

Audio Conference Materials - Thursday, March 9, 2006 3:00 p.m. ET

Federal Funding for Youth Housing Programs

Housing models for youth who experience homelessness should balance stability, safety, and affordability with continuous preparation for future independent housing. There are a number of different housing models in the youth housing continuum, including supportive housing, community-based group homes, and supervised or scattered site apartments, among others. These models can assist youth in maintaining stable housing, transitioning to adulthood, and becoming self-sufficient.

Although scarce, dedicated resources for affordable housing that can prevent and target homeless youth are available. Funding sources include federal programs dedicated to youth, such as the Chafee Foster Care Independent Program (CFCIP), the Chafee Education and Training Vouchers, and Runaway and Homeless Youth Act Transitional Living Program (TLP). Mainstream housing programs are also important funding sources for youth housing such as the Home Investment Partnerships Program (HOME), Family Unification Program (FUP), Low-Income Housing Tax Credits (LIHTC) and Tax Exempt Housing Bonds.

The following tables briefly describe these resources, including eligibility, resource application, and advantages and constraints of the funding source. Each table also provides links for additional information on the resource.

Please click on the link go directly to program of interest:

Federal Resources for Housing Youth

[Chafee Foster Care Independence Program](#)

[Chafee Education and Training Vouchers \(ETV\)](#)

[Runaway and Homeless Youth Act - Transitional Living Program \(TLP\)](#)

Federal Resources for Housing Youth only ages 18 and older

[Family Unification Program \(FUP\) Vouchers – Section 8](#)

[Home Investment Partnership Program \(HOME\)](#)

[McKinney-Vento Homeless Assistance Programs – Supportive Housing Program \(SHP\), Single Room Occupancy Dwellings \(SRO\), and Shelter Plus Care](#)

[Federal Home Loan Bank – Affordable Housing Program](#)

[Low-Income Housing Tax Credit \(LIHTC\)](#)

[Tax Exempt Housing Bonds – Private Activity Bonds](#)

[Tax Exempt Housing Bonds - 501\(c\)\(3\) Tax-Exempt Bond Financing](#)

For addition information, please contact LaKesha Pope at 202-638-1526 ext. 129 or lpope@naeh.org.

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Chafee Foster Care Independence Program (CFCIP)			
Eligibility	Purpose	Advantages	Constraints
Young adults who have aged out of care or who will age out of care up to age and 21	Direct housing subsidy	Available in every state	Funding is limited
	Room and board assistance	Applicable to various housing models for youth	Specifics of programs vary by area
	Provide for services to search for and obtain housing	Often comes with case management/support services	Assistance is usually time limited
Chafee Education and Training Vouchers (ETV)			
Eligibility	Purpose	Advantages	Constraints
CFCIP eligible youth or youth who are adopted after age 16 and attending institutions defined by the Higher Education Act of 1965 or enrolled in a postsecondary education program	Provides for up to \$5,000 per year of support for postsecondary education costs including housing	Available in every state	Must reapply every year
		Allowed on any type of housing	Education costs may use the majority of allotment – limiting the amount used for housing
Funding Agency	US Department of Health and Human Services, Administration for Children and Families - http://www.acf.dhhs.gov/programs/cb/index.htm		
Administering Organization	State Child and Family Services offices – http://www.nrcys.ou.edu/nrcyd/state_pages.shtml Statewide Independent Living Coordinators - http://www.nrcys.ou.edu/nrcyd/resources/ilcoords.shtml		
Additional Resources	National Child Welfare Resource Center for Youth Development - http://www.nrcys.ou.edu/nrcyd/programs.shtml National Foster Care Coalition, Chafee Frequently Asked Questions - http://www.natl-fostercare.org/		

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Runaway and Homeless Youth Act - Transitional Living Program (TLP)			
Eligibility	Purpose	Advantages	Constraints
Homeless youth ages 16-21	Provides up to 18 months of residence and supportive services	Gives young people a chance to leave the streets and to gain skills and resources to prevent future homeless episodes	Programs are limited or non-existent depending on geographic area Program has time limits Limited aftercare services
Funding Agency	US Department of Health and Human Service, Administration of Children and Families – http://www.acf.dhhs.gov/programs/cb/index.htm		
Administering Organization	The Family and Youth Services Bureau - http://www.acf.hhs.gov/programs/fysb/index.htm		
Additional Resources	National Alliance to End Homelessness - http://www.endhomelessness.org/youth/ National Network for Youth - http://www.nn4youth.org/site/PageServer		

