

NEW JERSEY ADVOCACY NETWORK TO END HOMELESSNESS FREQUENTLY ASKED QUESTIONS ON THE HOMELESS TRUST FUND

These Frequently Asked Questions is updated on a regular basis. The goal of the questions is to help to define more clearly why New Jersey counties need a Homeless Trust Fund and how it would assist in ending homelessness in New Jersey.

1. What will the Homeless Trust Fund establish?

The Homeless Trust Fund establishes a recurring source of funding that would be dedicated to ending homelessness in each County that decided to establish a local fund. This would be a distinct account that would receive dedicated sources of public funds.

Funds from the Homeless Trust Fund will be used to support projects that:

- Measurably reduce homelessness;
- Demonstrate government cost savings over time;
- Employ evidence-based models or promising approaches;
- Could be replicated in other counties across the state;
- Include a strong performance measurement component; and
- Are consistent with the locally developed ten year plan to end homelessness.

Because this is a County based Homeless Trust Fund, the decision making process will be determined at the local level. This must include not only local government but also private individuals, nonprofit organizations, and charitable foundations. In counties where there is a non-profit responsible for the implementation of the ten year plan to end homelessness they should be involved in the process of reviewing and approving the distribution of the funds.

2. Why might a County need the Homeless Trust Fund?

Despite laudable efforts by all levels of government, private individuals, nonprofit organizations, and charitable foundations to end homelessness, the number of homeless persons in all twenty-one (21) counties in New Jersey is unacceptably high. The fiscal and societal costs of homelessness are high for both the public and private sectors. Therefore, ending homelessness should be a goal for county governments as well as private individuals, nonprofit organizations, and charitable foundations

There are many causes of homelessness, including a shortage of affordable housing; a lack of an accessible and affordable health care system available to all who suffer

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from physical and mental illnesses and chemical and alcohol dependency; domestic violence; and a lack of education and job skills necessary to acquire adequate wage jobs in the economy of the twenty-first century.

The proposed Homeless Trust Fund is based on the belief that the provision of housing and housing-related services to the homeless should be administered at the county level to best address specific community needs.

Thus, the goal of ending homelessness is the most important activity that we can be engaged in at this time. If a County can fund this entirely through its current tax base then it does not need a Homeless Trust Fund. However, having a dedicated, recurring fund to end homelessness is a model that has worked across the United States and is being embraced in counties throughout New Jersey.

3. What might be the down-side of establishing a Homeless Trust Fund? Who may be in opposition and why?

The effort to date has generated support from elected officials, the faith-based community, United Ways, financial institutions, non-profit housing and service providers as well HSAC's in counties. This is a non-partisan initiative.

To view the full list of all who have signed up [click here](#) or go to <http://www.endinghomelessnessinnj.org/trust-fund-endorsements/>

4. What steps have to be taken to establish a Homeless Trust Fund?

The strategy is to secure the support of as many counties as possible so that the state legislature will pass enabling legislation to allow counties to establish a Homeless Trust Fund. Once this is done then each county could pass legislation establishing and funding their Homeless Trust Funds. That would also determine the application and allocation procedure.

5. Why are the current funding sources inadequate?

As noted in question 2, if current funding was adequate we would not have a growing crisis of homelessness in all of New Jersey's twenty-one counties. The cost of doing nothing is far greater than the cost of working together to solve and end homelessness. Across the United States, Homeless Trust Funds have been an integral part of plans to end homelessness. On average these funds leverage \$5 for every dollar invested in the Homeless Trust Fund.

6. Why would the County Executive and the Freeholders want to support this proposal?

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Ending homelessness is not only humane but a cost effective solution to one of society's most costly ills. If the County Executive and the Freeholders do not do this, it will cost the residents not only financially, but morally as well.

7. This could likely be seen as a new tax. How should we advocate and secure the support of the idea with elected officials?

It will more than likely be a fee on recording documents. Although this may appear too many to be an indirect tax, the cost of doing nothing is far greater than the cost of ending homelessness. The fiscal and societal costs of homelessness are high for both the public and private sectors. Not addressing this problem is costing our citizens more money in emergency services than it would cost to address it.

Although specific studies have not been conducted in New Jersey, the cost of providing supportive housing for a year is less than \$24,000 a year. This is a per diem cost of \$65 a day.

8. Protection for Entry Level Homebuyers

The Homeless Trust Fund can exempt entry level homebuyers below a certain purchase price such as \$200,000.

9. Private Contributions

It appears that legally a county could establish a Homeless Trust Fund to accept private as well as public money. If this was the choice for a county it would need to be done later after the state has authorized the Homeless Trust Fund.

Another option would be to establish a companion fund to solicit private donations into a special fund for ending homelessness. The United Way of Southern Nevada has set up such a fund that could be a model. The Information about his option is at <http://monarchhousing.org/Blog/?p=60> or <http://monarchhousing.org/Blog/?p=253>

10. State Income Tax Check Off

A State Income Tax Check Off is a possibility. However, based on the history of other tax return check offs, they do not generate significant funds.

11. Does a county need a ten year plan to support the Homeless Trust Fund?

To endorse the Homeless Trust Fund, an organization or county does not need to have a ten year plan. A county could also implement a Homeless Trust Fund without

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a ten year plan. However, to use the Homeless Trust Fund, a county would have to have a ten year plan in place.