

JANUARY 2025

Project 3500

How Two State Programs Expanded Housing for Former Foster Youth in California

Executive Summary

As of July 1, 2024, there were 7,400 young adults ages 18, 19, or 20 participating in extended foster care in California, with an average of at least 3,000 making their final exit from care per year.¹ Youth exiting foster care in California are entering one of the most competitive housing markets in the very early years of their young adulthood, most often without the support of an extended family.

This report analyzes California's progress between 2021 and 2024 in expanding housing coupled with supportive services for youth formerly in the foster care system. Specifically, the report examines the evolution of state- and county-funded transitional housing, and federal Housing Choice Vouchers provided through the Foster Youth to Independence (FYI) Initiative and the Family Unification Program (FUP). Through the administration of a statewide survey of county child welfare agencies and supplemental information from contracted housing providers, the report found that California has made significant progress towards meeting the housing needs of youth exiting the foster care system. More needs to be done, however, to meet the full need and this report offers recommendations for how even greater progress can be made moving forward.





Youth exiting foster care in California face one of the most competitive housing markets, often without any family support

Findings

STATEWIDE CAPACITY AND NEED

- California has increased its housing capacity for former foster youth by **70 percent** between 2021 and 2024, from serving 2,179 youth at a point in time, to 3,713 youth. This includes housing provided through the Transitional Housing Program Plus (THP-Plus) and FYI/FUP vouchers.
- A total of 47 (81%) counties have housing coupled with supportive services for former foster youth, either through THP-Plus or FYI/FUP vouchers.
- The Southern California region has the greatest share (43%) of this housing capacity in the state.
- A total of 615 youth are on waitlists for THP-Plus or an FYI/FUP voucher, a decline from the number of youth on waitlists for these programs in 2021.
- California currently has the capacity to provide THP-Plus or an FYI/ FUP voucher to an estimated **38 percent** of former foster youth who remained in foster care until at least age 18.

TRANSITIONAL HOUSING PROGRAM-PLUS (THP-PLUS)

- 6. The average **monthly rate** per youth that counties pay THP-Plus providers **increased** across all three housing models between 2021 and 2024.
- Despite an increase in the average THP-Plus rate, it still trails far behind the foster care rate paid to providers operating the Transitional Housing Placement for Non-Minor Dependents (THP-NMD).
- County representatives and THP-Plus providers report high rental costs and a competitive housing market as persistent challenges to operating the THP-Plus program.
- 9. The **Bay Area region** had the **highest** average monthly THP-Plus rate per youth.
- Seven counties reported offering a higher monthly THP-Plus rate for pregnant and parenting youth, an increase from 2021 when five counties offered parenting rates.



FOSTER YOUTH TO INDEPENDENCE (FYI) AND FAMILY UNIFICATION PROGRAM (FUP) VOUCHERS

- The increase in the number of FYI/FUP vouchers awarded to Public Housing Authorities (PHAs) in California has more than doubled the amount of federal housing assistance California PHAs receive for the program.
- 12. Nearly half (47%) of California's PHAs administer FYI and/or FUP vouchers in partnership with just over half (53%) of California's counties.
- More than half (56%) of California's partnering PHAs utilize the non-competitive FYI "ondemand" voucher request process.
- 14. Nearly one-quarter (23%) of counties have limited the number of FYI/FUP vouchers provided in partnership with their PHA(s), due to insufficient service provision capacity.
- 15. Identifying and securing housing with an FYI/ FUP voucher continues to be one of the most significant challenges associated with the program.

STATE FUNDING FOR HOUSING SUPPORT FOR TRANSITION-AGE FORMER FOSTER YOUTH

- 16. The majority of counties (83%) are utilizing their Transitional Housing Program funding to serve youth using the THP-Plus program model, and 17 percent are using the funding for other interventions.
- Nearly all (96%) counties with FYI/FUP vouchers use the Housing Navigation and Maintenance Program (HNMP) to serve FYI/ FUP voucher recipients.
- 18. About two-thirds (67%) of counties draw on funding from three or more sources to serve youth with FYI/FUP vouchers, however the available funding does not meet the need.
- The proposed elimination of the HNMP in the 2024-25 state budget resulted in service disruption in some counties.
- 20. Fluctuations in funding allocation levels for the Transitional Housing Program and HNMP present challenges to program operations.

RECOMMENDATIONS

STATE

- Increase state investments in order to provide housing support for all youth exiting extended foster care.
- Ensure the preservation of the California Department of Housing and Community Development's (HCD) Transition-Age Youth (TAY) programs.
- Establish a requirement that county child welfare agencies collect and report **annual data** on the utilization of FYI/FUP vouchers for former foster youth.
- Provide state guidance to county child welfare agencies and Public Housing Authorities, encouraging participation in FYI/FUP and adoption of associated best practices.
- Stabilize funding allocations for the Transitional Housing Program and HNMP, provided by HCD to county child welfare agencies.
- Consider strategies to mitigate the impact of inflation on programs that are funded at a fixed level.
- Establish funding for capital development for both interim and permanent housing for youth.

COUNTY

- Counties with large foster care populations, leverage Master Rental Subsidy
 Agreements to secure rental units for youth with FYI/FUP vouchers.
- Establish regional transitional housing programs to meet the needs of youth in small, rural counties.
- Incorporate landlord incentives into the budget for any service provider contracts related to scattered site transitional housing or housing navigation for youth with FYI/ FUP vouchers.
- Provide a higher monthly THP-Plus rate for pregnant and parenting youth.
- **12.** Use of **Medi-Cal** to fund supportive services for youth with FYI/FUP vouchers.



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Introduction

Former Foster Youth in California

Throughout the nation, it is common for young adults to live with their families well into their mid-twenties. A 2024 report revealed that well over half (57%) of U.S. young adults ages 18 to 24 continue to reside with their parents.² For young adults who exit the foster care system without a "forever home" and without sufficient income, rental or credit history, or a willing co-signer, a lack of affordable housing can quickly lead to homelessness. As of July 1, 2024, there were 7,400 young adults ages 18, 19, or 20 participating in extended foster care in California, with an average of at least 3,000 making their final exit from care per year.³

Data derived from the California Foster Youth Tax Project highlights the financial struggle faced by former foster youth. In 2023, former foster youth ages 18 to 25 who filed a tax return earned an average annual income ranging from \$9,256 to \$16,182.⁴ With the the median rental cost of a one-bedroom apartment in California standing at \$2,150 per month (\$25,800 annually), housing support is critical to prevent former foster youth from experiencing homelessness and housing instability.⁵ While both the state and federal government invest in housing support for this population, the resources currently available are inadequate to meet the needs of all former foster youth, and continue to leave these youth at risk of homelessness.