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Federal Resources for Housing Youth only ages 18 and older

Family Unification Program (FUP) Vouchers – Section 8			
Eligibility	Purpose	Advantages	Constraints
Very low-income families, including families of one adult and the disabled	Vouchers subsidize rent based on approximations of one-third of an applicant's income	Allows young people to use voucher on housing	Local Public Housing Authorities (PHAs) may establish preferences for selecting applications <i>(Section 8 waiting list are very long)</i>
Youth ages 18 and older		Accompanied with supportive services	FUP vouchers for youth are limited to 18 months FUP vouchers are extremely limited; no new vouchers since 2001
Funding Agency	Department of Housing and Urban Development - http://www.hud.gov/offices/pih/programs/hcv/family.cfm		
Administering Organization	Local Public Housing Agency - http://www.hud.gov/offices/pih/systems/pic/haprofiles/index.cfm		
Additional Resources	Child Welfare League of America - http://www.cwla.org/programs/housing/overview.htm and FUP vouchers held by state - http://www.cwla.org/programs/housing/FY2001CumList.xls		

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Home Investment Partnership Program (HOME)			
Eligibility	Purpose	Advantages	Constraints
Determined by grantees which can be Community Housing Development Organizations (CHDO), cities, or counties	Assist cities, counties and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing via low-interest loans to state-certified CHDOs operating in state-eligible jurisdictions	Funds can be used to develop transitional housing, permanent supportive housing, affordable rental housing, homeownership units that include low-income youth	Every dollar of HOME funds must be matched (except for administrative costs) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources
	Participating jurisdictions must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by nonprofit groups designated as CHDOs	Housing developments can serve low-income youth ages 18 and older	Access to funds may be limited (<i>Program funds are allocated to participating jurisdictions on the basis of a formula that considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.</i>)
Funding Agency	Department of Housing and Urban Development - http://www.hud.gov/offices/cpd/affordablehousing/programs/home/		
Administering Organization	State and local governments (<i>called participating jurisdictions or "PJs"</i>) - http://www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/index.cfm		
Additional Resources	Corporation for Supportive Housing - http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageID=3148		

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McKinney-Vento Homeless Assistance Programs – Supportive Housing Program (SHP), Single Room Occupancy Dwellings (SRO), and Shelter Plus Care			
Eligibility	Purpose	Advantages	Constraints
SHP and SRO- Homeless youth ages 18 and older	SHP – Provides rental assistance payments	HUD awards funds competitively through local “Continuum of Care” (CoC)- <i>(Youth housing providers can work in collaboration with CoCs at the planning stages to include allocations for youth housing)</i>	Limited supply of funds
	SRO- Funds supportive housing and services through Section 8 rental assistance payments		
SPC- Homeless youth ages 18 and older with serious mental illness, chronic substance abuse problems, other disabilities, and/or AIDS	SPC- Provides housing and supportive services on long-term basis		
Funding Agency	Department of Housing and Urban Development - http://www.hud.gov/offices/cpd/homeless/programs/index.cfm		
Administering Organization	Continuum of Care contacts – http://www.hud.gov/offices/cpd/homeless/programs/cont/coc/index.cfm		
Additional Resources	Guide to Continuum of Care Planning - http://170.97.167.13/offices/cpd/homeless/library/coc/cocguide/ and http://www.hud.gov/offices/cpd/homeless/programs/cont/index.cfm		

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Federal Home Loan Bank – Affordable Housing Program			
Eligibility	Purpose	Advantages	Constraints
Federal Home Loan Bank member institutions and their partner organizations	Subsidizes the cost of housing for very low-income and low- or moderate-income owner-occupied and rental housing	Provides gap financing with flexible funds for affordable housing projects that can include transitional and permanent supportive housing, affordable rental housing, and owner-occupied housing	Organizations seeking to develop a supportive housing project must partner with a FHLB member
	The subsidy may be provided in the form of a grant or a below market interest rate loan from the FHLB to a member lender bank that is partnering with a housing developer (typically a non-profit organization)	Projects serving homeless populations, special needs populations, and very low-income households, receive additional points in the application scoring process	Non-profit organizations and government entities are not the only types of eligible partners
Funding Agency	Federal Housing Finance Board - http://www.fhfb.gov/Default.aspx?Page=47		
Administering Organization	Federal Home Loan Bank - http://www.fhlbanks.com/html/programs.html		
Additional Resources	Corporation for Supportive Housing - http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageID=529		

