

# Arizona needs to restore its Housing Trust Fund

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The Arizona Housing Trust Fund (HTF) is a critical tool in the fight against homelessness. It is a flexible account administered by the Arizona Department of Housing that can be used in many ways to help expand housing opportunities across the state.

“I can say, without a doubt, the HTF has been one of the most important resources available to the Department,” said Carol Ditmore, director of the state’s housing department, on the agency’s website. “It has not been our largest resource, but it has been one of the most useful in addressing critical needs.”

**Started in 1989, the trust fund has become one of the state’s most efficient ways to tackle housing challenges.** A major contributor to the Housing Trust Fund is the sale of unclaimed property. For instance, when a safe deposit box goes unclaimed, or a mutual fund administrator cannot locate the owner of securities, those valuables may end up bolstering the trust.

When first created, the trust fund received 35% of the revenue from unclaimed property each year. It was later increased to 55% to better address rural housing needs. From 2000 to 2005, the fund’s annual revenues ranged from \$10 to \$20 million. Then the Great Recession hit. The Housing Trust Fund was raided to support the state’s general fund. In 2012, the Legislature capped the amount the trust fund could receive from unclaimed property at \$2.5 million each year.

However, housing advocates were successful in asking the Legislature to provide a one-time allocation of \$15 million to the fund in fiscal year 2020. Within months, this pot of money was divvied up among five important projects in urban and rural Arizona: a project in Prescott

for homeless veterans, a residential facility for people with serious mental illness, affordable rental units in Tucson, a transitional shelter in Phoenix, and a \$3 million set-aside for supportive housing for people who used to be homeless.

**Imagine if the state could invest in this number and variety of projects every year.** We could quickly reduce the number of people experiencing homelessness and increase the number of people receiving supportive services, like mental and physical health care.

But 2020’s one-time allocation is an anomaly. Over the past decade, the fund has only received a fraction of that amount each year.

Of the five projects I mentioned earlier that were funded this year, only one of them – the Tucson affordable rentals – could have moved forward with \$2.5 million. A capped allocation this year would have meant no new housing for vets in Prescott, no transitional shelter in Phoenix, no residential facility for people with serious mental illness, and no \$3 million reserve for supportive housing.

The Housing Trust Fund does so much good. **Prior to budget cuts, the Housing Trust Fund acted as a magnet for private investment and leveraged over \$350 million in federal dollars annually.** It also helped 10,000 Arizonans each year avoid homelessness, repair dilapidated homes, and become first-time homebuyers.

**It’s time for us to restore the fund back to the 55% unclaimed property proceeds allocation.** With this allocation restored, the Arizona Department of Housing will be able to prevent more people from falling into homelessness, help more rural residents become homeowners, assist families displaced by wildfires and other disasters, and repair more homes where elderly people reside.

**Yes, we're living in an uncertain economic climate because of the pandemic, but that's not a reason to withhold funding from housing programs.** In fact, the uncertainty is more of a reason to restore the Housing Trust Fund. We were in an affordable housing crisis before the coronavirus pandemic began. Our housing crisis will only be exacerbated by the health crisis, further illustrating how undeniably linked these issues are. In fact, it was the Housing Trust Fund that Gov. Doug Ducey used to allocate \$5 million for eviction prevention at the on-set of this pandemic. But who knows how long this pandemic will last? We need this flexible fund to assist families at risk of eviction or foreclosure. We need

this fund restored to protect individuals experiencing homelessness from acquiring or transmitting COVID-19. And we need this fund to ensure that Arizonans will have the safety of a home where they may quarantine as this virus rages on.

We can't only fund housing programs when it's convenient. **Ending homelessness and addressing housing insecurity requires on-going state investment by restoring the Housing Trust Fund.** Without continuous investment, these programs fall behind and our own neglect contributes to a spike in people experiencing homelessness, as it has in recent years.



Joan Serviss is the executive director of the Arizona Housing Coalition, a merger of the Arizona Coalition to End Homelessness and Arizona Housing Alliance. The Arizona Housing Coalition is a statewide advocacy organization whose mission is to be a collaborative association leading in efforts to end homelessness and advocate for safe, affordable homes for all Arizonans. The Arizona Housing Coalition is also the proud home of the Arizona Veteran StandDown Alliance, a statewide effort to connect homeless and at-risk veterans with the services they need. Joan has over 20 years of experience in program coordination with a focus on educating the community about issues of social need through state and federal legislative advocacy, community organizing, coalition building, and public relations. Joan holds a bachelor's degree in political science and a master's degree in public administration, both from Arizona State University. Joan was recently recognized as an Arizona Capitol Times 2020 Leader of the Year for Association Management for her role at the Housing Coalition.