Introduction

Project 3,500

Since 2005, John Burton Advocates for Youth (JBAY) has conducted an annual analysis of the state of transitional housing for former foster youth in California, aimed at supporting effective implementation of existing programs, promoting best practices, and advocating for resource expansion. Since JBAY began this analysis, significant milestones have been achieved, including the 2010 establishment of extended foster care in California and the introduction of new state funding in 2019 to expand transitional housing for former foster youth.

In 2020, the federal Fostering Stable Opportunities and Housing (FSHO) Act was passed, increasing access to federal Housing Choice Vouchers for former foster youth. Given the potential for expanding these resources in California, in 2021 JBAY conducted an analysis of the State's capacity to serve youth across both state- and county-funded transitional housing and federal Housing Choice Vouchers. The analysis revealed that California had the capacity to serve a total of 2,179 youth at a point in time. Building on these findings, and with generous support from the Walter S. Johnson Foundation, JBAY launched a three-year initiative, "Project 3,500," aimed at securing additional state funding to expand housing for former foster youth so that by 2024, at least 3,500 youth could be served at a point in time.

This report examines the State's progress toward reaching this goal, and explores the impact of 2022 state investments in transitional housing and services for youth with housing vouchers. In 2025, it is particularly important to understand the impact of these investments and the unmet need, both to set accurate goals for future capacity expansion, and to underscore the critical importance of sustaining these resources during times of state budget deficits.

Background on the Programs Discussed in this Report



Transitional Housing Program-Plus (THP-Plus)

The Transitional Housing Program-Plus (THP-Plus) was created by the California State Legislature in 2001 in response to the alarming rate of homelessness among former foster youth. In 2009, THP-Plus reached statewide implementation.

<u>Eligibility:</u> Youth eligible for THP-Plus are those ages 18 to 24, inclusive, who were in foster care or out-of-home probation placement on or after their 18th birthday. With the state's extension of foster care in 2012 to age 21, 18-20 year olds have access to housing through extended foster care and therefore, the vast majority of youth participating in THP-Plus are now between the ages 21 to 24. Youth participating in THP-Plus are required to be working toward the goals outlined in their Transitional Independent Living Plan (TILP). There are no education or employment requirements to participate in THP-Plus, although TILPs often include goals related to work and school.

<u>Program:</u> THP-Plus provides affordable housing and supportive services for up to 36 months or until the young adult turns 25, whichever comes first. Supportive services commonly include counseling and case management, 24-hour crisis intervention, educational advocacy and support, job readiness training and support, life skills training, a monthly stipend, and assistance with identifying and securing housing upon exit from the program.

Background: THP-Plus

<u>Housing Models:</u> Three housing models are utilized in THP-Plus. In all three housing models, the THP-Plus provider offers comprehensive supportive services to the youth participant.

- Scattered Site: With the scattered site model, which is the most common housing model, the THP-Plus provider leases or owns apartments in various locations throughout the community, often in small clusters.
- Single Site: The second-most common housing model is the single site model, which refers to one apartment building, complex or home, owned or leased by the THP-Plus provider, where all of the program participants live.
- Host Family: The host family model, which is used considerably less often than the other two models, refers to an arrangement where supportive adult(s) host the youth in their home, providing room and board.



<u>Funding:</u> Formerly a state-funded program, THP-Plus was included in Governor Brown's 2011 Realignment of Child Welfare Services, which shifted fiscal responsibility for most child welfare programs from the state to the county, and as such, has been a county-funded program since 2011. Each county receives a specified annual allocation from the statewide \$34.9 million THP-Plus budget which they administer locally.⁸ Most county child welfare agencies administer THP-Plus by contracting with nonprofit organizations; a small number of child welfare agencies in smaller counties operate the program directly.

Between 2019 and 2022, new state funding was established, then increased, providing counties with additional funding to expand their THP-Plus programs or otherwise support former foster youth with securing and maintaining housing. As of January 2025, a total of \$42.3 million in state funding is provided annually to counties for transitional housing, in addition to the annual \$34.9 million in realigned county THP-Plus distributions for a total annual investment of \$77.2 million.⁹

Federal Housing Choice Vouchers for Former Foster Youth

The U.S. Department of Housing and Urban Development (HUD) administers two Special Purpose Housing Choice Voucher programs for transition-age former foster youth: the Family Unification Program (FUP) and the Foster Youth to Independence (FYI) Initiative.¹⁰ Both programs provide Housing Choice Vouchers to Public Housing Authorities (PHAs), which administer the vouchers. PHAs work in partnership with Public Child Welfare Agencies (PCWAs), which in California are county child welfare agencies or juvenile probation departments, who determine eligibility and prioritization, provide referrals, and coordinate supportive services.

FUP was enacted in 1992, providing housing vouchers to child welfare-involved families and transition-age former foster youth. To improve child welfare agencies' ability to prevent homelessness for youth leaving foster care, FYI was established in 2019 along with a new voucher request process.

<u>Eligibility</u>: To qualify for an FYI or FUP voucher, youth must be between the ages of 18 and 24 (not yet age 25 at the time of eligibility determination and execution of the Housing Assistance Payment contract), have left foster care or will leave foster care within 90 days, and have been at risk of or experienced homelessness at age 16 or older. <u>Program:</u> FYI and FUP vouchers differ from all other Housing Choice Vouchers in that they are time-limited. FYI and FUP vouchers provide transition-age former foster youth with up to 36 months of rental assistance, coupled with supportive services offered by a PCWA. In California, the responsibility for providing these services is frequently contracted out to community-based service providers, and include housing navigation (assistance with locating housing, rental lease agreements, and move-in costs) as well as ongoing services once a participant is 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.

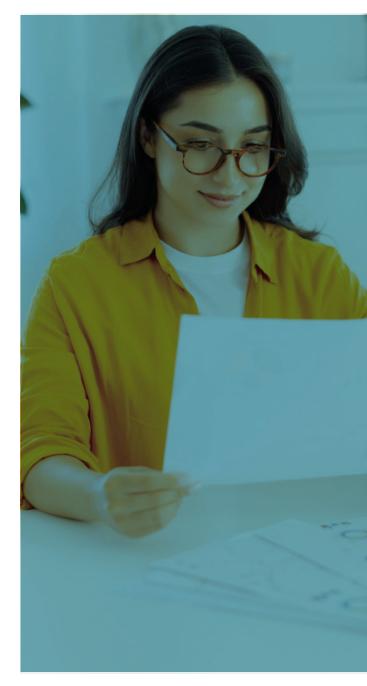
<u>Voucher Request Process:</u> FUP vouchers are awarded competitively only, whereas FYI vouchers are awarded both competitively and non-competitively:

Background: Federal Housing Choice Vouchers

- Competitive Process (both FUP and FYI): HUD administers vouchers competitively through an annual public Notice of Funding Opportunity (NOFO). PHAs may apply for 3-75 vouchers, and are awarded based on the size of the PHA's overall Housing Choice Voucher program and identified need.
- 2. Non-Competitive "On-Demand" Process (FYI only): HUD administers vouchers to PHAs on a rolling basis, as eligible youth are identified throughout the year. PHAs may request vouchers in batches as little as 1 or as large as 25. Each PHA may request up to 50 vouchers in a federal fiscal year. This process allows PCWAs to synchronize voucher requests with exits from foster care or housing programs.

