

Editorial: Irma fortifies need to stop raiding affordable housing trust funds

Editorial Board, Naples Daily News Published 4:17 p.m. ET Dec. 12, 2017



(Photo: Andy Dean Photography via iStock)

If Hurricane Irma hasn't underscored to Florida lawmakers the need to keep the state's affordable housing trust funds whole, we're not sure what will.

The Sept. 10 hurricane that created havoc in virtually every county on Florida's peninsula is expected to dominate issues during the 2018 legislative session. Irma left considerable housing across the state uninhabitable or damaged. After the late November application

deadline, the Federal Emergency Management Agency reported its disaster assistance teams had visited 273,000 homes in Florida and spoken with more than 175,000 residents.

While FEMA juggles Irma with disasters in Texas, California, Puerto Rico and elsewhere, the state must ensure Floridians' housing needs are prioritized. There is no better way to start than the trust funds created 25 years ago to address the state's affordable housing issues.

In 1992 the state designated a scheduled portion of documentary stamp taxes on real estate transactions for the State Housing Initiatives Partnership program. It then redistributes the money to cities and counties for programs such as down payment assistance or housing rehabilitation for those of modest income. A second program, State Apartment Incentive Loan, is for creating rental complexes.

The Legislature diverted most or all of the trust fund money during the recession. Even last year an anticipated \$292 million dwindled to \$137 million for Florida counties and cities for housing.

Long before Irma, it became evident Collier was getting into another affordable housing crisis like the one experienced a decade ago before the market crashed in the Great Recession. In 2015 our editorial board urged lawmakers to stop raiding the affordable housing trust funds, as they'd grown accustomed to doing every year, to balance the state budget. Lee's challenges with housing costs also escalated the past two years.

Irma comes into play because communities getting the money are to have a strategy to use unencumbered dollars for disaster housing relief. That's what Collier government leaders wisely moved to do weeks ago when concerns arose about how much FEMA housing relief was coming, and when. If

not for the legislative raids, Collier and Lee could be doing even more now for Irma-displaced homeowners.

Florida Housing Coalition leaders recently told our editorial board that revenue projections show \$314 million for affordable housing trust funds in the 2018-19 budget year.

Plus, minus

One of the most important bills lawmakers can pass this session starting in January is Senate Bill 874 by state Sen. Kathleen Passidomo, R-Naples. Her measure and House companion HB 191 would stop the trust fund raids.

Jaimie Ross, president and CEO of the coalition, said no money was diverted the first 10 years. With time, lawmakers left office due to term limits and various budget emergencies created a new norm to redirect the trust funds, she said.

“Their mindset is ‘we’re going to sweep the trust funds,’” coalition member Mark Hendrickson said.

Gov. Rick Scott’s proposed \$87.4 billion budget falls short of SB 874’s goal but is a considerable improvement. Scott’s budget proposal calls for diverting \$91.8 million, down from his 2017-18 budget proposal to redirect \$224 million.

Critics will view that as Scott playing to voters in advance of a likely U.S. Senate campaign. However, a Florida Senate press release casts it as “the governor’s commitment to affordable housing in the wake of a disastrous hurricane season.

Whatever the reason, Passidomo’s approach is optimal. That’s not just for senior citizens and working Floridians who are seeing rising housing costs far outstrip their Social Security increase or wages, respectively. It’s also for those of modest means whose lives were upended by Irma.