

COUNTY HOMELESSNESS TRUST FUNDS: FACT SHEET

Providing counties with flexible and cost-effective resources to help low-income residents achieve self-sufficiency and create stable homes

HOW COUNTIES CAN CREATE TRUST FUNDS

In 2009, in response to the growing problem of homelessness, the NJ Legislature passed the County Homelessness Trust Fund Act (NJSA 52:27D-287a et seq.), authorizing counties to create an innovative source of funding to combat homelessness. Counties can create Trust Funds by adding a surcharge of \$3.00 for each document recorded by the County Clerk, to be used for programs to meet the needs of individuals and families who are homeless or at-risk of losing their homes. In order to collect the fee, counties must have a plan to end homelessness and a Homelessness Trust Fund Task Force made up of local individuals from the public and private sectors.¹

WHAT FUNDS CAN BE USED FOR

- **Prevention services** such as one-time financial assistance for those at-risk of homelessness
- **Rental assistance vouchers** for affordable housing projects or units within housing projects that provide permanent affordable housing for the homeless and those at risk of homelessness
- **Permanent affordable housing** for the homeless and those at risk of homelessness
- **Supportive services** such as social workers connected to affordable housing

WHAT FUNDS ACCOMPLISH

- **Help prevent homelessness** by funding services to help families avoid eviction and remain stably housed, programs which are otherwise difficult to finance
- **Help people get off the streets and out of the woods**
- **Provide assistance** to the many homeless families and individuals such as low wage workers, low-income seniors and disabled people, and other disadvantaged households who are unable to obtain extended assistance under any other program
- **Help end homelessness** by creating a source of funds that can be used in a flexible way to fund the most effective programs that provide services for individuals to find permanent housing solutions
- **Save money** by allowing counties the flexibility to target the most cost-effective programs and thereby reduce public costs of shelters, emergency rooms, jails, prisons, psychiatric centers, detox centers, law enforcement, and foster care systems

A GROWING CONSENSUS: TRUST FUNDS ARE GOOD FISCAL POLICY

Bipartisan support created the Homelessness Trust Fund law in 2009. Since then elected officials, nonprofit leaders, and advocates from across the political spectrum have expressed enthusiasm for Trust Funds because of the increased efficiency, cost-savings, and improved quality of life that a Fund can bring to a county. Kim Cowart, Community Development Director for Somerset County explains that their Homelessness Trust Fund enables “the stabilizing effect of temporary rental assistance, financial literacy training, participation in a savings

¹ For counties without established plans, those from other counties can serve as models or be used as temporary plans, and later be modified. Here are links to the plans in Bergen, <http://www.co.bergen.nj.us/DocumentCenter/View/127>, and Middlesex, <http://www.cominghomemiddlesex.org/resource-file/middlesex-ten-year-plan.pdf>. In many cases, existing county boards or social service committees are able to comprise the required Task Force.

match program and case management that has generated costs savings for the County which might otherwise have had to provide emergency assistance for housing or other basic needs.”

Individuals and families who are homeless tend to be high users of emergency services and a growing body of evidence shows it is more cost-effective to provide affordable housing and support services than expensive hospitals, emergency rooms, jails, psychiatric centers, detox programs, and law enforcement calls. One night in a hospital can run upward of \$2,000. Incarceration costs run at least \$100 each day. In contrast, a 2011 study from Mercer County demonstrated that providing permanent housing with supportive services to the chronically homeless saved, on average, **over \$9,000 per individual housed, per year**, with the use of expensive emergency costs drastically reduced.² This study mirrors others throughout the country with similar results.³

COUNTIES REPORT THAT FUNDS OPTIMIZE TAX DOLLARS AND IMPROVE LIVES OF CHILDREN, FAMILIES AND INDIVIDUALS

Nine counties have so far enacted Homelessness Trust Funds: Bergen, Camden, Essex, Hudson, Mercer, Middlesex, Passaic, Union, and Somerset. **Counties have reported to the Coalition that they have not received any complaints about the \$3.00 fee.** On average, counties raise over \$100,000 annually for their Funds; thus, over a ten year period, each county will raise approximately \$1 million, enough to make a significant impact on preventing and ending homelessness.

Mercer County Executive Brian Hughes lauded the Homelessness Trust Fund-supported rental assistance programs and supportive services in their ability to increase self-sufficiency among low-income county residents. These are programs which are notoriously difficult to fund.

Somerset County Freeholder Deputy Director, Pat Walsh, similarly highlighted the success of her county’s Trust Fund in providing a boost for working families who are not earning enough to make ends meet. She emphasized that the Fund gives flexibility for each community to create housing and services that reflect their needs. The programs Somerset has created optimize and save tax dollars by improving residents’ quality of life, reducing dependency and increasing self-sufficiency.

In Middlesex County, the Trust Fund enabled the County in 2012 to create the Veteran Housing Assistance Program (VHAP). In the first two years, VHAP has served 173 veterans (286 including family members) who in many cases do not qualify for financial assistance or eviction prevention services, but need support in order to get back on their feet and have no other options available to them.

In Camden County, officials estimate that a new “Housing First” program funded by the Homelessness Trust Fund will save approximately \$10,000 per person per year by placing homeless people directly into permanent housing. Camden County Freeholder Carmen Rodriguez explained that many of the program participants “are the highest users of emergency care and emergency room facilities. More often than not, it is difficult and often impossible for those who are homeless to be eligible for supportive housing services.” The Trust Fund provides these high users with housing and comprehensive support services, a combination which has been proven to improve health outcomes, reducing the use of emergency services, and leading to dramatic cost savings for tax payers.

² Mercer Housing First Demonstration Initiative, Report to the Community, February 2011
<http://bonnernetwork.pbworks.com/w/file/attach/38127879/Housing-First-Report.pdf>.

³ For example, a 2014 study demonstrated that the “Housing First” approach saved Charlotte, North Carolina, \$1.8 million per year in health care costs and led to 84% fewer days in jail and a 78% drop in arrests among the population served. For the complete study, see: <http://shnny.org/images/uploads/Charlotte-Moore-Place-Study.pdf>.