

# DAILY COMMERCIAL

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**OUR VIEWPOINT: AFFORDABLE HOUSING**

## **Editorial: Time to fully fund housing again**

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State lawmakers seem distracted now with all current buzz in Tallahassee about congressional and state Senate redistricting maps, gun bills, Gov. Rick Scott's push for more economic incentive money and so on. Don't worry, though, they'll get to the budget soon enough.

And when they do, count on the woe-is-us refrain coming across loud and clear — despite an anticipated budget surplus for 2017 topping more than \$600 million.

Thus, as Scott seeks more tax cuts and everyone else — hospitals, schools, environmental advocates, just to name a few — seeks more funding, the most commonly asked question will be: how will we pay for it all?

It's too early to tell how this will play out, but here is a simple suggestion: if some state program is financially supported by a trust fund with a dedicated revenue source, fund it according to its formula and leave it alone.

And one place we can see where that should apply is in the state's affordable housing programs.

You can nitpick state government to death with what's wrong, but one real success Florida has put forth over the past quarter-century is the State Housing Initiatives Partnership, or SHIP, and State Apartment Incentive Loan, or SAIL, programs.

The federal push — through mismanaged if not outright ludicrous loans — to make more and more homeowners out of those surviving on the economic fringes had disastrous consequences, as we're all aware. But with SHIP and SAIL Florida has done much better in aiding of those in the lower middle class or below with obtaining housing.

SHIP, a partnership between state and local governments, is designed to increase the supply of affordable housing by providing down payment and/or closing-cost assistance, as well as aid with renovations. SAIL funds flow to builders to help add more apartments, or to rehabilitate run-down units. Taxes on real estate transactions — also known as documentary stamps — provide funding for each, with SHIP receiving 70 percent of that revenue and SAIL getting the rest. Lawmakers first enacted that set-aside back in 1992.

Adequate funding did not seem to be a problem until the housing crisis hit. Then, the Legislature got into the habit of sweeping trust funds clean — and not just those for affordable housing — to help pay for the ongoing operation of state government.

Jaimie Ross, president and CEO of the Florida Housing Coalition, tells us during the lean years, for example, SHIP was not funded at all. But as the economic crunch dissipated, the revenue began flowing again.

To its credit, the Legislature provided \$175 million in the 2016 budget. Affordable housing advocates noted that was the highest amount in eight years. “Given the volatility of the (2015) session, including the huge fight over the expansion of Medicaid and the need for a special session, we consider this to have been a very good year for housing,” the Florida Housing Coalition observed back in July.

The volatility the group referred to partly involved funding Amendment 1, the land-conservation measure that voters approved by a 3-1 margin in 2014. During the 2015 session, lawmakers suggested that sufficiently funding Amendment 1 initiatives, which according to the amendment’s language are also paid for through doc stamps, meant pulling money from somewhere else. One target was affordable housing. Ross and her backers note that the Legislature finally worked around the dilemma without harming housing programs — and provided the most money for them in nearly a decade in the process.

We agree lawmakers deserve praise for accomplishing that feat. But Ross has to be diplomatic in ladeling out the praise because she relies on lawmakers to see that her cause gets what it needs — or, rather, deserves. We, on the other hand, don’t have to be.

So, it’s deplorable in a state with the nation’s third-highest homeless population, and with home-sale prices and rents back to outpacing income gains, that lawmakers saw fit to still sweep \$81 million — or 32 percent — of the money due to the SHIP and SAIL programs to pay for something else.

This year, the housing pie will be bigger. State economists project that housing programs are on track to reap \$324 million, \$68 million, or 27 percent, more than this year. The Housing Coalition expects Polk County to receive \$7.2 million in total SHIP dollars, with \$5.6 million going to the county, almost \$1.2 million going to the city of Lakeland and \$427,550 going to the city of Winter Haven.

The often untold back story is that money not only helps people in need of housing, but that it creates jobs. If fully appropriated, for instance, Polk County would build, sell, or renovate 770 homes, according to Ross. That would house an estimated 1,925 people and create 782 local jobs, for a total economic impact of \$110.3 million. “The economy is recovering, but we have a tremendous homeless problem, and as prices go up, wages stay stagnant,” Ross told us. “We need the Legislature to appropriate it (all of the funding) out. It would be great for the people who need housing and the people who don’t,” meaning those who help the housing industry click.

That would be the right thing to do. We hope Tallahassee is listening.