

Successful fund for affordable housing deserves support

Posted January 16, 2017 06:16 pm

By Times-Union editorial board

One of Florida's most successful programs for producing jobs and addressing the housing shortage must beg for funds.

What makes this story so troubling is that there is money set aside for this program, called the Sadowski Fund. But like other trust funds in the state, money often is swept into the general fund in the governor's budget and by legislative leaders in the budgeting process.

The Sadowski Fund is a brilliantly designed process that has worked remarkably well over the years, free of scandal, a minimum of government bureaucracy, bipartisan in nature with support from both progressives and the state's leading business organizations.

It's a private-public partnership that works.

In 1992 the Legislature created a dedicated source of funds for affordable housing in the state. This was needed because the private market alone was not able to break into this market without some government aid.

So when a home is sold, some documentary stamp revenue is set aside to help subsidize affordable housing in the state.

Money from the doc stamp revenue is provided to counties based on their population.

What makes the process so beautiful is that as housing prices increase, so does doc stamp revenue.

For most of the Sadowski Fund's history this worked well.

Then after Sept. 11, 2001, sales tax revenue took a big hit in Florida, so fund revenue was tapped for the general fund. That was a justifiable exception.

And after the Great Recession, the Legislature justifiably began sweeping various trust funds into the general fund. Again, this is understandable.

But as the economy improved, the Legislature continued to tap the Sadowski revenue. And this is a terrible waste.

Over the life of the program, \$5.7 billion has been collected but only \$3.9 billion appropriated to the Sadowski Fund.

In the last legislative session, about two-thirds of Sadowski revenues actually went to the housing program.

What's the bottom line?

Jobs.

The \$300 million available in the next budget year would create 28,700 Florida jobs in the hard-hit construction sector.

For Rick Scott, the jobs governor, it's unbelievable that he has not been a stronger supporter of this program.

In Jacksonville, for instance, housing for low-income elderly has been improved through this program. There have been rehab projects at Cathedral Terrace and Mount Carmel Gardens as well as new units at Caroline Oaks on north Main Street.

Who could be against the low-income elderly?

The reason this isn't more well known is that major budget decisions often are made by party leaders outside the public eye.

So local legislators often don't even have a chance to vote on the Sadowski Fund.

If affordable housing revenues were fully funded, here is what it would mean for Northeast Florida counties:

- Duval: \$9.2 million
- St. Johns: \$2.1 million
- Clay: \$2 million
- Nassau: \$797,000
- Baker: \$350,000

How to avoid NIMBY liability

In a published guidebook, the Sadowski Fund offers tips for local government officials to avoid legal liability that involves protected groups like the disabled over "Not in My Backyard" — or NIMBY — objections.

- Will an action be prohibited under state or federal Fair Housing Acts? This applies even an act was not an intentional act of discrimination against a protected class such as the elderly.
- This applies to planning and zoning. So that a master plan for a town or village that does not provide opportunity for low-income citizens is a problem.
- New innovative towns such as some found in Central Florida or the Panhandle may provide virtually no housing for low-income people.
- Does land use or permitting of a development meet the requirements of the State Housing Initiatives partnership Act? This program in Florida provides that permits are to be expedited for affordable housing.

Citizens should demand that their legislators tell House and Senate leaders to support this successful jobs program.