THE ARGUMENT FOR A MORE UNIVERSAL ADOPTION OF NEW JERSEY’S COUNTY HOMELESSNESS TRUST FUND ACT

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I. INTRODUCTION

On September 8, 2009, the County Homelessness Trust Fund Act was signed into law in New Jersey.¹ The Act authorized counties across the State to enact a three-dollar surcharge on all documents recorded with the county clerk.² The funds raised through this surcharge

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constitute the Homelessness Trust Fund and can be used by the county to fund housing and supportive services for individuals in need. Overall, these funds have been used throughout New Jersey in twelve counties to improve resources and services for those facing homelessness. Among the varied programs, counties have used these funds to create and sustain supportive housing units.

Supportive housing is a model that combines housing, often in the form of a group home or apartment-style development, with on-site supportive services to help those living in the development avoid falling back into homelessness. These services can range from disability services and mental health counseling to financial literacy training and job search assistance. Supportive housing systems have been shown to provide better outcomes for individuals facing homelessness. This in turn decreases costs to taxpayers by reducing the use and cost of publicly funded crisis services such as jails, hospitals, and emergency services, as well as lowering the cost of healthcare. Current funding
sources for supportive housing developments, however, are unreliable long-term, making it difficult to create and sustain these housing units.\footnote{10} Policies like New Jersey’s County Homelessness Trust Fund Act would provide sustainable and reliable funding for supportive housing, in turn helping states decrease the overall cost of fighting homelessness while providing better long-term outcomes for individuals in poverty. While some states do have statewide trust funds, the adoption of county trust funds provides for more locally tailored homelessness solutions. Thus, this Comment seeks to encourage more states to consider adopting similar legislation, allowing local governments to raise their own reliable funding to tackle homelessness.

This Comment will first discuss the homelessness epidemic across the United States. It will then provide a brief overview of supportive housing\footnote{11} and the empirical research showing that it is the most reliable and consistent way to help individuals facing homelessness become permanently stable, not fall back on hard times, and avoid incarceration.\footnote{12} Next, it will provide background on the challenges with many current funding sources for supportive housing, and how these problems create a barrier to the creation and continued operation of supportive housing developments.\footnote{13} Finally, this Comment will outline New Jersey’s County Homelessness Trust Fund Act and how it has been implemented in different counties across New Jersey.\footnote{14}


\footnotesize{11 24 C.F.R. § 578.37(a)(1)(i); 24 C.F.R. § 578.37(a).}


\footnotesize{13 The National Academies of Sciences, Engineering, and Medicine, \textit{supra} note 10.

\footnotesize{14 County Homelessness Trust Funds: County Endorsements, N.J. COAL. TO END HOMELESSNESS, https://www.njche.org/_files/ugd/49b7d7_01f70f1919d843d8bc7c0e239080eaf3.pdf (last visited Oct. 15, 2023); Michael Anderson, \textit{New Jersey Counties Demonstrate Effective Use of Homeless Trust Funds Community Change}}
II. HOMELESSNESS IN AMERICA AND THE ROLE OF SUPPORTIVE SERVICES IN ADDRESSING IT

To understand the benefit of Homelessness Trust Funds, this Comment will briefly discuss the current state of the homelessness epidemic and the role of supportive services. This section of the Comment will provide background in three main areas. The first section will briefly overview the homelessness epidemic throughout the United States. The second section will discuss supportive housing and its success in providing better outcomes for individuals facing homelessness. This Comment will provide background on the current widespread funding sources available for supportive housing developments and discuss the widely acknowledged issues with these current funding options. The final section will provide background information regarding the creation of New Jersey’s County Homelessness Trust Fund Act and how it has been implemented across New Jersey, discussing how different counties throughout the State have been using the generated funds to tackle homelessness.

A. Homelessness Across the United States

Homelessness is an epidemic across the United States. In December of 2022, HUD published a calculation that 582,462 people across the United States were suffering from homelessness. High levels of homelessness are not a new issue; at the start of 2020 there were more than 580,000 individuals facing homelessness throughout the nation. This included over 100,000 children facing homelessness. While many people experiencing homelessness live in major cities, rural and suburban areas have significant homeless populations as well, leaving all areas of the United States touched by this issue.

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17 Fessler, supra note 16.

18 Security.org Team, supra note 15 (Major cities account for 52 percent of homeless individuals live in major cities, 23 percent in largely suburban areas, 18 percent in largely rural areas, and 7 percent in largely urban areas).
Throughout the United States, roughly 550,000 individuals live in a state of homelessness each day, amounting to roughly seventeen people per every ten thousand individuals.\textsuperscript{19} Close to 40 percent of homeless individuals suffer from a disability.\textsuperscript{20} Many of these individuals suffer from chronic homelessness, a term that "refers to people who have chronic and complex health conditions including mental illnesses, substance use disorders, and medical conditions who experience long-term homelessness."\textsuperscript{21} Without stable housing, homeless individuals, and in particular those suffering from chronic homelessness, "cycle in and out of emergency departments, inpatient hospital stays, psychiatric centers, detoxification programs and jails."\textsuperscript{22} In order to address this cycle of homelessness, the United States needs to develop more housing options, including supportive housing.

B. Supportive Housing

First, this section will provide an overview of what supportive housing means and can look like in practice. Next, the section will discuss current funding sources for supportive housing units as well as the challenges and limitations that come with those funding sources. Finally, the section will discuss and analyze the benefits of supportive housing when compared with other forms of assistance for those experiencing homelessness.

1. What is Supportive Housing?

The Department of Housing and Urban Development ("HUD") defines supportive housing under two categories: permanent and transitional.\textsuperscript{23} HUD defines permanent supportive housing as:

permanent housing\textsuperscript{24} in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability.\textsuperscript{25}
HUD defines transitional supportive housing as housing that “provides temporary housing with supportive services to individuals and families experiencing homelessness with the goal of interim stability and support to successfully move to and maintain permanent housing.” The typical length of this transitional supportive housing is twenty-four months under a HUD funding grant.

