

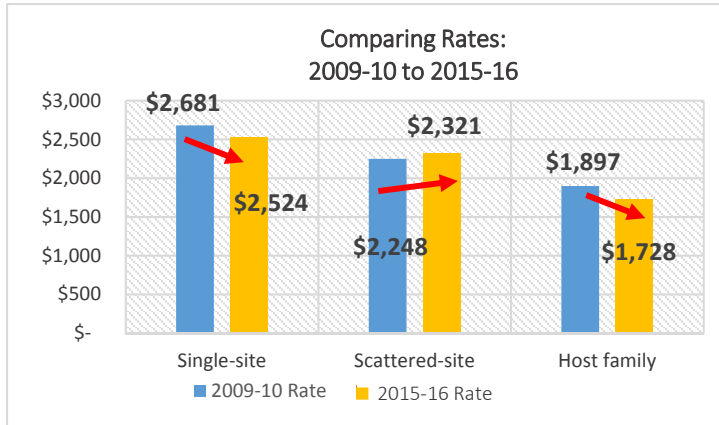
INCREASING A COUNTY'S THP-PLUS RATE TO REFLECT LOCAL COST OF HOUSING

Background

THP-Plus has been underspent each year for the last three years, which given the crisis in housing affordability for former foster youth, raises serious concerns. According to the most recent 2011 Realignment report, counties spent \$25.6 million on THP-Plus in 2014-15, down 21% from \$32.4 million in 2011-12. To promote full utilization of THP-Plus, John Burton Advocates for Youth has proposed a series of [strategies](#). One strategy is to increase the rate paid to THP-Plus providers, which in many counties has not kept pace with the growth in housing costs.

Why Increase the Rate?

As the cost of rent has increased phenomenally over recent years, the average THP-Plus rate for the three housing models has either decreased or only slightly increased:



- Providers are struggling to identify housing affordable with existing rates (i.e. waiting lists, some youth being pushed out of the county, some youth living in areas they do not feel safe).
- As providers have to spend more of the rate on the housing subsidy, less is available to go toward the *critical supportive services* that make THP-Plus a program versus a housing voucher.

How Would a County Increase the Rate?

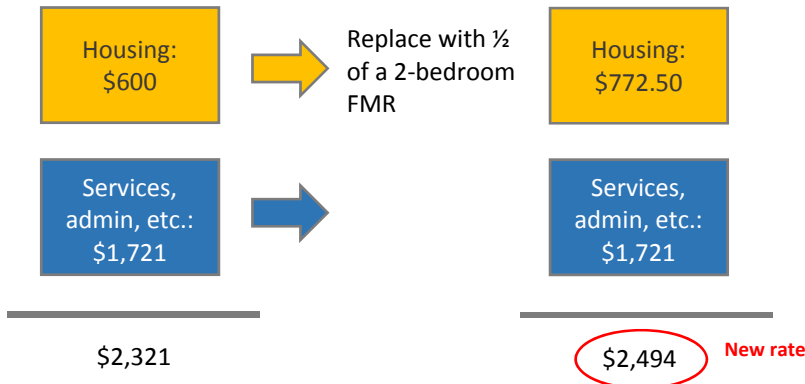
One approach to increase the THP-Plus rate is for the rate to reflect the cost of housing in each county, as measured by the U.S. Department of Housing and Urban Development (HUD)'s [Fair Market Rents](#) (FMRs). Fair Market Rent is the system developed by HUD to determine the allowable rent level for individuals who participate in their Housing Choice Voucher program, commonly known as Section 8. Each year, HUD estimates Fair Market Rent for 530 metropolitan areas and 2,045 nonmetropolitan county areas, including all 58 counties in California. HUD releases new FMRs at the start of each new fiscal year.

For a county that is not spending their full THP-Plus allocation and/or who has not increased their THP-Plus rate in recent years, below is a framework for increasing their rate.