<u>Funding:</u> Each year, HUD provides funding to PHAs in California to cover the cost of FYI/FUP vouchers. Currently, California PHA awards for FYI/FUP total over \$30 million. This figure will continue to change—and will likely increase, depending on the number of new vouchers being requested.

While HUD funds the rental assistance provided by FYI/FUP vouchers along with some funding for PHA administration, no funding is provided by HUD to PCWAs for the supportive services they must offer youth with vouchers. In 2022, California expanded the Housing Navigation and Maintenance Program (HNMP) to provide counties with funding for this purpose. More information about HNMP and its uses is discussed on the next page.



State Funding for Housing Support for Transition-Age Former Foster Youth

The California Department of Housing and Community Development (HCD) administers three programs that provide funding to county child welfare agencies to serve transition-aged youth. These are ongoing funding sources subject to state budget appropriation.

- The Transitional Housing Program (\$33.3 million)
- The Housing Navigation and Maintenance Program (HNMP) (\$13.7 million)
- The THP-Plus Housing Supplement Program (\$9 million)

While both the Transitional Housing Program and HNMP were established in 2019 with explicit purposes, the statutory language governing the programs is quite broad, allowing for local flexibility in terms of eligible uses and population. The Transitional Housing Program was created to supplement the funding available for local THP-Plus programs and HNMP was intended to provide housing navigation services to non-minor dependents. Both programs were expanded in 2022, with the expansion of HNMP aimed at providing funding that counties could use to serve youth with FYI or FUP vouchers. The third program, the THP-Plus Housing Supplement Program, was established in 2021, providing funding to five counties that meet certain requirements regarding cost of housing, the size of their THP-Plus realignment distribution, and the number of youth they serve. The funding is intended to equip these counties with the resources needed to pay a minimum THP-Plus rate, making this a condition of accepting the funding. The THP-Plus Housing Supplement Program is not the focus of this report given that its administration is limited to five counties, however the report's quantitative analysis of transitional housing capacity is inclusive of housing supported with this funding.



Findings

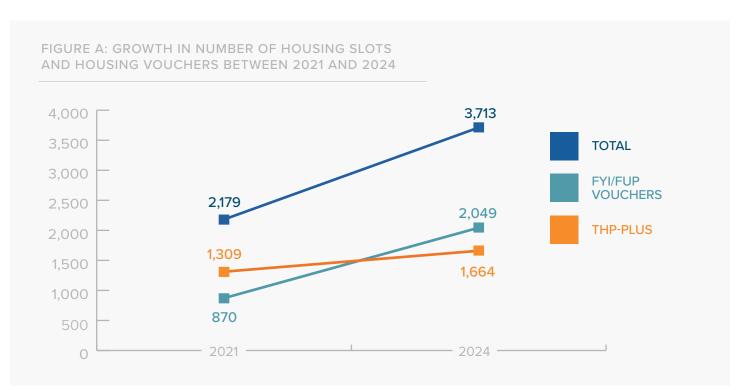
surpassed.

Section 1: Statewide Capacity and Need

The first set of findings illustrate California's capacity to provide former foster youth with transitional housing or federal Housing Choice Vouchers paired with supportive services, as well as the remaining unmet housing need among youth who exited foster care at age 18 or older. Background information about these programs can be found on pages 9-12.

 California has increased its supportive housing capacity for former foster youth by 70 percent between 2021 and 2024, from serving 2,179 youth at a point in time, to 3,713 youth.
"Supportive housing capacity" includes both Transitional Housing Program-Plus (THP-Plus) and Housing Choice Vouchers available through the Foster Youth to Independence (FYI) Initiative and the Family Unification Program (FUP). In 2021, JBAY set a goal to expand state resources for housing so that at least 3,500 former foster youth could be served at a point in time by 2024. Based on the data provided by county child welfare administrators, this goal has been met, and

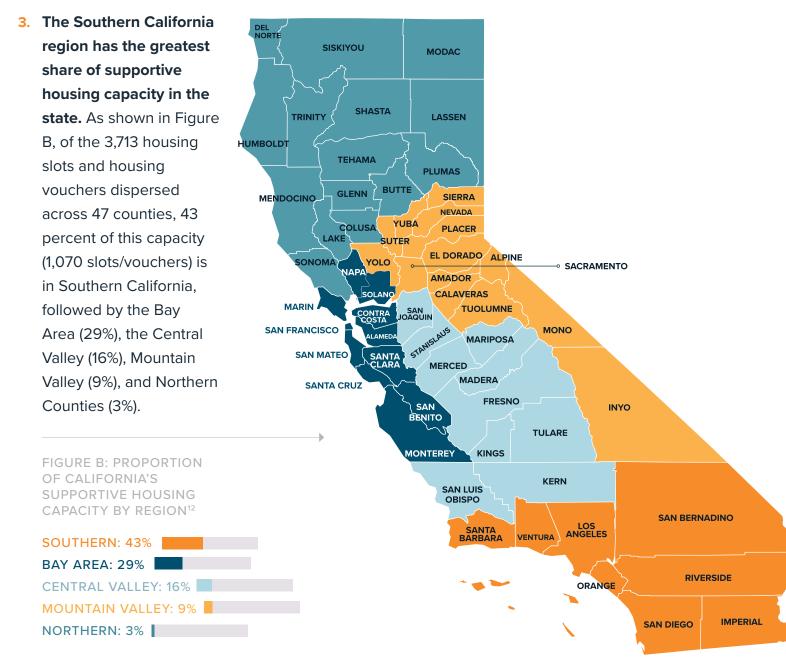
Since 2021, the number of housing slots in THP-Plus has increased by 27 percent, from 1,309 to 1,664, and the number of FYI/FUP vouchers has more than doubled, increasing by 136 percent, from 870 to 2,049. (Figure A)



Findings - Section 1: Statewide Capacity and Need

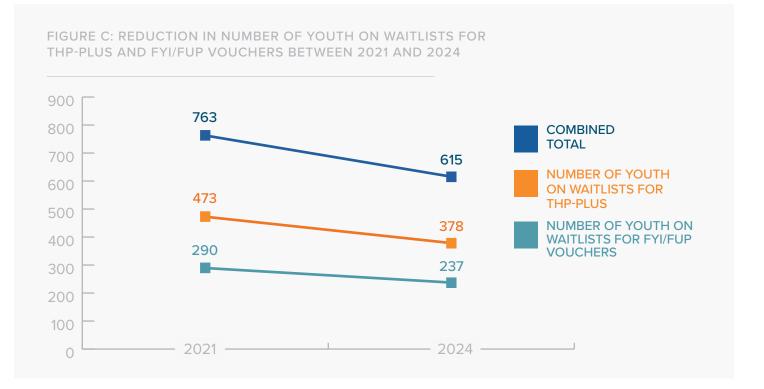
2. A total of 47 (81%) counties have supportive housing for former foster youth, either through THP-Plus or FYI/FUP vouchers.

