

Editorial: Tallahassee, embrace full funding for Florida's affordable housing act

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Too many middle-class and lower-income families are struggling to make ends meet, and housing costs are a major reason. More than 900,000 very low income families and seniors and disabled Floridians on fixed incomes spend over half their budget on maintaining a roof over their heads, teetering on the edge of homelessness. Many Manatee County residents cannot afford decent and safe structures.

An indisputably successful state program that invests in affordable housing -- and creates jobs and economic development -- continues to face funding challenges from Tallahassee. Gov. Rick Scott enjoys a new opportunity to boost affordable housing and help prevent homelessness as he writes his state budget proposals, expected in January.

Every year he has been in office, he's chosen to sweep significant amounts out of the Sadowski State and Local Housing Trust Funds. His 2014-2015 budget blueprint poured \$142 million from the trust funds into other areas of the budget, leaving \$89 million for housing. Thankfully, the Senate balked and the housing programs were allocated \$167 million but full funding would have provided \$231 million.

In five previous years, though, steep trust fund sweeps gutted vital Sadowski programs, the State Housing Initiatives Partnership (SHIP) and the State Apartment Incentive Loan (SAIL) program. State law directs a percentage of the tax gleaned from each real estate transaction -- known as the documentary stamp tax -- into those programs. But during those five years, lawmakers slashed the earmarked \$866 million total all the way down to \$128 million.

This year, the latest state revenue forecast indicates the Legislature will have \$2.2 billion more than the current fiscal year budget. The governor and lawmakers no longer have any excuse to use Sadowski as a honey pot for pet projects or to fill budget deficits, which ended last year.

Good intentions gone awry

The visionaries behind the Sadowski Affordable Housing Act, adopted in 1992, intended to endow a percentage of the documentary stamp tax as the funding source for SHIP, SAIL and other programs -- earning the support of home builders, real estate agents and other interest groups to ensure passage.

Those trust fund monies pay for public-private partnerships to build, rehabilitate and preserve affordable housing for the working poor, poverty stricken and even moderate-income workers as well as special-needs residents. This is not a public housing program but primarily a loan arrangement that leverages private sector investment.

SHIP provides trust fund money to counties and larger cities based on population. The funds can be spent on rehabilitation and renovations of existing housing; retrofitting residences for special-needs residents, and providing first-time homebuyers with down payment and closing cost assistance.

SAIL extends funds to rehabilitate deteriorating apartments and build new ones for the state's most vulnerable populations. This benefits developers.

Using December's state revenue forecast, the Sadowski Housing Coalition, a nonpartisan collection of 25 diverse statewide organizations, estimates the trust funds should receive about \$267 million in stamp tax monies -- should the state fully fund this critical needs program.

The coalition further estimates the housing programs will create more than 24,800 jobs and pump over \$2.5 billion into the state's economy.

Manatee County and Bradenton have been allocated a combined total of \$1.5 million this fiscal year in SHIP dollars. Thanks to SHIP downpayment assistance, Angel Santiago, a single father with two young children, purchased his first home, a three-bedroom, two-bath residence. This is but one of Manatee County's success stories, and others include the rehabilitation of blighted homes, thus improving and stabilizing neighborhoods.

Over the first decade of the Sadowski Act, the housing programs enjoyed full funding. Florida should return to this wise investment in not only affordable housing but in the state's economy. Manatee County's legislative delegation could be leaders in a resurrection of the state's commitment.

And Gov. Scott could show deep compassion for struggling Floridians by coming out first in January and proposing full funding of Sadowski programs.