

## Idaho Housing and Finance Association Aging Out of Foster Care

### **Introduction**

In 2010 there were 542,000 children living in foster care nationally. On average, about 20,000 of those children annually age out of foster care, many without having acquired the life skills necessary for successful transition to independent living. Statistically many of these children will become homeless. In Idaho, between March 2010 and March 2011 there were 1,245 children living in the foster care system. Of those, 79 turned 18 and were aged out of the foster care system.

Idaho Housing and Finance association's (IHFA) development company, The Housing Company (THC), joined forces with several foster care agencies and service providers to create the Aging Out of Foster Care program, which provides a safe home environment where each individual is important, nurtured and prepared for the activities of normal everyday life.

### **Challenge**

There are no dedicated long term living opportunities in Idaho where those aging out of foster care can live while attending college or learning a trade through vocational training. The challenge was to find a way to locate, acquire and manage a property for stable long term affordable housing that would allow foster kids the chance to learn needed life skills.

In general, agencies that provide short term or temporary services for children aging out of foster care are limited by budgets and programs that do not provide for long term affordable housing. In addition, these agencies do not have the expertise for real estate acquisition and management. How to combine this need, development costs, and the operating and management of a property became the impetus for the partnership that is the Aging Out of Foster Care program.

### **Approach**

IHFA first became aware of the growing problem of homeless foster children during participation in community housing forums. When we met with service providers, the issue of long term, safe, affordable housing became the primary topic of discussion. Everyone agreed that a large home in proximity to existing services, transportation, higher education institutions, and commercial activity for jobs would be the optimal solution. How to locate, fund the acquisition, and renovation if needed, was assigned to IHFA to solve.

### **Location, location. The Arthur Street House in Caldwell, Idaho**

Finding a property big enough to house several residents and a convenient location were key components during discussions with the development team regarding the first project. Transportation of individuals spread out in separate apartments was time consuming and expensive for participants, as public transportation in the outlying regions of Caldwell, Idaho, is nonexistent.

The team directed its efforts in finding a home in the city limits with access to services, education and jobs. During the construction boom, several "McMansions" were built that are now sitting empty in sometimes thriving neighborhoods. We found such a home in foreclosure and in need of some repair that had seven bedrooms and three bathrooms.

Arthur Street House- the program's pilot project- is the first of its kind in Idaho to address the many issues related to turning 18 and having nowhere to turn.

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Pro bono architectural services were provided by a local firm and the renovations were performed by a local home builder. Many of the components of the renovation are green building certified in order to keep utility and future capital expenditures at a minimum.

Creative ways of funding each project are important to our success. While several funding options exist for developers of affordable housing, we chose to use Neighborhood Stabilization Program 1 (NSP) funding for acquisition and operations. Since funds from NSP 1 are not loans, no debt service is due on a monthly basis, minimizing the annual operating budget.

Developing new partnerships was paramount in helping to create this new program for Idaho. IHFA staff met with stakeholders from state and independent organizations that worked with youth in the foster care system.

This approach brought out the strengths of each organization. Real estate acquisition and renovation were performed by IHFA, while service providers contributed with the institutional knowledge for day-to-day operations.

### **Program Description**

In order to be eligible for the program, each young adult will sign a contract that sets out their individual goals for their immediate future, which includes school, vocational training or working.

All residents are required to pay rent at the house for the term of their stay. Because the house has no mortgage, rent is kept affordable. There is no defined limit as to how long any one resident can stay in the house. The success of the program will be that residents will engage themselves in school or a job. When coordinators and participants agree that the training is complete, they will move on.

A portion of the residents' rent will be used to pay for normal operating costs of housing, utilities, taxes, insurance, and replacement reserves. Another portion of the monthly rent will be set aside in individual savings accounts. These funds will be available to the residents upon their graduation from the program. This savings account can provide for first month's rent and security deposits at a new apartment. Each resident will also sign a lease, which will provide a track record of a successful rental history for future applications.

Engaging with the community and becoming a part of it are important aspects of growing and assimilating into society. Each resident is required to perform a minimum of 20 hours per month of volunteer service in the immediate community.

All of the residents are required to participate in life skill and healthy living classes, including monthly visits to the local bank to learn how to manage their funds, writing and balancing checkbooks, and budget for insurance, savings and living expenses. In addition, all of the residents will have to do house chores on a daily basis, such as laundry, cleaning bathrooms, cooking, shoveling the snow and anything that's needed to operate the property. Nutritionists will come to Arthur Street House twice a month to help prepare meal plans and shopping lists.

Many of the children aging out of foster care have no acceptable form of identification. The program walks these residents through the system to ensure that they have social security cards and photo identification that are required for school and employment.

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After the success of our pilot project, Aging Out of Foster Care will continue growing to benefit more children aging out of foster care. More housing will need to be rehabilitated across the state and new partnerships built. IHFA has already identified three properties that could provide permanent long term housing for ten more residents taking this program a step closer to the future we envision.

### **How Does this Program Respond to the Judging Criteria?**

Innovative: Used creative partnerships to develop a program that is new in its approach to the state of Idaho and that serves a critical need at a state and local level.

Replicable: The program can be implemented in communities across Idaho and the nation as funding sources and properties are identified by HFAs.

Responds to an important state housing need: Homelessness prevention is a critical component of Idaho Housing and Finance Association's annual plan.

Demonstrates measurable benefits to HFA targeted customers: Statistics about the number of children aging out of foster care already exist. Tracking participants will provide data to demonstrate that homelessness decreases and employment increases among participants, compared to non-participants.

Has a proven track record of success in the marketplace: Our partners have a proven track record of success in short term assistance children aging out of foster care.

Provides benefits that outweigh costs: Counting only the acquisition and renovation costs, and if the home serves six young adults a year for 20 years the cost is approximately \$2500 per resident.

Demonstrates effective use of resources: IHFA was able to utilize pro bono architect and engineering services from a local firm. Furnishings for the home are donated by local thrift centers. In-house education comes free from local banks and city services.

Effectively employs partnerships: The partners in this program identified a very real issue within the community. During the meetings many different approaches were discussed and debated. Pros and cons were prioritized and analyzed. Success of the partnership comes from the fact that the welfare of the children was always paramount.

Achieves strategic objectives: Idaho now has a working home where at risk children aging out of foster care can find a safe and secure home with caring and helpful direction that will allow them to achieve independent living and a successful future.