Of California's 58 counties, a total of 47 offer THP-Plus, FYI/FUP vouchers, or both. A total of 47 counties have THP-Plus programs and 33 counties offer FYI/FUP vouchers. The 11 counties that have neither THP-Plus nor FYI/FUP vouchers each have very small foster care populations.¹¹



Findings - Section 1: Statewide Capacity and Need

4. A total of 615 youth are on waitlists for THP-Plus or an FYI/FUP voucher, a decline from the number of youth on waitlists for these programs in 2021. Waitlists for THP-Plus have collectively declined by 21 percent between 2021 and 2024, and FUP/FYI voucher waitlists have declined by 18 percent. Fresno County, Kern County, Alameda County, and Santa Clara County reported the largest combined waitlists, each accounting for more than 50 young people waiting for either THP-Plus or FYI/FUP vouchers.



5. California currently has the capacity to provide THP-Plus or a housing voucher to an estimated 38 percent of former foster youth who remained in foster care until at least age 18. Currently, there are an estimated 9,871 young adults between the ages of 21 and 24 who exited foster care in California at age 18 or older.¹³ These youth did not achieve permanency while in foster care as minors, meaning they did not exit the foster care system to reunification, guardianship, or adoption before turning 18 years old. To provide THP-Plus or a housing voucher to this population, the state would require a total of 9,871 housing slots and/or housing vouchers.

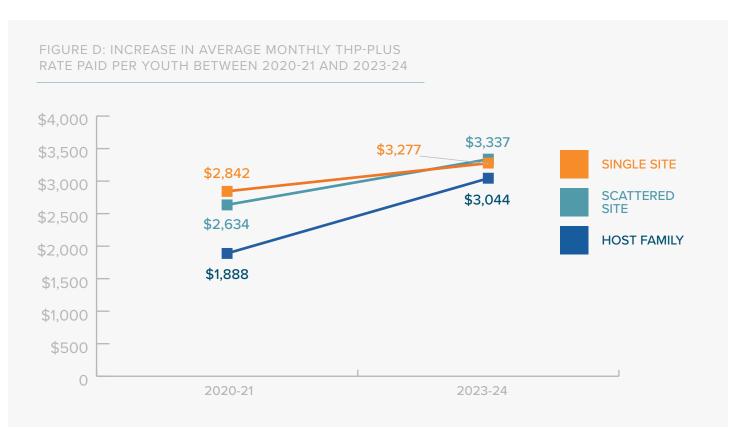
California currently has 3,713 housing slots and vouchers (38% of total need), requiring an additional 6,158 to house this population. Although there are former foster youth seeking housing support who did not remain in foster care all the way until age 18, this analysis provides an informative start to understanding the scope of need for those who exited foster care without reaching permanency.

Section 2: Additional Findings About the Transitional Housing Program-Plus (THP-Plus)

This second set of findings discusses topics specific to THP-Plus, mainly focused on the monthly rate paid by county child welfare agencies to THP-Plus providers to operate the program. Background information on THP-Plus can be found in the Introduction on pages 9-10.

6. The average monthly rate per youth that counties pay THP-Plus providers increased across all three housing models between 2021 and 2024.

Using a weighted average, Figure D shows for Fiscal Years 2020-21 and 2023-24, the average monthly rate that counties paid providers per youth to operate a THP-Plus program, or in the case of the counties that operate their programs directly, the monthly cost per youth per month. The average monthly THP-Plus rate paid per youth increased 29 percent for the scattered site housing model from \$2,632 to \$3,385, 24 percent for the single site model from \$2,638 to \$3,277, and 65 percent for the host family model from \$1,888 to \$3,124. Prior to 2021, the average rate for the most common housing model—scattered site—had grown only four percent in the prior ten years. An increase in available state funding has enabled counties to offer their THP-Plus providers a rate that more closely aligns with the local cost of providing housing and services to transition-aged youth.



Findings - Section 2: Additional Findings about THP-Plus

7. Despite an increase in average THP-Plus rates across the three housing models, the average THP-Plus rate still trails far behind the foster care rate paid to providers operating the Transitional Housing Placement for Non-Minor Dependents (THP-NMD).

With California's implementation of extended foster care in 2012, new age-appropriate foster care placements became available. One of the new placements was modeled after THP-Plus, providing a program for nonminor dependents that was close to identical to the existing program for former foster youth. Many of the providers that operate THP-Plus programs also operate THP-NMD programs, however the monthly rates associated with the two programs are quite different. THP-NMD has a set, statewide rate that draws on federally-reimbursable foster care funding, while THP-Plus rates are negotiated at the county level.

Additionally, the THP-NMD rate is supplemented based on the local cost of housing according to HUD's Fair Market Rent through the "THP-NMD Housing Supplement."¹⁴ The most significant difference in cost between the two programs lies with the rental subsidy: THP-NMD must fully cover the cost of room and board because it is a foster care placement. THP-Plus, an optional county program, does not require rent to be fully covered. While most THP-Plus providers do fully cover rent, some instead provide a deep rental subsidy, a slightly lesser cost to the provider.

Statewide THP-NMD rates for 2023-24 were \$4,373 for the single and remote site housing models, and \$3,479 for the host family model, before any additional funding was provided through the THP-NMD Housing Supplement.¹⁵ As shown in Figure E, this is 29 percent higher than the average scattered site THP-Plus rate and 33 percent higher than the average single site THP-Plus rate.



