



OPPOSE SB 586 IN CURRENT FORM

SUPPORT CHANGE TO FULLY MAINTAIN THE HOUSING TRUST FUNDS

- SB 586 proposes changes to the underlying distribution of doc stamp revenues governed by section 201.15, Florida Statutes.
- As currently drafted, the bill permanently and substantially reduces the distribution to the State and Local Government Housing Trust Funds.
- For example, in Fiscal Year 2015-2016, it will reduce the amount of money available to help Florida seniors, persons with disabilities, veterans, and hard working families in need of affordable housing by over \$112 million.
- Using 33% of doc stamp revenues to implement Amendment 1 can be accomplished without reducing funding for affordable housing.
- This is not an appropriation issue. SB 586 governs how much money goes *into* the Housing Trust Funds and is available each year for appropriation—not how much the legislature decides to appropriate.
- SB 586 can easily be fixed—by simply retaining the current law distribution of 16.19% of **net doc stamp** revenues for housing. SB 586 proposes to change the distribution to the Housing Trust Funds to a percentage of net doc stamp revenues LESS the 33% that goes to Amendment 1.
- This is not necessary for the implementation of Amendment 1, which can receive 33%, with housing then receiving 16.19% of the total—not 16.19% of the total less the 33%.
- To be clear: SB 586 can be fixed to protect the Housing Trust Funds without reducing the amount going to Amendment 1 by a single penny.
- Please oppose SB 586 as written and support an amendment to the bill that would retain the same dollar distribution to the Housing Trust Funds as is achieved under current law.

As a taxpayer, which is more important to you, conservation or affordable housing? For many that would be a tough question. Our people need a decent place to live — so do all the wild things in our dwindling uplands and threatened waters.

Florida's Legislature chose in 1992 to add about 20 extra cents in documentary stamps. That revenue was dedicated to what's now called the Sadowski State and Local Housing Trust Fund. Today doc stamps are 70 cents on every \$100 dollars of value on real estate and other transactions.

Move ahead 22 years. In November of 2014, Floridians passed Constitutional Amendment 1. It sets aside dedicated dollars for our environment: Thirty-three percent of the net revenue from doc stamp collections statewide.

Comparing apples to apples, the housing dollars amount to about 16 percent of net doc stamp collections. In total estimated revenue for the 2015-16 fiscal year, the conservation trust fund will receive about \$750 million. The housing fund will generate about \$267 million.

Or will it?

Basically, the doc stamp pie is cut into five slices. A piece now goes to conservation, housing, transportation and economic development. The fifth piece is what's left over each year, ending up in the general fund.

A series of senate bills together called SB 586 are waiting on lawmakers' desks for the March session. It's a clever bill, but a wrong-headed one. Because the environmental money is the only slice of our pie constitutionally crafted, it's first in line for doc stamp dollars. The bill proposes that the environment get the 33 percent — up-front. But then — keep you eye on the pea here — the other dedicated sources get their percentage of what's left.

Let's say, for simplicity sake, that the doc stamp pie is \$100. Currently, affordable housing gets its \$16, or 16 percent. Under SB 586, Amendment 1 it gets its \$33, or 33 percent right off the top.

That means that now, dollars dedicated to affordable housing equal 16 percent of 66 percent, rather than the whole pie. Ouch.

The other slices are in the same boat: Their actual funding cut by nearly half. In the case of our important affordable housing dollars, the fund would be cut from \$267 million to around \$154 million.

There was one more slice, general revenue. But it likely won't take nearly that kind of hit, if any. It gets what's left over. And, with the other trust funds gutted, it will retain a more significant slice of the pie.

What, of course, should happen is conservation get it's big slice and the others get the same percentage of the total — and the general fund gets what's left.

Remember, the state is looking at a sizable general fund surplus as is. This doc stamp pittance of a \$77 billion state budget is insignificant to the handling (or mishandling) of government affairs.

But the hit would be viscerally damaging to affordable housing efforts across the state.

St. Johns County's \$1.9 million share of affordable housing dollars for the coming year would be cut to about \$1 million. If you look at the local programs, such as the State Housing Initiative Partnership (SHIP), it leverages that seed money a few times over, in terms of grants, corporate partnerships and volunteer sweat equity. So we're losing much more than the actual cut.

The bill is simply political sleight of hand.

Did anyone who voted for Amendment 1 intend that it pass at the expense of affordable housing?

So, environment or affordable housing? It should not be either or. It should be both.

And we should tell that to our legislative delegation loud and clear when they get the chance the chance this spring to sweep this bill off the capitol floor — and before they sweep any additional trust fund dollars into a fattening general fund.