth with FYI/FUP vouchers.[11] It is suggested that new guidance be issued, focused on the availability of the on-demand vouchers, as well as the availability of annual HNMP funding for services. This guidance could also instruct counties to request an FYI/FUP voucher for all youth who are not entering a transitional housing program, as part of the youth's 90-day transition plan.

In addition to information dissemination, CDSS could play an active role in FYI/FUP implementation. Specific actions to consider include requesting information from every county child welfare agency about the status of FYI/FUP in their county and providing a rationale if no PHA partnership is in place.



Federal Recommendations

12. **Align FYI/FUP vouchers with other Housing Choice Vouchers by making them permanent, rather than time limited.**

    FYI/FUP vouchers for youth are the only time-limited Housing Choice Vouchers issued by HUD. This restriction has disincentivized landlords from leasing to youth with an FYI/FUP voucher, as the time limitation forces more frequent tenant turnover, and disincentivized PHAs from offering these vouchers due to increased administrative burden and concern about youth outcomes when the voucher expires. The time-limited nature of FYI/FUP places foster youth at risk for homelessness at the conclusion of the voucher term, considering the cost of housing in California.

    By removing the time limitations placed on FYI/FUP vouchers, the federal government can eliminate these disincentives, empowering youth with FYI/FUP vouchers to be on more equal footing with other voucher holders on the market for rental housing and ensuring youth leaving foster care maintain stable and affordable, long-term housing. This policy change would require additional federal funding, to ensure vouchers remain available to those in need.

13. **Separate FYI/FUP vouchers for youth from FUP vouchers for families within HUD's Housing Choice Voucher Data Dashboard.**

    HUD maintains a Housing Choice Voucher Data Dashboard which shows budget and leasing trends, reserve balances, program admissions and attrition, per-unit cost and leasing potential for the program nationally, and allows the public to drill down to the state- and PHA-level.[9] Within the dashboard, Special Purpose Vouchers are broken out by program type, including Mainstream vouchers and Non-Elderly Disabled (NED) vouchers, which both serve non-elderly disabled individuals; Veterans Affairs Supportive Housing (VASH) vouchers, which serve veterans; and FUP vouchers, which serve child welfare-involved families and transition-age former foster youth.

    In the dashboard, FYI /FUP for youth is captured under FUP, and there is no distinction between FUP vouchers for families and FYI/FUP vouchers for youth. This makes it challenging to understand outcomes for youth voucher holders, who although share the FUP voucher category with families, are distinctly different from family voucher holders. If HUD were to separate FYI/FUP for youth from FUP for families, the dashboard could provide the public with a national, state, and local understanding of youth-specific lease-up rates, program admissions and attrition, and other key outcomes.

Appendix A

County	# of Vouchers Received	Has Requested On-Demand Vouchers?	Has Received On-Demand Vouchers?
Alameda	67	No	No
Alpine	0	No	No
Amador	0	No	No
Butte	2	No	No
Calaveras	0	No	No
Colusa	0	No	No
Contra Costa	3	Yes	Yes
Del Norte	0	No	No
El Dorado	1	No	No
Fresno	30	No	No
Glenn	15	No	No
Humboldt	0	No	No
Imperial	10	No	No
Inyo	0	No	No
Kern	77	No	No
Kings	1	No	No
Lake	0	No	No
Lassen	0	No	No
Los Angeles	202	No	No
Madera	5	No	No
Marin	6	No	No
Mariposa	0	No	No
Mendocino	0	No	No
Merced	15	No	No
Modoc	0	No	No
Mono	0	No	No
Monterey	64	No	No
Napa	1	No	No
Nevada	0*	Yes	No
Orange	140	Yes	No

County	# of Vouchers Received	Has Requested On-Demand Vouchers?	Has Received On-Demand Vouchers?
Placer	30	No	No
Plumas	1	No	No
Riverside	60	No	No
Sacramento	98	Yes	Yes
San Benito	0	No	No
San Bernardino	20	No	No
San Diego	70	No	No
San Francisco	25	Yes	No
San Joaquin	74	No	No
San Luis Obispo	18	No	No
San Mateo	75	No	No
Santa Barbara	59	No	No
Santa Clara	78	No	No
Santa Cruz	30	No	No
Shasta	6	No	No
Sierra	0	No	No
Siskiyou	0	No	No
Solano	5	No	No
Sonoma	20	No	No
Stanislaus	30	No	No
Sutter	0	No	No
Tehama	0	No	No
Trinity	0	No	No
Tulare	0	No	No
Tuolumne	0	No	No
Ventura	3	No	No
Yolo	0	No	No
Yuba	0	No	No

*While Nevada County did not have vouchers as of October 1, 2023, they were in a formal contract with their Public Housing Authority, which had submitted a request to HUD for on-demand vouchers as of that date.