FIGURE E: DIFFERENCE BETWEEN STATEWIDE MONTHLY THP-NMD FOSTER CARE RATE AND AVERAGE MONTHLY THP-PLUS RATE PER YOUTH, FISCAL YEAR 2023-24

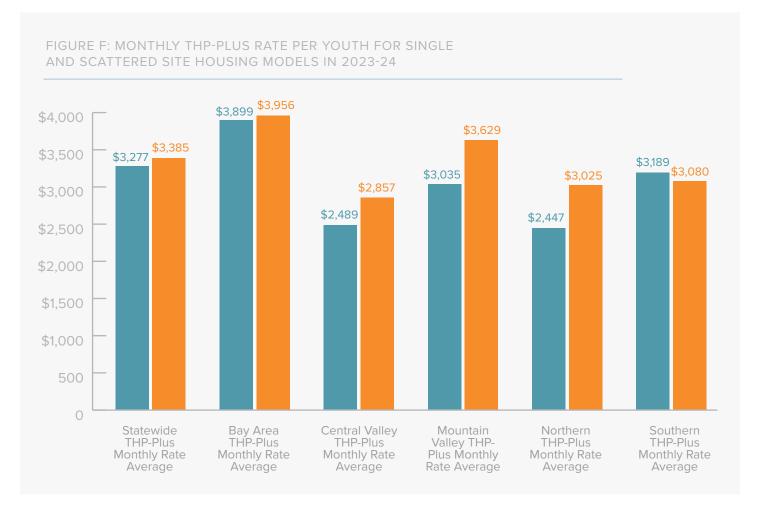
Findings - Section 2: Additional Findings about THP-Plus

County representatives and THP-Plus providers report high rental costs and a competitive housing market as a persistent challenge to operating the THP-Plus program.

Although housing costs vary greatly across California, a common sentiment expressed by county representatives and THP-Plus providers across the state concerned the financial burden of continuing to operate THP-Plus, given the high cost of rent. This is evident in the increase in HUD's Fair Market Rent between 2021 and 2024. Nearly every region in the state had a greater than 30 percent increase in Fair Market Rent, with 17 counties' increasing by more than 40 percent.

9. The Bay Area region had the highest average monthly THP-Plus rate per youth.

As shown in Figure F, the Bay Area region's average monthly single site THP-Plus rate was \$3,899 and the average scattered site THP-Plus rate was \$3,956. This finding is consistent with the variation in rental costs across California's regions, with the Bay Area having the most expensive Fair Market Rent in the state. The second-highest average scattered site THP-Plus rate was the Mountain Valley region at \$3,629, followed by the Southern region at \$3,080, the Northern region at \$3,025 and the Central Valley region at \$2,857.



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Findings - Section 2: Additional Findings about THP-Plus

10. Seven counties reported offering a higher monthly THP-Plus rate for pregnant and parenting youth, an increase from 2021 when five counties offered parenting rates.

Recognizing that custodial parents require larger housing accommodations and that providing services to an individual with child(ren) may require additional staff time, seven counties have set their monthly THP-Plus rates at higher amounts for parenting youth. These counties are: Alameda, Los Angeles, Sacramento, San Francisco, San Mateo, Santa Clara, and Sonoma. The average monthly rate paid to serve parenting youth in these counties is \$4,230.



Section 3: Additional Findings about Foster Youth to Independence (FYI) and Family Unification Program (FUP) Vouchers

The third set of findings discusses topics specific to FYI and FUP vouchers. Background information on FYI/FUP vouchers can be found in the Introduction on pages 11-12.

11. The increase in the number of FYI/FUP vouchers awarded to Public Housing Authorities (PHAs) in California has more than doubled the amount of federal housing assistance California PHAs receive for the program.

In 2021 when California had approximately 870 FYI/FUP vouchers, PHAs across the state were collectively receiving approximately \$14.1 million in funding from HUD. With the increase in FYI/FUP vouchers to 2,049, PHAs in California are now collectively receiving approximately \$33.3 million in funding for these vouchers. (Figure G)

FIGURE G: INCREASE IN FEDERAL FUNDING AWARDED TO PUBLIC HOUSING AUTHORITIES FOR FYI/FUP VOUCHERS IN CALIFORNIA			
YEAR	REPORTED NUMBER OF FYI/FUP VOUCHERS	APPROXIMATE FEDERAL FUNDING LEVERAGED	
2021	870	\$14.1 Million	
2024	2,049	\$33.3 Million	

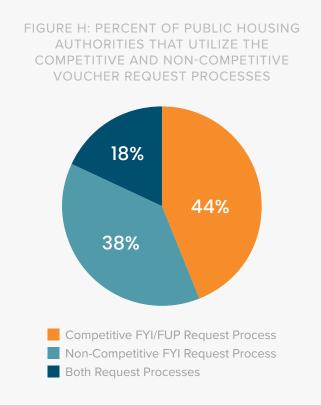
12. Nearly half (47%) of California's PHAs administer FYI and/or FUP vouchers in partnership with just over half (53%) of California's counties.

A total of 46 of California's 97 PHAs administer FYI/FUP vouchers. These 46 PHAs collectively partner with 33 county child welfare agencies. During the time JBAY administered the survey informing this report, both Alameda and Los Angeles Counties were in the process of securing partnerships with additional PHAs, but agreements had not yet been fully executed and vouchers had not yet been requested.

Findings - Section 3: Additional Findings about FYI and FUP

More than half (56%) of California's partnering PHAs utilize the non-competitive FYI "on-demand" voucher request process.

JBAY asked county child welfare representatives which request process(es) their partner PHAs utilize. In total, respondents reported on 34 of the 46 partnering PHAs, indicating that 19 (56%) are using the noncompetitive FYI voucher request process which allows PHAs to request "on-demand" FYI vouchers on a rolling basis throughout the year. As shown in Figure H, six of the reported PHAs (18%) use the non-competitive request process as well as the traditional competitive process, 13 (38%) use only the non-competitive process, and 15 (44%) use only the competitive process for requesting FYI/FUP vouchers.



14. Nearly one-quarter (23%) of counties have limited the number of FYI/FUP vouchers provided in partnership with their PHA(s), due to insufficient service provision capacity.

County child welfare representatives were asked if their agency ever had to limit the number of FYI/FUP vouchers being provided in partnership with their PHA(s), due to not having enough capacity to provide the supportive services. Representatives in 23 percent of counties indicated they had. Beyond just fulfilling a federal mandate, they reported that the availability of supportive services is crucial to the program's success. While HNMP provides an ongoing source of funding to serve youth with FYI/FUP vouchers, the \$13.7 million statewide budget does not meet the full demand. Other funding sources that counties commonly draw upon to help meet this need are either extremely limited, are not ongoing funding sources, or are being fully utilized for other purposes.

Representatives from some smaller, rural counties reported that they have an interest in providing FYI/FUP vouchers to youth, but they do not have sufficient staffing or funding to meet administration and service needs. Representatives from several urban counties report that in partnership with their PHAs, they have received vouchers but cannot yet distribute them due to insufficient service provision capacity.

Findings - Section 3: Additional Findings about FYI and FUP



15. Identifying and securing housing with an FYI/FUP voucher continues to be one of the most significant challenges associated with the program.