Although supportive housing was historically a tool for supporting individuals suffering from disabilities, the phrase currently takes on a much broader meaning. As our understanding of homelessness has evolved, the definition of disability has expanded to include chronic homelessness. Today, permanent supportive housing “pairs housing with case management and supportive services.” The National Alliance to End Homelessness defines permanent supportive housing as “an intervention that combines affordable housing assistance with voluntary support services to address the needs of chronically homeless people.” These support services “are designed to build independent living and tenancy skills and connect people with community-based health care, treatment and employment services.” According to the National Alliance to End Homelessness, research has shown that “permanent supportive housing can increase housing stability and improve health.” This broader definition of permanent supportive housing aligns closely with the “Housing First” approach to homelessness, which “prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life,” rather than requiring individuals to address certain problems or meet criteria before being granted access to housing.

This Comment will use the modern definition of supportive housing set out above by the National Alliance to End Homelessness.

27 See id., 24 C.F.R. § 578.37(a)(2).
29 Permanent Supportive Housing, supra note 28.
30 Permanent Supportive Housing, supra note 28.
31 Permanent Supportive Housing, supra note 28.
32 Permanent Supportive Housing, supra note 28.
33 Permanent Supportive Housing, supra note 28.
34 Alliance Pressure Points Research Series: Housing First Fact Sheet, supra note 8.
35 Permanent Supportive Housing, supra note 28.
This definition includes a Housing First approach to tackling homelessness, where individuals facing homelessness are provided with housing in a supportive housing development and given access to supportive services while staying in that housing. The definition of supportive housing set out by the National Alliance to End Homelessness encompasses a broader range of individuals than the HUD definition, offering a universal approach to the overall homeless community, rather than focusing on a supportive housing model specifically for individuals with diagnosed disabilities.

2. How is Supportive Housing Funded?

An overarching issue with supportive housing is obtaining sufficient funding to both establish and maintain supportive housing developments and the associated services. Current funding sources for supportive housing are often short-term grants that are not reliable funding sources to cover these developments long-term. The funding sources that do exist are fragmented and uncoordinated, making it difficult to obtain funding to create and sustain these developments.

HUD is a main provider of federal funds for supportive housing. These grants, however, first require a lengthy application process which must include a fully prepared plan for the proposed development and services. Under the McKinney-Vento Homeless Assistance Act, this includes applying for financial assistance using the local continuum of care planning process, after which HUD rates the overall plans and ranks them nationally. Plans scoring highly will receive funds. The initial grant under HUD lasts for three years, after which a new application must be submitted each year for the possibility of a one-year additional grant. Even when the funding has been obtained, it is not intended to

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36 Permanent Supportive Housing, supra note 28; Alliance Pressure Points Research Series: Housing First Fact Sheet, supra note 8.
37 The National Academies of Sciences, Engineering, and Medicine, supra note 10.
38 See SHP Eligibility Requirements, HUD Exchange, https://www.hudexchange.info/programs/shp/shp-eligibility-requirements/ (last visited Oct. 15, 2023); Questions and Answers about HUD, U.S. Department of Housing and Urban Development, https://www.hud.gov/about/qaintro#:~:text=The%20Department%20of%20Housing%20and%20Urban%20Development%20is%20the%20Federal,and%20enforce%20fair%20housing%20laws (last visited Oct. 15, 2023) (HUD “is the Federal agency responsible for national policy and programs that address America’s housing needs, that improve and develop the Nation’s communities, and enforce fair housing laws.”).
40 Id.
41 Id.
42 SHP Eligibility Requirements, supra note 38.
cover the entire cost of building and operating the supportive housing unit, so additional funding must be acquired from other sources as well. 43 Because of this, “a typical supportive housing residence receives funding from a complex combination of local, state, federal and private funding.” 44

This inability to obtain full funding from one source creates difficulties and barriers for many supportive housing providers. 45 Providers “often must pool or braid together funding” with each source having a different policy framework as well as complex regulations, challenges, and barriers of its own. 46 Typically, this means that applications for each individual funding source must be generated by the supportive housing provider on a periodic basis simply to keep the supportive housing unit functioning. 47 Often these supportive housing providers lack adequate staff to dedicate individuals solely to finding and applying for funding sources. 48 This funding difficulty creates a vicious cycle, leaving underfunded non-profits without adequate resources to meet the demands of funding source applications, leading to stagnant budgets. 49 In turn, stagnant budgets cause a multitude of issues, including the inability to cover repair costs for older supportive housing developments and a lack of staff. 50 This leads to a repeat of funding application difficulty down the line.

While all housing and shelter programs need to obtain funding sources, the added support services that come with a supportive housing unit require additional funding and may come from both housing grants and medical services funding. 51 This adds another level of complication to meeting the demand. Many housing grants and voucher systems do not cover the cost of community and medical services, while funding for those support services—from sources such

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43 *SHP Eligibility Requirements, supra note 38.*
45 *The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
46 *The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
47 *See generally The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
48 *See generally The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
49 *See generally The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
50 *See generally The National Academies of Sciences, Engineering, and Medicine, supra note 10.*
as Medicaid and local health funds—will not cover repeated costs of housing.\textsuperscript{52} This leads to additional levels of funding applications, which might create greater funding challenges for supportive housing programs as compared to other programs focused solely on housing or support services.

