

March 2, 2020

The Honorable Holly Mitchell, Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5050
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, CA 95814

Re: \$4 million (General Fund) Preventing Homelessness among Foster Youth in California—SUPPORT

Dear Senator Mitchell and Assemblymember Ting,

On behalf of a statewide coalition led by John Burton Advocates for Youth, the undersigned organizations are writing to request your support for a budget proposal to invest \$4 million General Fund (GF) in preventing and reducing homelessness among foster youth by establishing a Housing Supplement for the Transitional Housing Placement for Non-Minor Dependents (THP-NMD). This state investment would draw down an annual \$2.4 million in federal Title IV-E foster care funding.

California is in the midst of both a housing and homelessness crisis, reaching record levels in 2019. This crisis extends to youth in care, who live in THP-NMD. When California extended foster care to age 21 in 2010, it created THP-NMD as a supportive placement option for non-minor dependents. THP-NMD is operated by state-licensed social service agencies, which lease rental units on the open market, and provide them to foster youth. Agencies also provide a range of critical services that enable them to live semi-independently and make a safe supported transition from care.

County child welfare agencies pay THP-NMD providers a rate, set by the California Department of Social Services (CDSS), which is adjusted annually based on the California Necessities Index.

In California, the cost of housing increased 64 percent since 2012, while the monthly THP-NMD rate has increased just 24 percent. A total of 2,023 youth resided in THP-NMD as of July 1, 2019, and nearly 1,200 of these young people live in counties with rent costs that are not covered by the current THP-NMD rate. The failure of the THP-NMD rate to keep pace with the cost of housing has had the following negative impacts on foster youth, as indicated by a June 2019 survey:

- **Increased homelessness:** 341 youth were placed on a waiting list to participate in THP-NMD as of June 30, 2019, a 64 percent increase since the year prior. Many of these youth are currently homeless, putting them at risk of trauma and victimization.
- **Exclusion of young parents and youth with disabilities:** Nearly one-third of THP-NMD providers reported limiting the number of high-need youth they serve to pay housing costs. This includes serving fewer custodial parents and youth with disabilities. Both populations are at disproportionate risk of experiencing homelessness.
- **Fewer supportive services:** As an increasing share of the THP-NMD rate is being diverted away from support services to pay for the cost of housing in higher-cost parts of the state, this leaves youth without the support they require and less prepared to make a safe, supported transition out of the foster care system. This disproportionately harms youth in high-cost counties, young parents, youth with disabilities and youth of color. One in five THP-NMD providers reported reducing the level of supportive services to ensure adequate funds are available to cover housing costs.

- **Geographic displacement:** High-cost counties place young people away from their communities of origin and their family members, even though proximity to community supports positive outcomes for youth.

The approach of the THP-NMD Housing Supplement was strongly vetted and selected unanimously by a workgroup of stakeholders convened by the California Department of Social Services as required by previous legislation, SB 612 (2017, Mitchell).

This approach would establish a supplement amount for both parenting youth and youth who are not parents, based each county's Fair Market Rent (FMR), a system set and used by the U.S. Department of Housing and Urban Development. Thus, supplement amounts would adjust annually, responsive to changes in the housing market.

We respectfully request \$4 million GF to prevent and reduce homelessness among foster youth by establishing a Housing Supplement for youth in THP-NMD. Thank you for your consideration of this request.

Sincerely,

Cc: Members and Staff of the Senate Budget & Fiscal Review Committee
Members and Staff to the Assembly Budget Committee
Senate President pro Tempore Toni Atkins
Assembly Speaker Anthony Rendon
Senator Scott Wiener
Assemblymember Eloise Gómez Reyes