Appendix B

California Public Housing Authorities, By County

Counties	Public Housing Authorities
Alameda	Oakland Housing Authority
	City of Alameda Housing Authority
	Housing Authority of the County of Alameda
	Berkeley Housing Authority
	Housing Authority of the City of Livermore
	Housing Authority of the City of Pleasanton
Butte	County of Butte Housing Authority
Colusa, Nevada, Sutter, Yuba	Regional Housing Authority
Contra Costa	Housing Authority of the County of Contra Costa
	Housing Authority of the City of Richmond
	City of Pittsburg Housing Authority
Del Norte	Crescent City Housing Authority
El Dorado	County of El Dorado Housing Authority
Fresno	Housing Authority of Fresno County
	Housing Authority City of Fresno
Humboldt	City of Eureka Housing Authority
	County of Humboldt Housing Authority
Imperial	Imperial Valley Housing Authority
	Housing Authority of the City of Calexico
Kern	Housing Authority of the County of Kern
	City of Wasco Housing Authority
Kings	Kings County Housing Authority
Lake	Lake County Housing Commission
Los Angeles	Los Angeles County Development Authority
	Housing Authority of the City of Los Angeles
	City of Long Beach Housing Authority
	Culver City Housing Authority
	Housing Authority of the City of Norwalk
	Housing Authority of the City of Pomona
	City of Compton Housing Authority
	City of Pasadena Housing Department
	Housing Authority of the City of Inglewood
	Housing Authority of the City of Redondo Beach

Appendix B: CA Public Housing Authorities by County

Counties	Public Housing Authorities
Los Angeles *Continued*	Housing Authority of the City of Burbank
	Housing Authority of the City of Santa Monica
	Housing Authority of the City of Glendale
	Pico Rivera Housing Assistance Agency
	Housing Authority of the City of South Gate
	Housing Authority of the City of Baldwin Park
	Housing Authority of the City of Torrance
	Hawthorne Housing
	Housing Authority of the City of Hawaiian Gardens
	Housing Authority of the City of Lomita
Madera	Housing Authority of the City of Madera
Marin	Housing Authority of County of Marin
Mendocino	Community Development Commission of Mendocino County
Merced	County of Merced Housing Authority
Monterey	Housing Authority of the County of Monterey
Napa	Housing Authority of the City of Napa
Orange	Housing Authority of the City of Santa Ana
	Orange County Housing Authority
	Housing Authority of the City of Garden Grove
	City of Anaheim Housing Authority
Placer	City of Roseville
	Placer County Housing Authority
Plumas	County of Plumas Housing Authority
Riverside	Housing Authority of the County of Riverside
Sacramento	City of Sacramento Housing Authority
	County of Sacramento Housing Authority
San Bernadino	Housing Authority of the County of San Bernardino
	Housing Authority of the City of Needles
San Diego	San Diego Housing Commission
	Housing Authority of the County of San Diego
	City of Oceanside Community Development Comm
	Carlsbad Housing & Neighborhood Services
	CDC of National City
	Housing Authority of the City of Encinitas
San Francisco	Housing Authority of the City and County of San Francisco
San Joaquin	Housing Authority of the County of San Joaquin

Appendix B: CA Public Housing Authorities by County

Counties	Public Housing Authorities
San Luis Obispo	Housing Authority of the City of San Luis Obispo
	Housing Authority of the City of Paso Robles
San Mateo	Housing Authority of the County of San Mateo
	City of South San Francisco Housing Authority
Santa Barbara	Housing Authority of the County of Santa Barbara
	Housing Authority of the City of Santa Barbara
Santa Clara	Housing Authority of the City of San Jose
	Santa Clara County Housing Authority
Santa Cruz	Housing Authority of the County of Santa Cruz
Shasta	County of Shasta Housing Authority
	Housing Authority of the City of Redding
Solano	City of Vacaville
	County of Solano Housing Authority
	City of Benicia Housing Authority
	Housing Authority of the City of Vallejo
	City of Fairfield
	Suisun City Housing Authority
Sonoma	City of Santa Rosa
	County of Sonoma
Stanislaus	Housing Authority of the County of Stanislaus
	Housing Authority of the City of Riverbank
Tulare	Tulare County Housing Authority
Ventura	Housing Authority of the City of Oxnard
	Housing Authority of the City of San Buenaventura
	Housing Authority of the County of Ventura
	Housing Authority of the City of Port Hueneme
	Housing Authority of the City of Santa Paula
Yolo	Housing Authority of the County of Yolo

Endnotes

1. Serlin, Christine. Dwellsy. 20 Cities With the Highest One-Bedroom Rents in January (February 2023). <https://www.multifamilyexecutive.com/property-management/rent-trends/dwellsy-20-cities-with-the-highest-one-bedroom-rents-in-january_o>

2. John Burton Advocates for Youth. 2020-2021 Statewide Analysis of Supportive Housing for Former Foster Youth in California" (2021). <https://jbay.org/resources/2020-21-supportive-housing-for-ffy/>

3. HUD guidance on the FYI program is issued through notices. Notice PIH 2023-04, the most recent notice, which details the on-demand process, was issued on March 15, 2023.

4. The provision can be found at 42 U.S.C.A. 1437f(x).

5. Senate Bill 187 (Committee on Budget and Fiscal Review), relevant provisions found in H&S Code Chapter 11.8 (2022). <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB187>

6. Fostering Stable Housing Opportunities Act of 2020, H.R. 133, P.L. 116-260. 116th Cong. (2020). <https://www.govinfo.gov/content/pkg/PLAW-116publ260/pdf/PLAW-116publ260.pdf>

7. Workforce Innovation and Opportunity Act, 29 U.S.C. 3102 (2014). <https://www.govinfo.gov/content/pkg/USCODE-2021-title29/pdf/USCODE-2021-title29-chap32-sec3102.pdf>

8. Health & Safety Code Section 50811. https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=31.&title=&part=2.&chapter=11.8.&article=

9. The American Rescue Plan Act of 2021, H.R. 1319. 117th Cong. (2021). <https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319enr.pdf>

10. California Department of Social Services. All County Letter 18-15 (2018). <https://www.cdss.ca.gov/Portals/9/ACL/2018/18-15.pdf?ver=2018-02-16-115236-383>

11. California Department of Social Services. All County Information Notice I-88-21 (2021). <https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACINs/2021/I-88_21.pdf?ver=2021-10-29-152726-810>



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