In addition to issues in obtaining funding, another difficulty with current supportive housing funding sources is simply the limited supply.\textsuperscript{53} The nature of federal and state funding sources makes them “subject to strict budget constraints (such as sequestration) and significant fluctuations from year to year.”\textsuperscript{54} Budget constraints and fluctuation often lead to immense levels of competition between supportive housing providers to obtain that funding.\textsuperscript{55} This competition and lack of funding sources can make these projects more unreliable, and supportive housing providers may face going without needed funds despite expending a great deal of effort and resources in completing funding applications.\textsuperscript{56} Without being able to rely on stable funding each year, it is more difficult for new supportive housing developments to be built and for existing developments to expand.\textsuperscript{57} In some instances, this lack of stable funding can even become a barrier to the continued operation of existing supportive housing developments, and many supportive housing developments with years of successful operation still find themselves “gasping for financial breath” under “their current funding mechanisms.”\textsuperscript{58}

3. What are the Benefits of Supportive Housing?

This section will discuss research regarding the positive impacts of supportive housing. The first part of this section will focus on the individual benefits of supportive housing, including how generally supportive housing provides better outcomes for individuals facing homelessness, and how it is best able to provide long-term stability and break the cycle of poverty and homelessness.\textsuperscript{59} The second part of this

\textsuperscript{52} Hannah Katch, Medicaid Can Partner with Housing Providers and Others to Address Enrollees’ Social Needs, CTR. ON BUDGET AND POL’Y PRIORITIES (Jan. 27, 2020), https://www.cbpp.org/research/health/medicaid-can-partner-with-housing-providers-and-others-to-address-enrollees-social.

\textsuperscript{53} Asher, supra note 51.

\textsuperscript{54} The National Academies of Sciences, Engineering, and Medicine, supra note 10.

\textsuperscript{55} The National Academies of Sciences, Engineering, and Medicine, supra note 10.

\textsuperscript{56} The National Academies of Sciences, Engineering, and Medicine, supra note 10.

\textsuperscript{57} See generally The National Academies of Sciences, Engineering, and Medicine, supra note 10.

\textsuperscript{58} Asher, supra note 51.

\textsuperscript{59} Alliance Pressure Points Research Series: Housing First Fact Sheet, supra note 8.
section will explore the economic benefits of supportive housing, focusing on data that has shown a decrease in both healthcare and taxpayer costs when supportive housing is used to fight homelessness.60

i. Individual Benefits of Supportive Housing

Because of the cycle of chronic homelessness, supportive housing units can be instrumental in providing both the housing and services that individuals need to overcome or manage their disability to avoid falling back into homelessness.61 For example, supportive housing developments help to break the cycle between homelessness and incarceration.62 Individuals who lived in supportive housing developments after being released from jail were sixty-one percent less likely to be re-incarcerated one year later than those who were not offered supportive housing.63

Individuals facing homelessness may have difficulty obtaining medical treatment and recovering from illness.64 As a result, “low income, poor health, and unstable housing are often intertwined,”65 and homeless individuals often suffer from “poor[er] health outcomes … including premature death.”66 Supportive housing has been shown to help increase survival rates for individuals facing homelessness.67 In two studies of housing programs serving individuals with HIV and AIDS, researchers found a significantly higher survival rate among individuals who obtained supportive housing when compared with those who did not.”68 Thus, supportive housing helps to break the cycle of premature death and poor health in homelessness.

In addition, individuals facing chronic homelessness have difficulty maintaining long-term housing and often are at risk of falling back into homelessness after obtaining housing.69 Research has shown supportive housing and the “Housing First” method are more successful

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60 See generally Dohler et al., supra note 9.
61 Dohler et al., supra note 9.
62 Dohler et al., supra, note 9.
63 Dohler et al., supra, note 9.
64 Paradise & Ross, supra note 9.
65 Paradise & Ross, supra note 9.
67 Paradise & Ross, supra note 9.64
68 Paradise & Ross, supra note 9.64
69 See Ana Stefancic & Sam Tsemeberts, Housing First for Long-Term Shelter Dwellers with Psychiatric Disabilities in a Suburban County: A Four-Year Study of Housing Access and Retention, 28 J. PRIMARY PREVENTION 265 (2007) [https://doi.org/10.1007/s10935-007-0093-9].
in facilitating long-term housing retention for people with mental health disorders than services that require homeless individuals to meet conditions before obtaining housing.\textsuperscript{70}

One study tested the difference between two forms of housing options for chronically homeless individuals suffering from substance abuse and addiction.\textsuperscript{71} The two options were a housing unit with policies in place that required “housing readiness” benchmarks of sobriety to obtain housing, and a supportive “Housing First” policy that placed long-term shelter dwellers in permanent supportive housing immediately without requiring treatment.\textsuperscript{72} Although the supportive “Housing First” program required weekly meetings with a program counselor, other services for treating addiction were available but not required.\textsuperscript{73} In this way, participants were given access to services through the weekly meetings but were allowed to choose the type and degree of treatment they received.\textsuperscript{74} The study found that “Housing First” policies led to higher rates of participants’ retention of permanent housing four years later.\textsuperscript{75} This study shows how supportive housing programs can better provide individuals facing homelessness with the tools needed to maintain long-term housing in the future.\textsuperscript{76}

Overall, research has shown that investments in supportive housing have a big impact on decreasing homelessness.\textsuperscript{77} Research conducted by the National Alliance to End Homelessness showed that by the end of 2015, investments made in permanent supportive housing developments had decreased chronic homelessness levels from 2007 by thirty percent.\textsuperscript{78} A similar impact was seen in Detroit, with homelessness dropping steadily after the introduction of supportive housing, including a fifteen percent drop in 2017.\textsuperscript{79} In addition, research from 2015 on the “Housing First” supportive housing model showed that individuals who go through these housing models remain in housing for up to one year at a rate of ninety-eight percent and that after

\textsuperscript{70} See id.
\textsuperscript{71} Id. at 269.
\textsuperscript{72} Id. at 269–70.
\textsuperscript{73} Id. at 267.
\textsuperscript{74} Id. at 267.
\textsuperscript{75} See Stefancic & Tsemberis, supra note 69 at 274.
\textsuperscript{76} See Stefancic & Tsemberis, supra note 69 at 268–69.
\textsuperscript{77} See Ending Chronic Homelessness Saves Taxpayers Money, supra note 6666.
\textsuperscript{78} Ending Chronic Homelessness Saves Taxpayers Money, supra note 66.
the first year between seventy-five and ninety-one percent of households remain housed long-term.\textsuperscript{80} This data suggests that supportive housing is one of, if not the best method for tackling the cycle of homelessness throughout the United States.