County child welfare representatives consistently reported that although denying a unit to a tenant with a Housing Choice Voucher is no longer legal in California, identifying landlords that will rent to youth who hold vouchers is difficult. They report that young adults face discrimination due to their time-limited rental subsidy, age, and lack of credit or rental history. Additionally, not all rental units meet satisfactory standards for Housing Choice Vouchers either due to inspection failure or not falling within eligible rent thresholds. County representatives reported having to request multiple extensions with PHAs to lengthen the housing search time which can last more than five to six months in some counties.

Section 4: Findings about State Funding for Housing Support for Transition-Age Former Foster Youth

The fourth findings section discusses two sources of state funding provided by the California Department of Housing and Community Development: The Transitional Housing Program and the Housing Navigation and Maintenance Program. Background information about these funding sources can be found in the Introduction on page 13.

16. The majority of counties (83%) are utilizing their Transitional Housing Program funding to serve youth using the THP-Plus program model, and 17 percent are using the funding for other interventions.

JBAY asked county child welfare representatives how their county was using their Transitional Housing Program funding allocation. Of the 46 counties with THP-Plus programs, a total of 36 representatives responded to this question. Of those 36 respondents, 30 (83%) reported using their Transitional Housing Program allocation to fund their local THP-Plus program.

Interventions other than THP-Plus that are being funded by the Transitional Housing Program include: financial assistance associated with move-in or emergency costs, housing navigation, case management, emergency shelter, and Permanent Supportive Housing. Some counties also fund transitional housing for youth with experience in foster care who are not eligible for THP-Plus because they exited foster care prior to turning 18. Survey respondents reported that this continuum of services helps meet young people where they are, and stabilize their housing needs based on their unique circumstances.

 Nearly all (96%) counties with FYI/FUP vouchers use the Housing Navigation and Maintenance Program (HNMP) to serve FYI/ FUP voucher recipients.

JBAY asked county child welfare representatives what population their county is serving with HNMP funding. Of the 33 counties that participate in FYI/FUP, a total of 24 representatives responded to this question. Of those 24 respondents, 23 (96%) reported using their HNMP funding to serve youth with FYI/FUP.

18. About two-thirds (67%) of counties draw on funding from three or more sources to serve youth with FYI/FUP vouchers, however the available funding does not meet the need.

Given that HNMP funding is insufficient to serve all youth with vouchers, JBAY asked county child welfare representatives which funding sources beyond HNMP they utilize to fund services. Of the 33 counties that participate in FYI/FUP, a total of 24 representatives responded to this question. Of those 24 respondents, 16 (67%) reported drawing on three or more funding sources.

These sources most commonly include the Transitional Housing Program, Independent

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Living Program, and funding outside of the child welfare agency through another case management program. A minority of counties have begun drawing on Medi-Cal under California Advancing and Innovating Medi-Cal (CalAIM). Other sources include county behavioral health funding, one-time state funding from the Homeless Housing, Assistance and Prevention (HHAP) Program, funding from the federal Youth Homelessness Demonstration Program if available in their county, and philanthropic funding.

The proposed elimination of HNMP in the 2024-25 state budget resulted in service disruption in some counties.

In 2024, California's state budget deficit resulted in several proposed funding reductions in the Governor's January budget proposal, including the elimination of the \$13.7 million Housing Navigation and Maintenance Program. Despite the funding being fully restored in the final 2024-25 budget, the first six months of 2024 were riddled with uncertainty for local administrators and practitioners, who rely on this funding to serve youth.

In addition to fear that counties would no longer have the resources to provide the services funded by HNMP, this particular proposed cut had greater implications. Without the capability to provide housing navigation and supportive services to youth with FYI/FUP vouchers, counties are unable to fulfill HUD's required FYI/FUP service mandate, and to assist youth with securing housing with their voucher. Thus, some county representatives reported that the proposed elimination of HNMP resulted in pausing the release of FYI/FUP vouchers, reducing or suspending services, or scaling back expansion plans underway.

20. Fluctuations in funding allocation levels for the Transitional Housing Program and Housing Navigation and Maintenance Program present challenges to program operations.

Both the Transitional Housing Program and HNMP are formula-funded, based on data that shifts from year to year. County representatives report that this shift in allocation amounts makes operating an ongoing program challenging. Significant increases or decreases impact the number of youth that can be served, staffing capacity, and local contracts. Uncertainty in the forthcoming allocation leads to uncertainty and unease at the county level, as leadership cannot predict if available funds will fully cover the contracted amount with their service provider.



Recommendations

State

There are a number of actions that can be taken by the California State Government to strengthen program administration and further prevent and reduce homelessness among former foster youth.

- 1. Increase state investments in order to provide housing support for all youth exiting extended foster care: Despite a 70 percent increase in supportive housing for former foster youth, the unmet need remains substantial. To fully address the housing needs of all youth aged 21 to 24 who remained in foster care until at least age 18, California requires at least another 6,165 housing slots and/or housing vouchers. This need is further underscored by the 615 youth on waitlists for either THP-Plus or housing vouchers. While the size of these waitlists may not fully reflect the extent of the need due to variations in waitlist policies and practices across counties, the very presence of these lists signals the urgent need for further expansion to meaningfully reduce youth homelessness statewide.
- Ensure the preservation of the California Department of Housing and Community Development's (HCD) Transition-Age Youth (TAY) programs.

HCD's TAY programs—which include the Transitional Housing Program, the Housing Navigation and Maintenance Program (HNMP), and the THP-Plus Housing Supplement Program—have been instrumental in the 70 percent increase in housing capacity for former foster youth that California achieved between 2021 and 2024. HNMP is critical to the continued availability of housing navigation and supportive services for youth with vouchers. The Transitional Housing Program and THP-Plus Housing Supplement Program have enabled counties to both expand the number of youth they serve in transitional housing as well as increase the monthly rates paid to providers to keep pace with increasing housing costs.

The proposed elimination of HNMP in the 2024-25 state budget provided a preview of what would result from a cut to the program— county representatives reported pausing the release of FYI/FUP vouchers, reducing or suspending services, or scaling back expansion plans underway.

3. Establish a requirement that county child welfare agencies collect and report annual data on the utilization of FYI/FUP vouchers for former foster youth.

There is currently no publicly available data on FYI or FUP vouchers for youth at either the federal or state level. At the federal level, the U.S. Department of Housing and Urban Development maintains a Housing Choice Voucher Data Dashboard which shows budget

Recommendations: State

and leasing trends, reserve balances, program admissions and attrition, per-unit cost and leasing potential on a national scale, and allows the public to drill down to the state- and PHA-level. However, the dashboard only aggregates data on FYI and FUP vouchers for youth under the broader FUP category, which includes family vouchers as well, making it impossible to isolate youth voucher-specific data.

