

Aging Out: From Foster Care to Homeless Shelters?

Nationally, there is significant evidence that when young people “age out” of foster care, as many as 40 percent will become homeless. While the city’s Administration for Children’s Services (ACS) does not have data on the number of New York’s youth who age out of foster care and become homeless, there is little reason to believe the local numbers differ from than the national findings.

In New York, young people may consent to remain in foster care until they turn 21 if they are in an approved educational or other program. If they opt to “sign themselves out” at 18, 19, or 20, they must be supervised until they turn 21, but according to advocates, the supervision rarely occurs. In 2003, 960 young adults aged out of the foster care system in New York City, and it is likely that some portion of this group will become homeless.

Mayor Bloomberg’s five-year housing plan includes capital funds targeted for the development of supportive housing for youth aging out of foster care. In addition, the Administration for Children’s Services works in collaboration with the New York City Housing Authority (NYCHA) to help young people access federal housing vouchers. Nevertheless, as these programs are currently structured, young people who are not eligible for federal rent programs will continue to rely on the emergency shelter system. In addition, proposed cuts to the major federal rental program could further limit housing options for youth aging out of foster care.

Supportive Housing for Youth. In December 2002, Mayor Bloomberg announced his five-year plan to develop 65,000 units of housing (see IBO’s [“Mayor Bloomberg’s Housing Plan: Down Payment on the Future”](#)). These 65,000 units are to include 1,960 apartments for special needs such as permanent supportive housing units set aside for youth aging out of foster care. Supportive services targeted to these youth could include job training, money management assistance, and “life skills” training covering a wide range of topics. The precise mix of services will vary with individual projects.

The Mayor’s plan allocates \$24 million through the Supportive Housing Loan Program (SHLP) to build 240 units of supportive housing for individuals. The Department of Housing Preservation and Development (HPD) has not set aside a specific dollar amount for youth aging out of foster care—eventual allocation of funds will depend on applications received—but the Bloomberg Administration has identified housing for youth aging out of foster care as one priority for this \$24 million. As of September 2003, HPD had received one application to build 22 units of supportive housing for youth aging out of foster care.

Although there are a small number of supportive housing programs in New York City that serve

youth aging out of foster care—and two developments with a total of 65 units that have received supportive housing loan funds—this is the first time that HPD has specifically identified this population as a SHLP priority. This money—consisting of both city funds and federal HOME block grant dollars—will cover capital costs.

The nonprofit organizations running the programs will also have to pay for normal operating costs, such as utilities, maintenance, and insurance. In most cases, young people aging out of foster care cannot afford rents that cover these costs. Virtually all of the young people living in these units will receive Section 8 vouchers—federal rental subsidies that pay the difference between market rents and 30 percent of a tenant’s income—or other federal rental assistance. With federal rental subsidies, nonprofit organizations can charge rents that cover operating costs without making the housing unaffordable to their clients.

Also for the first time, the city is supporting the development of “foyer housing,” which is transitional housing for youth aging out of foster care. Young people live in foyer housing for about 18 months, and receive intensive life-skills training, employment counseling, and other social services. After graduating from foyer housing, the young people are expected to move on to more independent housing, potentially using Section 8 vouchers.

Although foyer housing is technically considered transitional, rather than permanent, the expected 18 month tenure is long enough that these developments can qualify for SHLP funds through the Mayor’s housing plan. Because the operating expenses for foyer housing are higher than more traditional supportive housing, this model is more difficult to maintain.

Administration for Children’s Services. While HPD is the only agency that targets new capital investment to meeting the housing needs of youth aging out of foster care, the Administration for Children’s Services—in collaboration with the housing authority—also serves these young people. ACS administers foster care and other child welfare programs and in recent years has taken steps to ensure that the youth who age out of the foster care system have adequate housing. ACS helps young people get access to Section 8 vouchers, has its own rental subsidy program, and aids the development of housing for youth aging out of the system, though it has no funding to allocate to housing construction.

In May 2001, ACS entered into an agreement with NYCHA that gives youth aging out of foster care priority for Section 8 and public housing. According to ACS, young people who meet federal eligibility standards—including income thresholds and

criminal background checks—are effectively guaranteed a voucher or public housing apartment. Because these are federal rent subsidies, there is no cost to the city.

In fiscal year 2003, 1,086 young people met preliminary ACS screening standards and submitted their applications for housing assistance to NYCHA. ACS estimates that 60 to 80 percent of these applicants will receive either a Section 8 voucher or public housing. The remaining youth are either deemed ineligible by NYCHA, or do not follow-through on their applications.

Anecdotal reports suggest that there are some implementation problems with the use of Section 8 vouchers. Foster care contract agencies coordinate their clients’ initial applications, and it appears that some of these agencies do not adequately inform the young people about the resources available to them. And even when the contract agency is an active participant in the process, it can take up to a year before a young person receives a voucher or public housing apartment, because the supply of both vouchers and public housing apartments is limited. Finally, federal eligibility rules exclude a significant proportion of the young people—ACS estimates that as many as half the youth who age out of foster care each year do not meet federal criteria.

ACS offers its own, city-funded rental subsidies to youth aging out of foster care. Young people ages 18 to 21 are eligible for up to \$300 per month for up to three years, plus one-time grants of up to \$1,800 for moving expenses, rent arrears, and associated expenses. Total assistance is limited to a lifetime maximum of \$10,800. In 2003, ACS spent \$3.3 million on rental subsidies, but this includes funding for families eligible for identical benefits in cases where children are likely to be placed in foster care because of inadequate housing. A total of 959 young adults and families received ACS rental subsidies in 2003.

ACS is also engaged in other efforts to find housing for youth aging out of foster care. The agency supports housing developers in their applications for Low Income Housing Tax Credits and other subsidy programs, in exchange for set asides of units for ACS clients. In some cases, ACS has entered into agreements guaranteeing that it will fill a set number of units in a particular building with youth aging out of foster care. The developer is ensured a steady stream of operating revenue, while ACS is provided with apartments where young people can use their Section 8 vouchers.

Shrinking Rent Subsidies. New York City is increasingly involved in meeting the housing needs of youth aging out of foster care. Nevertheless, because of eligibility issues and limited numbers of vouchers, some young people may end up homeless.

The city is heavily dependent on federal rent subsidies to pay for housing for this population. Even when the city funds the construction costs of new housing targeted to youth aging out of foster care, the nonprofits that run the programs depend on rent vouchers to pay for operating costs. As a result, there is very limited assistance available for young people.

President Bush's proposed budget for federal fiscal year 2005 includes significant cuts to the Section 8 program that could further limit the availability of housing for foster care youth. If

these cuts are enacted, the supply of vouchers for all households will be curtailed and it may be harder for the lowest income households to obtain them. This would make it significantly harder for the city to continue to provide housing assistance to youth aging out of foster care. Even if the city continues to build more housing especially for these youth, many of them will not have access to the rental subsidies that make it possible for them to live in the new units.

Written by Molly Wasow Park