



Coalition for the Missouri Housing Trust Fund

*Ensuring Access to Affordable Housing
for Missourians*

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TALKING POINTS ON MISSOURI HOUSING TRUST FUND

This sheet is designed for your use in talking or writing to legislators and others. It is NOT designed to be a handout. We hope some of these facts and notes will be useful in your discussions on this issue.

THE TRUST FUND IS BLEEDING DOLLARS DUE TO THE ECONOMIC DOWNTURN AND FORECLOSURE CRISIS. THIS, AT A TIME WHEN THESE FUNDS ARE NEEDED THE MOST TO HELP CITIZENS IN COMMUNITIES ALL ACROSS THE STATE

- The monies distributed through the Missouri Housing Trust Fund leverage \$7 for each \$1 from the Fund.
- The trust fund is valued for flexibility to address housing needs, these \$ can serve as match for federal dollars, and provide a source of assistance, not dependent on annual state budget allocations. Additional funds will increase the ability to leverage additional funds for housing in Missouri.
- The Missouri Housing Trust Fund, administered by the Missouri Housing Development Commission, awarded 106 grants in 2007-2008 worth \$6.3 million; at least 50% of the funds are for programs that benefit individuals or families below 25% of the area median income
- The Trust Fund is NOT a tax!! It is a flat recording fee collected by the Recorder of Deeds on all real estate transactions in the State of Missouri.
- The trust fund is the only mechanism that Missouri has for prevention of home foreclosures and rental evictions.
- In 2007, \$20 million in request were made to the trust fund but revenues were only \$4.7 million.
- The trust fund provides home repairs and accessibility improvements for low-income homeowners and rental assistance for low-income families.
- MHTF through rental assistance and mortgage assistance and emergency utility assistance for your "average" Missouri family is one strategy to help prevent homelessness.
- Currently the \$3 fee collected funds 5 categories – Rental Assistance, Foreclosure, Home Repair, Affordable Housing Construction, Homelessness

- The proposed SENATE legislation in the Senate will:
 - Increase the current recording fee from \$3 to \$10 (a \$7 increase)
 - The bill allows that \$6 to be used for any of the programs (15 subsections) allowed under the Housing Trust EXCEPT subsection 11 that supports homeless shelters. So the \$6 increase will not support homeless programs.
 - The remaining \$1 will go to the counties for computer upgrades to make recording more efficient.
- Increasing this fee to \$10 could help an estimated 35,000 additional Missourians to stay in their homes. Affordable housing construction and foreclosure prevention are the two key priorities for the increase.
- 20,000+ Missourians are in danger of foreclosure
- Preventing foreclosures, evictions and negative impacts on credit scores helps reduce homelessness and stabilize communities, **saving** local, state and federal programs million of dollars and **adding value** for realtors, mortgage brokers and other home or property owners.
- A fee increase will **NOT** prevent folks from buying a new a home **AND** the fee increase is only a **tiny fraction** of the realtor's commission.
- The elderly benefit from MHTF through home repairs that help them stay in their often paid for but aging home.
- **PREVENTION** is cost effective
 - **Permanent supportive housing can cost less than \$12,000 per year.**
 - The average annual cost to a community for each chronically homeless person, veteran, or family is \$40,000-\$60,000.
 - The 2007 United States Conference of Mayors' Survey in Hunger and Homelessness showed that approximately 23% persons using shelters were families. 87% of 23 cities surveyed reported the **lack of affordable housing as the leading cause of homelessness among families.**
 - Children and youth are the fastest growing segment of the homeless population in our state. 15,000 are children/youth.
 - The average cost of serving a youth through the juvenile justice system or through child welfare is approximately \$25,000-\$55,000 per youth.
 - To place a child in foster care averages a cost of around \$47,608 per year.
- **This is not an urban or rural, Democrat or Republican issue** - It affects all citizens in all walks of life, in all districts, directly or indirectly.