



The stock of affordable housing in the Keys took a big hit in Hurricane Irma. This is the Seabreeze trailer park along the Overseas Highway, Tuesday, September 12, 2017. **AL DIAZ** - adiaz@miamiherald.com

Affordable housing crisis? Governor's budget diverts \$92 million elsewhere.

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As every Florida county struggles with an affordable housing problem, Gov. Rick Scott signaled Tuesday he is poised to engage again in the annual real estate bait and switch on taxpayers.

In the last budget proposal of his term, the governor wants to sweep money from the affordable housing trust funds and use \$92 million of it for other priorities. If the Legislature agrees, it will be the 17th time since 1992 that millions of dollars intended to lower the cost of housing in Florida will be swept into the general revenue account to fund pet projects, other spending priorities and tax breaks.

The governor's budget includes \$230.3 million for housing programs — the most he has proposed since he was elected in 2010. That includes \$20 million steered to workforce housing in the Florida Keys, \$96.3 million to pay for projects funded by the Florida Housing Finance Corporation and \$34 million for the State Housing Initiatives Partnership program, which works with local governments.

Scott's increased focus on housing comes after Hurricane Irma wiped out workforce housing in the Keys. Thousands of Puerto Ricans are living on temporary hotel vouchers with no place to go in Central Florida. The Florida Housing Coalition reports that nearly 1 million Florida households use more than half their income on housing. And studies show that in Miami, Fort Lauderdale, Palm Beach and Naples, families need to earn more than \$22 an hour to afford the rent on the average two-bedroom apartment.

"This is self-inflicted crisis," said Rep. Sean Shaw, a Tampa Democrat.

The housing programs are funded by a documentary stamp tax paid on all real estate transactions. That is supposed to be used to increase the availability of low- and middle-income housing from the Keys to the Panhandle. According to a 2017 report by Jaimie Ross, CEO of the Florida Housing Coalition, the housing trust funds have collected nearly \$6 billion in their 25 years, and slightly more than \$4 billion has gone to housing programs. Almost \$2 billion was swept for use as general revenue.

Now, as Florida faces the most acute housing crisis in decades, Shaw and Sen. Kathleen Passidomo, R-Naples, have filed legislation that would prohibit lawmakers from using the money in the trust fund for anything but increasing affordable housing.

"Unfortunately, to make up some budget deficits, the Florida Legislature has traditionally swept those funds," said Passidomo, a real estate lawyer, at a news conference on Tuesday. "Rep. Shaw and I are here to put a stop to that."

The housing trust funds were started as Florida faced fast-paced growth. A bi-partisan effort by lawmakers put a surcharge on every real estate transaction to spur development of workforce housing, help repair the homes of elder Floridians to allow them to age in place, and encourage affordable rental housing. The William E. Sadowski Affordable Housing Act was named after the former head of the state's planning and growth management agency.

In the 2018-19 budget year, the affordable housing fund are expected to reach \$322 million, according to estimates of legislative economists. If used as intended, it would create 30,000 jobs and about \$4 billion in positive economic benefit, said Ross, whose coalition administers the trust funds.

Because of term limits, most of today's legislators were not around when the housing trust funds were created, "so the norm now is 'how much of the housing trust fund are we going to use for other purposes,' " Ross said. "We need to stop that from being the norm."

Legislators last year told the Herald/Times they couldn't put more money into housing programs because the programs couldn't absorb it.

Since then, the state's housing crisis has gotten worse. The Federal Reserve lists home ownership in Florida as the lowest it has been in three decades, dropping from a peak of 72 percent in 2006 to 64 percent in 2016. The Florida Housing Coalition reports that Florida has the third largest homeless population in the nation, and it's growing. And the Florida Chamber of Commerce reports that workforce housing is a top concern for businesses across the state.

Shaw said that he and Passidomo filed their bill before Hurricane Irma forced the exodus of residents from Puerto Rico and the Virgin Islands to Florida, but now the need is greater than ever.

"It's time we stop the sweeping of the affordable housing trust fund," he said. "We've got to produce homes that will last far into the future for our families and prevent the self-inflicted crisis from getting worse."

Passidomo suggested that lawmakers have made budget trade-offs in the past and now have to "become smarter with how we craft our budget" to restore public confidence in the housing trust funds.

"This is a public trust and it's incumbent on us to use those funds for the purposes that were intended," she said.