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Low-Income Housing Tax Credit (LIHTC)			
Eligibility	Purpose	Advantages	Constraints
Determined locally by the grantee which can be for-profit developers, non-profit organizations, government entities, joint ventures, partnerships, limited partnerships, trusts, corporations or limited liability corporations	Creates an incentive for private investment in low-income housing development by giving federal tax credits to investors	Largest source of capital financing for affordable rental housing	Only permanent rental housing projects are eligible for tax credits, with some minor exceptions for transitional housing when used in conjunction with specific federal programs (e.g. McKinney Act Funds)
	Subsidy used to finance the development of affordable rental housing for low-income households There are “9%” and “4%” tax credits awards <i>(4% tax credits are used in combination with private activity bonds)</i>	Credits can be allocated for new construction or rehabilitation projects Develop housing for low-income youth	Applications for “9%” credits are extremely competitive; applicants must demonstrate long term economic sustainability to win credit awards The federal tax code authorizes each state a capped allocation of Low Income Housing Tax Credits. The annual amount is based upon the state's population
Funding Agency	Internal Revenue Service - http://www.irs.gov/		
Administering Organization	State housing agencies - http://www.ncsha.org/section.cfm/4/39/187		
Additional Resources	<p>The National Council of State Housing Agencies - http://www.ncsha.org/section.cfm/3/34/35</p> <p>Corporation for Supportive Housing - http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageID=445</p> <p>Department of Housing and Urban Development - http://www.hud.gov/offices/cpd/affordablehousing/training/lihtc/index.cfm</p>		

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Tax Exempt Housing Bonds – Private Activity Bonds			
Eligibility	Purpose	Advantages	Constraints
Determined locally by the grantee which can be private developers or businesses	State and local governments sell tax-exempt Housing Bonds and use the proceeds to finance low-cost mortgages for lower income first-time homebuyers or the creation of apartments at rents affordable to lower income families <i>(Commonly known as Mortgage Revenue Bonds (MRBs) and Multifamily Housing Bonds)</i>	Large source of affordable housing capital funds	Access to funds may be limited <i>(The federal tax code authorizes each state a capped allocation of tax-exempt bond. The annual amount is based upon the state's population)</i>
		Financed developments must set aside at least 40% of their apartments for families with incomes of 60% of area median income (AMI) or less, or 20% for families with incomes of 50% of AMI or less.	Subsidy levels are less than those provided by 9% Low Income Housing Tax Credits
Funding Agency	Internal Revenue Service – http://www.irs.gov/		
Administering Organization	State housing agencies - http://www.ncsha.org/section.cfm/4/39/187		
Additional Resources	The National Council of State Housing Agencies - http://www.ncsha.org/section.cfm/3/34/36 National Low-Income Housing Coalition - http://www.nlihc.org/advocates/housingbonds.htm		

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Tax Exempt Housing Bonds - 501(c)(3) Tax-Exempt Bond Financing			
Eligibility	Purpose	Advantages	Constraints
Determined locally by the grantee which can be a single-purpose nonprofit borrower who will own the housing development to be financed	Issued by a government agency, not on behalf of the government but on behalf of a nonprofit organization exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code.	Less competition than private-activity bonds <i>(There is no state cap on how much can be issued in a given year)</i>	Nonprofits have a lifelong cap of no more than \$150 million in bond proceeds outstanding at any one time on all multifamily housing developments they control
	Interest paid to bond purchasers is exempt from federal taxation	Flexibility <i>(Generally available whenever a project requires it, whereas tax credits often are allocated only once or twice a year and it offers attractive interest rates, often over a 30-year term)</i>	Transaction costs may be very high, often three to four percent of bond proceeds Primarily not intended for multifamily housing <i>(as the case with private activity bonds)</i>
Funding Agency	Internal Revenue Service – www.irs.gov		
Administering Organization	State Office of Economic Development or State Office of the Treasury		
Additional Resources	The National Council of State Housing Agencies - http://www.ncsha.org/section.cfm/3/34/36 The Enterprise Foundation - http://www.enterprisefoundation.org/pubsnews/bb/cc6974.asp		