\textbf{ii. Economic Benefits of Supportive Housing}

In addition to providing strong outcomes for individuals facing homelessness, supportive housing creates strong economic benefits for society overall.\textsuperscript{81} Individuals suffering from homelessness are often unable to obtain routine healthcare and primary care when sick.\textsuperscript{82} Individuals facing homelessness who have chronic physical health conditions or who face sudden physical illness or injury are more likely to leave those conditions untreated for as long as possible.\textsuperscript{83} When treating these conditions then becomes unavoidable, individuals often only have emergency rooms as an option.\textsuperscript{84} This leads to homeless individuals requiring emergency care at a much higher rate than other portions of the population, putting a strain on hospitals as well as health insurance and Medicaid costs.\textsuperscript{85} Research on supportive housing

\textsuperscript{80} Ending Chronic Homelessness Saves Taxpayers Money, supra note 66.

\textsuperscript{81} See Ending Chronic Homelessness Saves Taxpayers Money, supra note 66.


\textsuperscript{83} See Dohler et al., supra note 9.

\textsuperscript{84} See Dohler et al., supra note 9.

services has shown that individuals within supportive housing units have reduced emergency room use and inpatient hospital admission, which in turn reduces healthcare and Medicaid costs.\(^8\)

In addition to decreasing healthcare costs, supportive housing helps reduce the cost to taxpayers for homeless services when compared with standard homeless shelter options.\(^7\) A landmark study conducted in 2002 of New York City residents tracked 4,679 homeless individuals who suffered from mental illness.\(^8\) The “Culhane Report” quantified the cost to taxpayers by analyzing how frequently individuals used taxpayer services such as psychiatric inpatient care and emergency rooms.\(^9\) The goal of the study was to compare the service costs between homeless individuals with severe mental illness and those individuals with severe mental illness living within supportive housing developments.\(^10\)

The Culhane Report found a substantial difference between the cost to taxpayers of a mentally ill individual facing homelessness and a mentally ill individual living within supportive housing.\(^11\) The data showed that the annual taxpayer costs per homeless individual were reduced by a net average of $16,282 if the individual lived within a supportive housing development when compared with living on the streets.\(^12\) A 2004 study conducted by the Lewin Group in nine cities found similar results.\(^13\) The results showed that the cost of providing supportive housing was cheaper than providing social services in a jail, shelter, or mental or general hospital, and was cheaper than overall shelter costs in half of the cities.\(^14\) This shows that an increase in supportive housing developments can bring substantial benefits to taxpayers, allowing for decreased taxes or additional funds to dedicate towards more public services.

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\textit{C. New Jersey’s County Homelessness Trust Fund Act}
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First, this section will discuss background information regarding the passage of New Jersey’s County Homelessness Trust Fund Act. This includes a discussion on the requirements of the Act and how the trust

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\item See Paradise & Ross, \textit{supra} note 9.
\item Culhane et al., \textit{supra} note 9, at 107–11, 137–144.
\item Culhane et al., \textit{supra} note 9, at 107–12.
\item Culhane et al., \textit{supra} note 9.
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\item Culhane et al., \textit{supra} note 9.
\item Anand, \textit{supra} note 40.
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fund can be implemented and used by the counties. Then, the section provides background on how various counties throughout New Jersey use the act to create trust funds and what projects and services they have created and funded through this.

1. What is the County Homelessness Trust Fund Act?

The New Jersey County Homelessness Trust Fund Act, 208 N.J. A.N. 3101, was passed on September 8, 2009. The Act was passed in the New Jersey Legislature with substantial bipartisan support. The goal of the Act was to provide counties in New Jersey with funding to implement locally developed “plans to end homelessness.”

The Act permits each county within the State of New Jersey to set up a homelessness trust fund. Certain requirements must be met before the county can opt-in. For example, to start a trust fund, “they must have a homeless housing plan in place.” This homeless housing plan must set out how the county intends to tackle homelessness in its area, as well as what general uses the collected trust funds will have. In addition to the homeless housing plan, the Act requires that each county have “an advisory committee that reviews applications, makes recommendations, and measures results to ensure success of the plan.” The advisory committee is called the “County Homelessness Trust Fund Task Force.” Under the Act, this task force is defined as:

The voluntary local committee created to advise a local government on the creation of a local homeless housing plan and participate in a local homeless housing program. It shall include a representative of the county, representatives from each of the three municipalities in the county with the largest population of homeless people, representatives from the organization responsible for developing, implementing, or

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95 2009 N.J. Laws 123 [https://doi.org/10.1071/PVv2009n138p123].
99 Id.
100 Id.; County-Based Homeless Trust Funds Fact Sheet, supra note 97.
101 Advocacy Toolkit Homelessness Trust Funds, supra note 98.
102 2009 N.J. Laws 123 [https://doi.org/10.1215/01636545-2009-008].
both, the local plan to end homelessness, at least three homeless or formerly homeless persons, and three representatives of local private or nonprofit organizations with experience in assisting the homeless or providing low-income housing.\(^{103}\)

This task force is responsible for assessing priorities for funding, reviewing applications, and preparing an annual report and an annual measurement of the trust fund’s progress.\(^{104}\)

The County Homelessness Trust Fund Act\(^{105}\) permits counties to raise funds by imposing a three-dollar surcharge on every document recorded with the county clerk.\(^{106}\) A more recent New Jersey law now permits counties to increase this surcharge to five dollars, but the additional two dollars must support Code Blue services.\(^{107}\) Some of the counties that participate in the County Homelessness Trust Fund Act have opted to raise the surcharge to five dollars.\(^{108}\) The Act provides guidelines as to how the county can use the raised funds.\(^{109}\) Under the Act, each county is permitted to use up to five percent of the annual funds raised to cover the cost of implementing the surcharge and managing the funds.\(^{110}\) The remaining ninety-five percent of the funds must then go to implementing the county’s homelessness housing grant program.\(^{111}\) The funds collected must be used within four years of their collection date.\(^{112}\) Should a county fail to use all of the trust funds within those four years, the remaining amount will be “transferred to the Department of Community of Affairs which will contract with a

\(^{103}\) Id.