1. Identify your county's 2-bedroom FMR:
<https://www.huduser.gov/portal/datasets/fmr.html#2017> - select California and your county.
2. Use **half** of the 2-bedroom FMR for the housing portion of the THP-Plus rate.*

*No set "housing portion" exists in statute, but a working group that developed the **THP+FC** rate based on existing **THP-Plus** rates, determined that an average of \$600 was being designated as the housing portion of the THP-Plus rate. You are replacing this \$600 with half of a 2-bedroom FMR to get your new rate. Half of a 2-bedroom is used because most commonly, THP-Plus participants are housed as roommates in 2-bedroom apartments.

EXAMPLE: County's current rate is \$2,321 and their 2-bedroom FMR is \$1,545.



Status of THP-Plus Rates in California

Of the 48 counties in California that operate a THP-Plus program, 18 counties have an FMR that is higher than the existing housing portion of the THP-Plus rate, meaning that based on this framework, their rate would increase. Thirty counties have an FMR that is lower than or equal to the existing housing portion of the THP-Plus rate, meaning that based on this framework, their rate would not increase.

John Burton Advocates for Youth has listed below the counties whose rates would increase utilizing this framework. The table includes the current rate paid in the county as reported for Fiscal Year 2014-15, and the rate based on Fair Market Rent in that county (as described above), for each of the three service models offered by THP-Plus.

Scattered Site: 73% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$1,977	\$2,464
Contra Costa**	\$2,200	\$2,687
Los Angeles**	\$2,200	\$2,373
Marin	\$3,400	\$4,309
Monterey**	\$2,700	\$2,809
Napa**	\$3,841	\$4,040
Nevada**	\$1,100	\$1,155
Orange**	\$2,500	\$2,807

San Diego**	\$2,815	\$3,086
San Francisco**	\$2,540	\$3,449
San Luis Obispo	\$3,639	\$3,694
San Mateo**	\$2,150	\$3,059
Santa Barbara	\$3,125	\$3,303
Santa Clara**	\$2,400	\$2,910
Santa Cruz**	\$2,411	\$2,725
Solano**	\$3,090	\$3,116
Sonoma	\$2,500	\$2,686

Single Site: 16% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$2,679	\$3,166
Contra Costa**	\$2,500	\$2,987
Los Angeles**	\$2,200	\$2,373
Monterey**	\$2,700	\$2,809
Orange	\$3,698	\$4,005
San Diego**	\$2,815	\$3,086
San Francisco**	\$2,540	\$3,449
San Mateo**	\$2,350	\$3,259

Host Family: 11% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$1,665	\$2,152
Monterey**	\$2,700	\$2,809
Napa**	\$3,841	\$4,040
San Mateo**	\$2,150	\$3,059
Santa Clara	\$2,400	\$2,910
Sonoma	\$2,500	\$2,686
Ventura**	\$500	\$881

*** indicates counties that underspent THP-Plus in 2014-15*

Should My County Increase its Rate?

A subset of the counties with FMRs that exceed the housing portion of the rate did not spend their full THP-Plus allocation in 2014-15, as indicated by the asterisks above. These counties should first determine whether they are still not spending the full allocation.

Counties that *are not* spending their full THP-Plus allocation should determine whether their rate is sufficient to rent appropriate living units and provide supportive services in their county. If the rate is not sufficient, these counties should consider increasing their current THP-Plus rate to one based on Fair Market Rent as a strategy to increase spending and to promote the long-term viability of their THP-Plus program.

Counties that *are* spending their full THP-Plus allocation may want to consider following questions in regards to increasing their rate:

- Are providers able to rent appropriate living units in this county with the amount at which the current rate is set?
- Has this county increased the THP-Plus rate in recent years?
- In raising the THP-Plus rate, how many youth will this county be able to serve with its THP-Plus allocation?



John Burton Advocates for Youth is available for individual follow up for those who would like additional information or direction on re-evaluating their THP-Plus rate. Contact Simone Tureck: simone@jbaforyouth.org.