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Supporting Strong Families and Successful Transitions in the Michigan State Budget: Stable Housing for Youth and Families

Michigan's Children Supports Funds for Runaway and Homeless Youth and Affordable Housing

Michigan's lawmakers are currently considering Governor Whitmer's recommendations and determining their own priorities for spending billions of one-time federal and state revenues for both current-year supplemental spending and for the 2022-2023 Fiscal Year which begins on October 1, 2022. One key area of concern includes strengthening access to housing. In a public opinion poll of nearly 800 likely voters statewide, respondents across diverse regions of Michigan agreed that [reducing youth homelessness and keeping children safe are top priorities for public investment](#).

To stabilize housing for youth and families and prevent homelessness, Michigan's Children recommends:

1. **Provide \$20 million in one-time funds the MDHHS budget for runaway and homeless youth (RHY) programs** for a three-year program to improve capital needs and staff retention.
2. **Provide \$3 million in annual increased funds for RHY programs**, moving towards an overall ongoing need of \$10 million.
3. **Invest \$100 million into the Michigan Housing and Community Development Fund** to spur construction of affordable housing for low-income families and youth.
4. **Increase funding for shelter diversion and Family Unification Vouchers** to grow the overall numbers of families and young people who can be stably housed.

Right Now: Governor Gretchen Whitmer has recommended no funding increase for Runaway and Homeless Youth Services but has recommended investment into constructing affordable housing. The House and Senate have not yet released plans.

Why Invest in Stable Housing for Youth and Families?

Michigan's recovery depends on getting young people ready for post-secondary education, work, and life. But for youth who have experienced homelessness, the transition to adulthood can be extremely difficult to successfully navigate. [Some studies suggest](#) that 20,000 youth in grades eight are homeless in Michigan, with a four-year high school graduation rate of 54 percent in 2021. Youth with unique vulnerabilities, including abuse, parental incarceration, mental health issues, substance use, foster care involvement, trafficking experience, and poverty, are at greater risk of homelessness than their peers. Fewer than 60 percent of young adults who experienced foster care report having stable housing.

Michigan's [Runaway and Homeless Youth service agencies](#) provide effective crisis and transition services that can prevent homelessness for youth ages 12-21, overwhelmingly reunifying youth with their families (95%) and ensuring continued involvement with school during unstable periods (88%). However, recent years and the pandemic crisis have overtaxed this system as the severity of youths' needs have grown. These pressures, coupled with a largely flat budget for 20 years, have triggered widespread staff turnover

and several program closures, leaving multiple Michigan counties with gaps in services. Recent modest funding increases have been insufficient to stabilize losses, let alone improve services for youth.

Youth and their families also suffer from a scarcity of affordable housing in every corner of our state. For every 100 extremely low-income renters, there are only 37 affordable and available units. Michigan has a tool to expand affordable housing for low-income households, the [Michigan Housing and Community Development Fund](#) (MHCDF). Funded by one-time homeowner foreclosure settlement funds in 2007, the MHCDF ran out of funds after approving just nine projects. Investing up to \$100 million in the MHCDF will give lawmakers time to identify a sustainable long-term source of revenue for the purpose of providing new, affordable housing for low-income families and youth.