\(^{104}\) Id.

\(^{105}\) Id.

\(^{106}\) County-Based Homeless Trust Funds Fact Sheet, supra note 97; Advocacy Toolkit Homelessness Trust Funds, supra note Error! Bookmark not defined.

\(^{107}\) P.L. 2019, c. 53; New Jersey Code Blue, N.J. 211, https://www.nj211.org/njcodeblue#whatiscb (last visited Oct. 15, 2023) (Code Blue in New Jersey is a set of warming centers which range from public libraries and shopping centers to senior activity centers. These warming centers are open in the evenings during colder months of the year to allow for homeless individuals to sleep off the streets in a warm building).

\(^{108}\) Homelessness Trust Fund, supra note 4 (listing Bergen, Burlington, Cape May, Cumberland, Hudson, Middlesex, Passaic, and Union counties as having a five dollar surcharge, and Camden, Essex, Mercer, and Somerset as maintaining the three dollar surcharge); Increased Surcharge for the Bergen County Homeless Trust Fund, The BERGEN CNTY. CLERK’S OFF., https://www.bergencountyclerk.org/News/View/178 (last visited Oct. 15, 2023) (a press release on the Bergen County Clerk’s Office website noting the surcharge increase from three to five dollars starting March 1, 2020).

\(^{109}\) 2009 N.J. Laws 123.

\(^{110}\) County-Based Homeless Trust Funds Fact Sheet, supra note 9797.

\(^{111}\) County-Based Homeless Trust Funds Fact Sheet, supra note 979797.

\(^{112}\) 2009 N.J. Laws 123.
community based organization in the same county where the Homelessness Trust Fund exists." In essence, this ensures that all raised funds will go toward furthering the purpose of the Act even if the county fails to use them in a timely fashion.

Under the Act, there are four main allowed uses for the homeless trust funds:

(1) for the acquisition, construction, or rehabilitation of housing projects or units within housing projects that supply permanent affordable housing for homeless persons or families, including those at risk of homelessness;

(2) rental assistance vouchers, including tenant and project-based subsidies, for affordable housing projects or units within housing projects that provide permanent affordable housing the homeless persons or families, including those at risk of homelessness;

(3) supportive services as may be required by homeless individuals or families in order to obtain or maintain, or both, permanent affordable housing; and

(4) prevention services for at risk homeless individuals or families so that they can obtain and maintain permanent affordable housing.

Under the Act, grants awarded by the homeless housing grant program should be used to fund and support projects that:

(1) measurably reduce homelessness;

(2) demonstrate government cost savings over time;

(3) employ evidence-based models;

(4) can be replicated in other counties;

(5) include an outcome measurement component;

(6) are consistent with the local homeless housing plan; or

(7) fund the acquisition, construction, or rehabilitation projects that will serve homeless individuals or families for a period of at least 30 years or the equal to the longest term of affordability required by other funding sources.

Every County that has established a County Homelessness Trust Fund must also provide information regarding the use of the collected funds to the New Jersey Housing and Mortgage Finance Agency.
Finally, the Act permits counties to collaborate and pool funding for joint projects.\textsuperscript{118}

Overall, the Act provides counties with a great deal of discretion in allocating their homeless trust funds, provided that the funds are used to benefit the community.\textsuperscript{119} By involving individuals from a variety of different backgrounds, the task force can develop and implement varied and innovative solutions to tackle specific areas of homelessness in their local community. The next section will explore how different counties throughout New Jersey have implemented this Act so far.

2. How has the County Homelessness Trust Fund Act Been Implemented Across New Jersey?

The County Homelessness Trust Fund Act has been implemented in twelve counties (as of August 2023) across New Jersey to help prevent homelessness.\textsuperscript{120} In addition, despite past opposition, other counties in New Jersey such as Ocean County are beginning to move toward implementing homelessness trust funds of their own under the Act.\textsuperscript{121} The Act helps 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.”\textsuperscript{122} It also helps to save money by allowing counties the flexibility to create the most cost-effective programs for them, thus reducing costs of other services such as “shelters, emergency rooms, jails, prisons, psychiatric centers, detox centers, law enforcement, and foster care systems.”\textsuperscript{123} These funds then help to prevent homelessness by helping individuals and families avoid eviction or gain stable housing and get homeless individuals off the streets and into housing.

Many counties within New Jersey have opted into the Act by creating annual homeless housing plans and the required advisory committees and have established their homelessness trust funds.\textsuperscript{124} A

\textsuperscript{118} 2009 N.J. Laws 123.
\textsuperscript{119} Id.
\textsuperscript{120} See Homelessness Trust Fund, supra note 4.
\textsuperscript{122} Advocacy Toolkit Homelessness Trust Funds, supra note Error! Bookmark not defined.
\textsuperscript{123} Advocacy Toolkit Homelessness Trust Funds, supra note Error! Bookmark not defined.
\textsuperscript{124} County Homelessness Trust Funds: County Endorsements, \textit{N.J. COAL. TO END HOMELESSNESS},
2012 report on the success of the Act found that more than one million dollars had been collected by homeless trust funds in participating counties.\footnote{Michael Anderson, \textit{New Jersey Counties Demonstrate Effective Use of Homeless Trust Funds Community Change} (2014), https://housingtrustfundproject.org/new-jersey-counties-demonstrate-effective-use-of-homeless-trust-funds/ (last visited Oct. 15, 2023) (in the 2012 report, the participating counties were Bergen, Camden, Hudson, Mercer, Middlesex, Passaic, Somerset, and Union).} In 2017, most counties that had opted into the Act raised over $100,000.\footnote{County-Based Homeless Trust Funds Fact Sheet, supra note 97.} Passaic County collected the most funds, raising $317,000 that year.\footnote{County-Based Homeless Trust Funds Fact Sheet, supra note 97 (detailing funds collected for Bergen, Camden, Cape May, Cumberland, Hudson, Mercer, Middlesex, Passaic, Somerset, and Union, and also indicating that Essex County has opted-in to the fund but did not have a set amount of funds collected for 2017).}

