

LWV Ohio Statehouse Day – March 31, 2015

The Housing Trust Fund: Need for a Reserve Fund

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The Ohio Housing Trust Fund, a primary funding source for low and moderate income housing and homeless programs, is again facing challenges in the biennial budget process. The creation of the trust fund back in 1991 and securing a dedicated funding stream in 2003 were both supported by LWV Ohio. There is a legislative cap of \$50 million per year that can be allocated for housing programs through the trust fund; any of the dedicated revenue received above that amount goes into the state's General Revenue Fund.

Although housing needs continue to outstrip funding, the limits on the amount of money from the funding stream (a portion of the recordation fee paid to county recorders for real estate transactions) prevent worthwhile programs to aid low-income families and prevent homelessness from being fully funded. It's also the case that in the past several years, revenues have been erratic—ranging from a low of \$39.6 million to a high of \$73 million a year.

The governor's proposed budget (House Bill 64) contains a statutory change to help stabilize funding by creating a Housing Trust Reserve Fund. If this amendment is enacted and the amount of revenue (fees) received during a year exceeds \$50 million, any additional revenue up to \$15 million will be deposited in the reserve fund. Once the reserve fund reaches \$15 million, any additional revenue would go to the state's General Revenue Fund. The reserve fund would be available for use when revenue falls short of \$50 million, and allow critically important programs to continue even in years when revenue declines.

The Housing Trust Fund is administered by the Ohio Development Services Agency (formerly the Ohio Department of Development), Office of Community Development. It supports a range of housing needs, including emergency shelter, construction, rehab and repair, handicapped accessibility modifications, rental assistance and down payment assistance and financial counseling for formerly homeless families. Funds are allocated based on recommendations by a 14-member advisory committee, and are targeted toward helping low-income Ohioans.

You can see how your county has benefited from the trust fund by going to www.development.ohio.gov/cs/cs_hft and looking at Beneficiaries by County. Just click on your county on the state map for a listing of organizations, programs and dollar amounts.

The Message: Housing needs are still critical and the numbers of homeless persons are growing. This amendment deserves our support because it will enable the state to address potential shortfalls in the revenues that support vital programs. Be an advocate for housing--improve living conditions for Ohio's more vulnerable residents.