

# HOUSE BILL REPORT

## 2SHB 1922

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### As Passed House:

March 6, 2007

**Title:** An act relating to creating an independent youth housing program.

**Brief Description:** Creating an independent youth housing program.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Pedersen, Pettigrew, Miloscia, McIntire, Walsh, Kagi, Appleton, Kenney, Hasegawa and Ormsby).

### Brief History:

#### Committee Activity:

Housing: 2/7/07, 2/15/07 [DPS];

Appropriations: 3/3/07, 3/5/07 [DP2S(w/o sub HOUS)].

#### Floor Activity:

Passed House: 3/6/07, 64-32.

### Brief Summary of Second Substitute Bill

- Creates the Independent Youth Housing Program within the Department of Community, Trade and Economic Development to provide housing stipends and case management services to young adults ages 18-23 who were once dependents of the state.

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### HOUSE COMMITTEE ON HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Miloscia, Chair; Springer, Vice Chair; Dunn, Ranking Minority Member; Kelley, McCune, Ormsby and Schindler.

**Staff:** Robyn Dupuis (786-7166).

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### HOUSE COMMITTEE ON APPROPRIATIONS

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Housing. Signed by 23 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Morrell, Pettigrew, Schual-Berke, Seaquist, P. Sullivan and Walsh.

**Minority Report:** Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Dunn, Hinkle, Kretz, McDonald and Priest.

**Staff:** Owen Rowe (786-7391).

### **Background:**

There are approximately 400 youth who exit ("age-out") foster care at age 18 each year in Washington. According to the "Foster Youth Transition to Independence Study" conducted by the Office of Children's Administrative Research (2004), within one year of exiting foster care, approximately:

- 13 percent had experienced homelessness; (*Another study, the "Northwest Foster Care Alumni Study" in 2005 documented that 22.2 percent of post-foster youth experienced homelessness.*)
- 50 percent had completed high school or obtained their GED;
- Less than 50 percent were employed and of those who were employed, 47 percent were making wages at or below the poverty line; and
- 30 percent were enrolled in at least one public assistance program.

The January 2006 state point-in-time count of homeless persons, coordinated by the Department of Community, Trade and Community Development (DCTED), counted 466 homeless youth age less than 18 unaccompanied by an adult guardian. The State Emergency Shelter Assistance Program (ESAP) data shows that 1,131 homeless youth younger than 18 and unaccompanied by an adult guardian were provided shelter in Fiscal Year 2006. The ESAP data accounts for 2,495 youth ages 18-21 who were provided shelter in Fiscal Year 2006. There is anecdotal evidence that many homeless youth have been involved in the foster care system at some point in their lives.

### **Current Services to Former Foster Youth**

**Extended Foster Care via SSHB 2002 (2006 Legislative Session).** Each year, through 2008, 50 state-dependent youth reaching the age of 18 will be eligible to remain in foster care until age 21 if they are enrolled in higher education or a vocational program.

**The Department of Social and Health Services (DSHS).** The DSHS uses federal monies (Chafee funds) to serve some youth who have left foster care (ages 18-21) through the Transitional Living Program. Youth may receive case management and access to some funding assistance for housing, employment and training, mental health services, education, and other services. The subcontracting agencies of the DSHS decide on a case-by-case basis what services are most needed by the individual youth. Up to 30 percent of the Transitional

Living Program funds may be used for housing purposes. The DSHS serves approximately 400 youth through the Transitional Living Program, which represents approximately one-third of youth who would likely be eligible for the services.

**The Department of Community, Trade and Economic Development.** The DCTED assists small and medium counties access federal "McKinney-Vento" homeless assistance dollars which can be used for project-based rental vouchers and case management for homeless youth or youth at risk of homelessness. Currently, two organizations (Northwest Youth Services and Community Youth Services) provide such vouchers for youth and together they serve about 25 young people each year at a cost between \$10,000 - \$15,000 per youth.

**The Homeless Grant Assistance Program.** The DCTED's Homeless Grant Assistance Program (HGAP) awarded Snohomish County a grant in 2007 to provide housing vouchers to 15 youth exiting foster care. The HGAP is funded with the state's portion of "2163" Homeless Surcharge funds. A focus of the HGAP in the future will be funding programs that address state institutional discharge and re-entry issues, in which foster youth are included.

**The Interagency Council on Homelessness (Council).** The Council has placed a priority focus on addressing issues at a state level related to discharge and re-entry planning. This would include issues related to youth exiting the foster care system.

#### **Summary of Second Substitute Bill:**

The Independent Youth Housing Program (Program) is created within the Department of Community, Trade and Economic Development (DCTED) for the purpose of providing housing stipends and case management services to youth, ages 18-23, who have exited the state dependency system.