Passaic County was “the first [County] in New Jersey to establish a county-run trust fund for the homeless” under the Act.\footnote{Passaic County establishes Trust Fund for Homeless, \textit{ADVANCE LOCAL MEDIA} (Nov. 12, 2009) https://www.nj.com/news/2009/11/passaic_county_establishes_tru.html (last visited Oct. 15, 2023).} Passaic first opted into the Act in November of 2009.\footnote{Id.} During FY 2022, Passaic County’s “Annual Action Plan” discussed various goals to address homelessness in the area and noted the variety of ways in which the “Passaic County Homeless Trust Fund” has been used.\footnote{Id.} The trust fund has been used to fund rapid re-housing as well as services that support rapid re-housing projects.\footnote{Id.} Funding was also allocated to provide services to accompany fifty housing vouchers being provided by the New Jersey Community Development Corporation.\footnote{Id.}

Somerset County has published homelessness trust fund plans from 2018-2023, with the plans from 2021-2023 currently remaining available to the public.\footnote{Homelessness Trust Fund, SOMERSET CNTY., https://www.co.somerset.nj.us/government/human-services/community-development/homelessness-trust-fund#:~:text=When%20the%20NJ%20State%20Legislature,activities%20to%20prevent%20homelessness (last visited Oct. 15, 2023).} The Somerset County website states that they use the funding “for activities directly related to housing individuals and

\url{https://www.njceh.org/_files/ugd/49b7d7_01f70f1919d843d8bc7c0c239080eaf3.pdf} (last visited Oct. 15, 2023).
families that are homeless and activities to prevent homelessness."\(^{134}\)
Deputy Director of Somerset County, Pat Walsh, stated that "in the five years since the county's Homelessness Trust Fund was enacted, [Somerset has] been able to develop an impressive portfolio of housing and services that were not available before."\(^{135}\) These new services include "permanent supportive housing for veterans, individuals with developmental disabilities, and others in need."\(^{136}\)

Like Somerset County,\(^{137}\) Mercer County has implemented a homelessness trust fund and used some of the money raised to fund supportive housing units.\(^{138}\) In the fall of 2013, Mercer County used Homelessness Trust Fund dollars to fund supportive services for eighteen individuals who were receiving rental assistance and to expand Robinson House at the Rescue Mission of Trenton.\(^{139}\) Robinson House is "permanent supportive housing for single men who receive supportive services to assist them in maintaining independent living."\(^{140}\) These services include "[w]ork therapy/life skills" programs as well as "counseling, medical supervision, meals, and transportation."\(^{141}\) Mercer County also used the fund for preventative services to help individuals avoid eviction.\(^{142}\)

Bergen County, one of the first communities in the United States to reach "functional zero" for chronic homelessness, also makes great use of funding from the Act.\(^{143}\) The County uses this funding, collecting around $250,000 annually, in combination with HUD funding, to fund the Bergen County Housing, Health, and Human Services Center.\(^{144}\) This facility, opened in 2009, is a 24/7 homeless center that provides both housing and "a wide variety of services, including a nutritional program

\(^{134}\) Id.
\(^{135}\) County Homelessness Trust Funds: County Endorsements, supra note 124.
\(^{136}\) County Homelessness Trust Funds: County Endorsements, supra note 124124.
\(^{137}\) County Homelessness Trust Funds: County Endorsements, supra note 124124.
\(^{138}\) Anderson, supra note 125125.
\(^{139}\) Anderson, supra note 125.
\(^{141}\) Id.
\(^{142}\) Anderson, supra note 125.
\(^{143}\) Rachel Looker, Bergen County's Collaborative Model Reduces Homelessness, Nat'l. Ass'n of Cnty's. (May 26, 2019), https://www.naco.org/articles/bergen-county-collaborative-model-reduces-homelessness (last visited Oct. 15, 2023) ("'Functional zero' occurs when the number of people who come into the system every month is equal to or less than the number of people who go out of the system every month.").
\(^{144}\) Id.
that provides three meals per day[,] ... medical services, veteran services and mail services.”

Not all counties within New Jersey have opted-in to the Act. In June of 2021, the Morris Area Together Initiative together with Homeless Solutions and Morris Habitat for Humanity advocated for the creation of a “Morris County Homeless Trust Fund” in Morris County. As part of this advocacy, the Morris Habitat for Humanity created a “take action” petition for members of Morris County to sign. The petition, published in both English and Spanish, discussed the thirty percent “increase in the need for emergency housing” during the pandemic, and emphasized the fact that a homeless trust fund would be funded solely by “fees paid on legal documents provided by the county Clerk and not funded by County taxes.” The petition needed five hundred signatures but as of August 2023 has only received 274. To date, the Morris County Clerk’s website reads: “Fees. Please note: Morris County does not collect any fees to fund a Homeless Trust Fund.” However, recent developments have seen past oppositional counties, such as Ocean County, move towards adoption of the Act, providing hope that more counties down the road will join the “more than half of New Jersey’s 21 counties [that] have established trust funds.”