At the state level, there is no requirement for county child welfare agencies or Public Housing Authorities to report their participation in the FYI/FUP programs for youth to any state department. While county child welfare agencies do submit annual data to HCD on the utilization of their Transitional Housing Program and HNMP funds, this data does not include information on FYI/FUP vouchers. To assess the state's progress in expanding housing resources for former foster youth, regular publicly available information is necessary.

 Provide state guidance to county child welfare agencies and Public Housing Authorities, encouraging participation in FYI/FUP and adoption of associated best practices.

While FYI/FUP vouchers are federal programs implemented at the local level, the California Department of Social Services, Department of Housing and Community Development, and Interagency Council on Homelessness are well-positioned to influence local participation in these federal homelessness prevention programs. State level guidance should include strategies for establishing the necessary partnerships to participate in FYI/FUP, as well as best practices for ensuring the success of these programs.

Stabilize funding allocations for the Transitional Housing Program and HNMP, provided by HCD to county child welfare agencies.

Both the Transitional Housing Program and HNMP are formula-funded programs administered by HCD, based on each county's proportionate share of specified subpopulations. Because these population numbers change from year to year, county allocation levels shift. These fluctuations disrupt the sustainability of programs, as both county and service partner leadership cannot predict if available funds will be sufficient to meet the needs of activities under contract. Programs could be stabilized if there was an expectation that funding would not vary significantly from year to year. This could be accomplished by limiting increases or decreases in allocation size to a designated percent each year or altering the funding formula so that it is based on less variable data.

Consider strategies to mitigate the impact of inflation on programs that are funded at a fixed level.

When the Transitional Housing Program was expanded in 2022 from \$8 million to \$33.3 million, a portion of this additional funding was used to increase the monthly rates paid to THP-Plus providers. Before the program's expansion, many providers were paid significantly less than the cost of administering THP-Plus, which was exacerbated by the continued rise in housing costs. Future funding for the Transitional Housing Program or similar programs should have an inflationary factor that accounts for the continuous rise of housing costs across the state. One strategy would be to incorporate an annual increase to programs based on the California Necessities Index, which is how California's foster care rates keep pace with inflation.



Establish funding for capital development for both interim and permanent housing for youth.

County representatives consistently identified the high cost and limited availability of housing as significant barriers to the success of THP-Plus and FYI/FUP. Housing prices have steadily risen across the state, and while scattered-site THP-Plus housing and FYI/ FUP vouchers offer benefits for developing independent living skills, the cost and scarcity of viable housing units constrain the expansion of these programs.

One effective strategy to mitigate the impact of competition in the private housing market is the development of housing specifically for transition-age former foster youth. The Homekey program, administered by HCD, awarded funding to local public entities for both interim and permanent housing development. In the second and third rounds of Homekey, eight percent of total funds were earmarked to create housing for youth and young adults. This "youth set-aside" resulted in 40 development projects that will create 929 units for youth, some of which are being utilized to house participants in THP-Plus or with FYI/FUP vouchers. Further investment in Homekey or similar programs is strongly recommended to address the housing needs of this population.

County

County child welfare agencies can expand the reach and effectiveness of their locally-administered programs by implementing a range of focused strategies.

 Counties with large foster care populations, should leverage Master Rental Subsidy Agreements to secure rental units for youth with FYI/FUP vouchers.

Master Rental Subsidy Agreements (MRSAs) are a demonstrated strategy for increasing the availability of rental units for individuals receiving public rental subsidies, and reducing the time it takes to go from voucher issuance to lease execution. An MRSA is an agreement between a property owner and a public agency or provider that allows the agency/ provider to cover part or all of the rent for individual leases. While similar to master leasing, MRSAs differ in that the lease is a direct contract between the property owner and tenant (youth), rather than the agency/ provider leasing the property and subleasing it to the tenant (youth).

In an MRSA, the agency or provider typically offers incentives to the property owner in exchange for reserving rental units for the agency or provider's clients. These incentives often include covering vacancy costs during unit turnover, establishing reserves for damage repairs, offering lease-up bonuses, and providing a pipeline of pre-screened clients. This strategy is especially effective in larger communities seeking to scale up housing availability, as it can facilitate the acquisition of a significant number of units. One of the largest MRSA projects to date is operated by Brilliant Corners through the Flexible Housing Subsidy Pool, which has helped over 13,800 residents across Los Angeles County secure housing.

9. Establish regional transitional housing programs to meet the needs of youth in small, rural counties.

A total of 11 counties do not have THP-Plus programs although the majority of them are still provided the opportunity to accept Transitional Housing Program funding from HCD. These counties have very small foster care populations, which results in small allocation amounts. County representatives in smaller counties expressed interest in offering a more formal program model, such as THP-Plus. However, their funding allocation is insufficient to operate such a program. As a result, these counties typically use their Transitional Housing Program funding to provide financial assistance to youth for one-time costs, such as move-in or emergency expenses. While this approach is effective for addressing immediate financial needs, it restricts a county's ability to offer more intensive support, such as ongoing rental assistance or supportive services. To ensure a comprehensive continuum of support statewide, smaller counties may

Recommendations: County

consider a regional approach, where two or more counties collaborate by pooling their resources into a single contract with a housing provider that serves youth across the participating counties.

 Incorporate landlord incentives into the budget for any service provider contracts related to scattered site transitional housing or housing navigation for youth with FYI/FUP vouchers.

County child welfare representatives and service providers have highlighted that, in addition to the high cost of housing, the rental market is further constrained by landlords' reluctance to accept young adults as tenants. Landlord incentives are common in the housing and homelessness sectors; however, the child welfare system is less familiar with these practices, even though it is typically the local entity contracting with providers to secure rental units or assist youth in finding housing. In competitive housing markets, the availability of landlord incentives is crucial for securing housing quickly, and minimizing the time it takes to transition youth into housing. Similar to incentives utilized in Master Rental Subsidy Agreements, these may include signing bonuses, vacancy funds, higher security deposits, damage mitigation funds and property rehabilitation support.

11. Provide a higher monthly THP-Plus rate for pregnant and parenting youth.

In California, approximately 32 percent of 21-year-old former foster youth and 41.7 percent of 23-year-olds are parents of young children, with about 80 percent of these youth having custody of their children.¹⁶ Child welfare representatives in seven counties reported offering a higher monthly THP-Plus rate to providers to serve pregnant and parenting youth, an increase from five counties since 2021. The average parenting rate among these seven counties is \$4,230, which is 28 percent higher than the average scattered site THP-Plus rate statewide.