Two state goals are established consisting of:

- ensuring that all youth exiting the state dependency system have a decent, appropriate, and affordable home in a healthy, safe environment to prevent these youth from experiencing homelessness; and
- reducing each year the percentage of young people eligible for state assistance upon exiting the state dependency system.

The DCTED is directed to serve as many youth as possible given available funding. The DCTED must operate the Program as a component of the Transitional Housing Operating and Rent (THOR) program or a similar DCTED program to capitalize upon administrative resources.

The Program must be integrated and aligned with all existing services and programs designed to assist foster youth transition to independent living such as the Independent Living Program and the Transitional Living Program operated by the Department of Social and Health Services (DSHS). The Program must be included in the state's Homeless Housing Strategic Plan and any other state or local homeless or affordable housing plans.

The DSHS will collaborate with the DCTED to provide information about the Program to dependent youth and to refer dependent youth nearing the age of 18 to the Program. The DSHS will also provide information to the DCTED regarding the number of youth exiting the state dependency system eligible for state assistance and annually recommend strategies to the Legislature that may help reduce this number.

### **Eligible Youth**

Eligible youth include:

- youth who were dependents of the state and are ages 18-23;
- very low-income youth whose income does not exceed 50 percent area median income unless they agree to participate in a matched savings for asset accumulation program (such as an Individual Development Account program); and
- youth who agree to pay a portion of their rent in a timely manner.

### **Program Administration**

The DCTED may contract with organizations to distribute housing stipends and provide housing related services to youth. Services will include the development of an independent living plan, case management, information and referral services, and education on tenant rights and responsibilities.

### **Housing Stipend Details**

- The DCTED will establish a formula to determine amounts of the stipends. Stipends will be based on factors including age, fair market rent for the area, and other housing and living situation variables.
- Stipends must be used for "independent" housing which cannot include accommodations with, or in premises owned by, former foster parents or biological parents.
- Stipends are payable to landlords or other housing management.

### **Evaluation and Reporting Requirements**

- The DCTED will include a program report in the state's Homeless Housing Strategic Plan and any other relevant state and local plans. These reports will use performance measures.
- The Washington State Institute for Public Policy will measure the outcomes for youth participating in the program and issue a final report by December 2010.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

### **Staff Summary of Public Testimony:** (Housing)

(In support of the original bill) Many youth who age out of the foster care system end up on the streets. The state has an ethical responsibility to help these youth who are still teenagers when they exit from the care of the state. This bill will give such youth a chance to get on

their feet and encourage them to save money for their future. This is a wonderful homeless prevention effort supported by youth and homeless advocates. Although there are some federal resources for youth exiting foster care for supportive services, the need greatly exceeds the demand. Housing funding, in particular, needs supplementation of resources. The case management resources provided in this bill are also critical as these youth are forced to transition into adulthood and independent living situations without much of a supportive network at such a young age.

(With concerns on the original bill) Housing assistance is sorely needed, but there is a concern that many youth need intensive services and a structured environment. Such young persons may not do well on their own when just provided funding for independent housing. The program should include guidelines and policies similar to the federal Section 8 program. For example, there should be mandatory inspections of housing units to make sure they meet minimum quality standards and there should be a measure to determine if rent is reasonable. Also, the bill would be improved if the income limit was lowered to 30 percent of the area median income to serve the neediest of young people. The DSHS should be the lead agency, not DCTED. Perhaps the DCTED and the DSHS could operate this program in collaboration through an interagency agreement.

**Staff Summary of Public Testimony:** (Appropriations)

(In support) This legislation provides targeted funding for housing and services for former foster care youth who are at very high risk for homelessness. Recent studies show that one third of the homeless in Portland, Oregon are former foster youth and there is likely a similar number in Washington. These funds are a strategic investment to ensure former foster care youth who age out at 18 don't become homeless. Foster care youth who have access to case management and housing services as they age out of foster care become economically self-sufficient and do not need to rely on public assistance or become involved with the criminal justice system.

(Opposed) None.

**Persons Testifying:** (Housing) (In support of original bill) Representative Pedersen, prime sponsor; Maureen McLemore, Community Youth Services; and Zac Franz, Children's Home Society of Washington.

(With concerns on original bill) Greg Provenzano, Columbia Legal Services; and Corinne Knudsen, Washington State Coalition for the Homeless.

**Persons Testifying:** (Appropriations) Nick Federici, Washington Low-Income Housing Alliance and United Way of King County; and Laurie Lippold, Children's Home Society of Washington.

**Persons Signed In To Testify But Not Testifying:** (Housing) None.

**Persons Signed In To Testify But Not Testifying:** (Appropriations) None.