Despite not being embraced by every county, the consensus within New Jersey is that the County Homelessness Trust Fund Act has allowed counties to better meet the needs of the homeless population in their local areas. Hudson County Executive, Thomas A. DeGise, stated that the flexible funding source created by the act has “allowed [Hudson County] to provide supportive services to help residents facing tough

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145 Id.
147 Sign the Petition to Create a Morris County Homeless Trust Fund, supra note 146.
148 Sign the Petition to Create a Morris County Homeless Trust Fund, supra note 146.
149 Sign the Petition to Create a Morris County Homeless Trust Fund, supra note 146.
150 Sign the Petition to Create a Morris County Homeless Trust Fund, supra note 146.
151 Fees, supra note 146.
153 Sign the Petition to Create a Morris County Homeless Trust Fund, supra note 146; Fees, supra note 146.
154 County Homelessness Trust Funds: County Endorsements, supra note 124.
times get back on their feet and to prevent homelessness for those individuals and families at risk of losing their housing.”155 In addition, when commenting on the historic difficulty of obtaining supportive housing for individuals facing homelessness, Carmen Rodriguez from Camden County noted that the “Homelessness Trust Fund enables these supportive services to be funded.”156 Overall, the Act has done a great deal to help tackle and prevent homelessness across New Jersey.157

III. WHY COUNTY LEVEL HOMELESSNESS TRUST FUNDS SHOULD BE USED NATIONALLY.

Homelessness is an epidemic throughout the United States that needs to be addressed with strong policies. With clear research and data showing that supportive housing provides the best long-term outcomes for homeless individuals, with a decreased cost to both taxpayers and our healthcare system, it is an effective option for addressing homelessness. With the current funding barriers to creating and sustaining these developments, however, legislative action is needed before supportive housing can become a long-term solution to end the cycle of homelessness.

The New Jersey Homelessness Trust Fund Act provides a significant example of a policy that can allow supportive housing to become a wide-scale solution to homelessness. The Act allows counties in New Jersey to actively raise funds to provide this affordable housing with supportive services. Through this funding, multiple counties in New Jersey have raised money to create and sustain supportive housing services.158 This suggests that if other states had similar pieces of legislation, they could sustain supportive housing units in those areas as well.

This funding tool, if enacted more widely throughout the United States, would have a significant impact on decreasing the funding barrier that currently exists for creating and sustaining supportive housing developments. Some states have already implemented trust funds to allow for the use of similar flexible funding. One example is New York, which has enacted the Housing Trust Fund Program that provides

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155 County Homelessness Trust Funds: County Endorsements, supra note 124.
156 County Homelessness Trust Funds: County Endorsements, supra note 124.
157 County Homelessness Trust Funds: County Endorsements, supra note 124.
158 See Anderson, supra note 125; Rescue Mission of Trenton, supra note 140 (Mercer County has used funds from the Act to support the existing supportive housing service provided by Robinson House at the Rescue Mission of Trenton); County Homelessness Trust Funds: County Endorsements, supra note 124 (Somerset County has used the fund to establish new permanent supportive housing units for individuals in need within the community, including those facing homelessness).
funding to construct low-income housing and to rehabilitate residential properties that are either vacant or underused.\textsuperscript{159} Robert Sanborn, an employee of the developer Westhab, Inc., was able to harness this Housing Trust Fund Program, among other funding sources, to complete a twelve-bed transitional supportive housing project in Westchester County, NY to house veterans.\textsuperscript{160} In fact, during the 2008 financial crisis, a federal Housing Trust Fund was developed in connection with Fannie Mae and Freddie Mac, which took roughly four percent of every dollar of new business generated by either organization and allocated sixty-five percent of that to HUD to fund the trust fund.\textsuperscript{161} While, unlike a state housing trust fund, this federal funding source requires two layers of applications to receive funding, it generated $693,000,000 in funds in just 2021, showing how much of an impact these funds can have.\textsuperscript{162} While upwards of forty-seven states have enacted state-level trust funds, allowing for the state government to collect funds and then allocate them to counties, the unique aspect of authorizing individual counties to enact their own local housing trust funds, like New Jersey has done, is limited to nine states across the nation.\textsuperscript{163} This different structure cuts out the state as the middleman in distributing funding, giving each county the ability to tailor fund distribution to meet the unique local need.

Unlike other funding sources which require lengthy application processes each year and often come with many conditions attached,\textsuperscript{164} funding from a homelessness trust fund is much more reliable and flexible.\textsuperscript{165} While the New Jersey County Homelessness Trust Fund Act requires an annual homeless housing plan, unlike most sources of supportive housing funding where the application must be completed and submitted by the non-profit or agency running the development, the housing plan is created by the county government, which has dedicated civil servants and elected officials who can tackle the task and then

\textsuperscript{159} Anand, supra note 40, at 51–52; see also N.Y. PRIV. HOUS. FIN. L. §§ 570–82, (Consol. 2023).

\textsuperscript{160} Anand, supra note 40, at 52; see N.Y. PRIV. HOUS. FIN. L. §§ 570–82. (Consol. 2023).


\textsuperscript{162} Id.

\textsuperscript{163} Community Change, Housing Trust Funds in the United States 2022, https://drive.google.com/file/d/1Rc15cEzi0FkF6ZDzbOb57Vgl5YCP4xik/view (last visited Oct. 15, 2023).

\textsuperscript{164} The National Academies of Sciences, Engineering, and Medicine, supra note 10.

\textsuperscript{165} See 2009 N.J. Laws 123 (allowing counties to make individual determinations regarding the use of these funds provided they are used for the general purpose of tackling homelessness).
provide funding to these agencies and non-profits. In addition, unlike most grant applications, which require a detailed plan for the development and use of the funds, the homelessness trust fund plans require a lesser level of detail and planning to opt in. Under the Act, the homeless trust fund plan must show evidence of a strategy "to address housing for homeless persons that include measures and achievable objectives to end homelessness in the county" and "identify and address the needs of the homeless within the jurisdiction, including strategies to reduce the need for emergency room care, hospital care, law enforcement, foster care, and other social services associated with the homeless and homelessness." For example, the three most recent homelessness trust fund plans published by Somerset County, in 2021, 2022, and 2023, range from a mere four to five pages long. These plans discuss the needs within the county, the housing and services options that are already in existence, what services they provide to both prevent homelessness and help those who are facing homelessness, and findings and policy recommendations that the committee has made. Passing legislation that provides for similar homelessness trust funds to be developed with similar opt-in requirements will allow for much smoother and less burdensome access to funding for supportive housing. Once funds are collected, it is up to the local government to determine where best to allocate these funds as needed, without the added requirement of additional applications or approval such as for State trust funds or grant funding sources. This also helps to avoid the comparative ranking of HUD’s funding system, ensuring that funds can be used as needed instead of based on a nationwide plan comparison.