Pregnant and parenting youth in THP-Plus require additional support in case management, and require living arrangements with more space than is typically provided for young people without children. Counties that provide a higher pregnant and parenting rate for THP-Plus providers allow for service provision and accommodations that more closely meets the needs of these youth, and their children. This practice of providing a higher pregnant and parenting rate is consistent with foster care policies, which provide a higher foster care rate to some placements serving foster youth who are custodial parents.

Recommendations: County



12. Use Medi-Cal to fund supportive services for youth with FYI/FUP vouchers.

California has made significant changes to its Medi-Cal program in recent years under the California Advancing and Innovating Medi-Cal (CalAIM) initiative, expanding the allowable services that the program funds. New opportunities under CalAIM include Enhanced Case Management provided through Managed Care Organizations (MCOs) for youth with experience in foster care up to age 26, as well as youth and adults experiencing homelessness.

Additionally, MCOs may provide an array of services known as "community supports," which include housing navigation, housing tenancy and sustaining services, and housing deposits. Some communities are leveraging these benefits in a coordinated way as part of the service component for FYI/FUP vouchers. As counties explore and pursue new opportunities under CalAIM, county child welfare agencies and their providers should engage with these local efforts to explore how they can fill in local gaps or enhance what is currently available.

Acknowledgements

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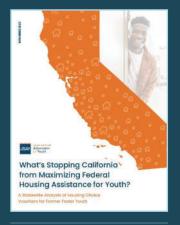
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For more information about the contents of this report, please e-mail <u>info@jbay.org</u>. To view JBAY's most recent related publications, click the report images or links below.



https://jbay.org/ resources/2020-21supportive-housing-for-ffy/



https://jbay.org/ resources/2023-fyi-report/



https://jbay.org/ resources/2024-fy-bp/



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Appendix A: Report Methodology

The Information used for this report was compiled from an online survey of child welfare agencies along with supplementary interviews. John Burton Advocates for Youth (JBAY) distributed an online survey to county child welfare representatives in 51 counties between September and October 2024, gathering information about each county's use of the Transitional Housing Program-Plus (THP-Plus) and federal Housing Choice Vouchers made available through the Foster Youth to Independence (FYI) Initiative and the Family Unification Program (FUP). Counties surveyed were those that met at least one of the following conditions:

- 1. Have an active THP-Plus program;
- 2. Have a partnership with at least one Public Housing Authority to administer FYI and/or FUP vouchers; or
- Have accepted state funding made available through the Transitional Housing Program and/or the Housing Navigation and Maintenance Program administered by the California Department of Housing and Community Development.

Representatives from 40 of the 51 counties contacted responded to the survey, a 78 percent response rate. Additional information was solicited from transitional housing providers located in counties where a survey response from the child welfare agency was not received. Through these two approaches, data was obtained from 100 percent of counties with programming for former foster youth.



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End Notes

¹ Webster, D., Lee, S., Dawson, W., Magruder, J., Exel, M., Cuccaro-Alamin, S., Putnam-Hornstein, E., Wiegmann, W., Saika, G., Courtney, M., Eastman, A.L., Gomez, A., Guo, S., Zhang, A., Carrera, Y., Dua, A., Berwick, H., Lu, F., Hoerl, C., Yee, H., Gonzalez, A., Gomez Hernandez, F., Ensele, P., Nevin, J., & Michel, J. (2024) CCWIP reports. Retrieved Dec 22, 2024, from University of California at Berkeley California Child Welfare Indicators Project website. URL: https://ccwip. berkeley.edu

² Pew Research Center, January 2024, "Parents, Young Adult Children and the Transition to Adulthood." URL: https:// www.pewresearch.org/social-trends/2024/01/25/parentsyoung-adult-children-and-the-transition-to-adulthood/

³Webster, D., Lee, S., Dawson, W., Magruder, J., Exel, M., Cuccaro-Alamin, S., Putnam-Hornstein, E., Wiegmann, W., Saika, G., Courtney, M., Eastman, A.L., Gomez, A., Guo, S., Zhang, A., Carrera, Y., Dua, A., Berwick, H., Lu, F., Hoerl, C., Yee, H., Gonzalez, A., Gomez Hernandez, F., Ensele, P., Nevin, J., & Michel, J. (2024) CCWIP reports. Retrieved Dec 22, 2024, from University of California at Berkeley California Child Welfare Indicators Project website. URL: https://ccwip. berkeley.edu

⁴John Burton Advocates for Youth (2024). Gaining Momentum: How the Foster Youth Tax Credit Performed in 2024. URL: https://jbay.org/resources/fytc-report-2024/

⁵Zillow Rentals, California Rental Market January 2025, URL: https://www.zillow.com/rental-manager/market-trends/ ca/?bedrooms=1

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

⁷ John Burton Advocates for Youth (2021). 2020-21 Statewide Analysis of Supportive Housing for Former Foster Youth in California. URL: https://jbay.org/resources/2020-21supportive-housing-for-ffy/

⁸ California Department of Social Services (2011). County Fiscal Letter 11/12-18 (p 25). URL: https://www.cdss.ca.gov/ lettersnotices/entres/getinfo/cfl/2011-12/11-12_18.pdf

⁹View this document for a list by county of funding allocations for transitional housing for former foster youth across all funding sources:

https://jbay.org/resources/transitional-housing-budgets/

¹⁰ Information about FYI and FUP can be found on the U.S. Department of Housing and Urban Development's website here:

FYI: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/fyi FUP: https://www.hud.gov/program_offices/public_indi-

an_housing/programs/hcv/family

¹¹ The 11 counties that have neither THP-Plus nor FYI/FUP vouchers are Alpine, Amador, Calaveras, Colusa, Invo, Lake, Modoc, Mono, San Benito, Siskiyou, and Tuolumne.

¹² The regional breakdown used for this analysis is derived from the State of California Child Welfare Digital Services and can be found here: https://cwds.ca.gov/county_regions

¹³ To estimate the size of this population, the number of non-minor dependents (18-, 19-, and 20-year-olds) was inflated to include one additional cohort for a total of four cohorts (years) instead of three. These four cohorts (years) of youth will soon be 21, 22, 23, and 24

¹⁴ California Department of Social Services (2020). All County Letter 20-121. URL: https://www.cdss.ca.gov/Portals/9/Additional-Resources/ Letters-and-Notices/ACLs/2020/20-121.pdf

¹⁵ California Department of Social Services (2024). All County Letter 24-46. URL:

https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2024/24-46. pdf?ver=2024-06-28-135402-340

¹⁶ Courtney, M.E., Eastman, A. L. Schelbe, L. & Harty, J. S. (2022). Parents in Foster Care: Findings across the Waves of the CalYOUTH Study. Berkeley, CA: California Child Welfare Indicators Project at the University of California, Berkeley