This homelessness trust fund plan also does not have any specific details on the allocation of funds to each service in the area, leaving the use of the funds relatively open provided they fall within the approved

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166 Homelessness Trust Fund, supra note 98; see also HUD Exchange supra note 3B.
167 See HUD Exchange, supra note 3B (discussing the application and continued reporting requirements for HUD federal funding for supportive housing, including annual reports on the use of the funds even during three-year grant terms).
168 2009 N.J. Laws 123; Homelessness Trust Fund, supra note 98 (the Homelessness Trust Fund Act simply requires a short yearly homelessness plan instead of required reporting back to funding sources and lengthy grant funding documents and forms)
169 2009 N.J. Laws 123.
171 2021 Homelessness Trust Fund Plan, supra note 170.
172 See Anand, supra note 40.
uses outlined in the act itself. Unlike many federal, state, and local supportive housing grants or funding sources, which set forth restrictions or limitations on how funding can be used, so long as the use of funds raised under the homelessness trust fund fall within the broad allowable categories in the Act, they can be used to fully create and sustain a supportive housing development. This includes allowing the funding to be used for upkeep, maintenance, and supportive services while giving the county flexibility in increasing funding to the supportive housing provider where needed. This, in turn, resolves issues more rapidly than having to go through a lengthy process of finding a grant that meets the specific need and applying for funding. More widespread adoption of similar legislation can allow for safer and better-maintained supportive housing units and provide for the full cost of these units from one funding source.

While trust funds will not be able to provide a comprehensive source of funds for running a supportive housing development in its entirety, even being able to cover costs of a portion of the services and housing costs needed each year would have a powerful impact on the ability to create and maintain supportive housing units across the United States. Simply reducing the reliance on other grant funding sources and having a flexible funding stream can lift barriers and make entering the supportive housing market less daunting for both state and private providers.

Overall, more widespread adoption of county-run homelessness trust funds like those established pursuant to the New Jersey County Homelessness Trust Fund Act will have an important impact on removing the funding barrier to creating and sustaining more supportive housing developments nationwide. This in turn will help to relieve costs on both the healthcare systems and taxpayers, while also providing the best outcomes for individuals facing homelessness. Thus, more widespread adoption and implementation of similar

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173 See generally 2021 Homelessness Trust Fund Plan, supra note 170.
174 See The National Academies of Sciences, Engineering, and Medicine, supra note 10.
175 See Paradise & Ross, supra note 9 (discussing the impact supportive housing has on decreasing Medicaid costs and emergency room visits); Dennis P. Culhane et al., supra note 69 (discussing a study done tracking the cost to taxpayers for homeless individuals living on the street versus in supportive housing units and finding that living in a supportive housing facility decreased the per individual cost to taxpayers by over $16,000).
176 See Culhane et al., supra note 9 (discussing Lipton, Nutt, and Sabatini (1988), Drake et al. (1997), Caton et al. (1993), and Murray et al. (1997)).
legislation could have a major impact on fighting homelessness throughout the United States.

IV. Conclusion

It has long been proven that supportive housing is the most reliable option for providing long-term stability to individuals facing homelessness and helping to break the cycle of incarceration and illness that impoverished individuals can fall into.\textsuperscript{177} But barriers to obtaining reliable and sustainable funding sources for these supportive housing units have hindered their creation.\textsuperscript{178} New Jersey’s County Homelessness Trust Fund Act enables counties to raise funds on their own to provide for the costs of creating and maintaining affordable housing and supportive services for those facing homelessness in their local community.\textsuperscript{179} These funds then allow for supportive housing to be built and maintained without multiple annual grant applications, thus providing individuals who are often unable to access supportive housing services due to a lack of funding the opportunity to get the assistance and support they need.\textsuperscript{180}

A policy like New Jersey’s County Homelessness Trust Fund Act being adopted more widely across the United States could help to tackle homelessness and decrease the overall number of individuals living on the streets.\textsuperscript{181} In addition, this could lead to a decrease in tax dollars spent on homeless services at the same time.\textsuperscript{182} While some states have demonstrated the effectiveness of using State level trust fund programs to tackle homelessness, the flexibility and localized approach of New Jersey’s county level homelessness trust fund program is unmatched. Therefore, states should look towards New Jersey’s County Homelessness Trust Fund Act legislation as an example of policies that should be adopted more widely throughout the United States to help combat homelessness.

\textsuperscript{177} See, e.g., Dohler et al., supra note 9; Dennis P. Culhane et al., supra note 9; Paradise & Ross, supra note 9.
\textsuperscript{178} Funding guide, supra note 44; National Academies of Sciences, Engineering, and Medicine, supra note 10.
\textsuperscript{179} County-Based Homeless Trust Funds Fact Sheet, supra note 97; County Homelessness Trust Funds: County Endorsements, supra note 124.
\textsuperscript{180} County-Based Homeless Trust Funds Fact Sheet, supra note 97; County Homelessness Trust Funds: County Endorsements, supra note 124 (stating that the trust fund act allowed for supportive housing services to be funded so that homeless individuals who historically were unable to gain access could get the services they need).
\textsuperscript{181} Culhane et al., supra note 9.
\textsuperscript{182} Culhane et al., supra note 9.