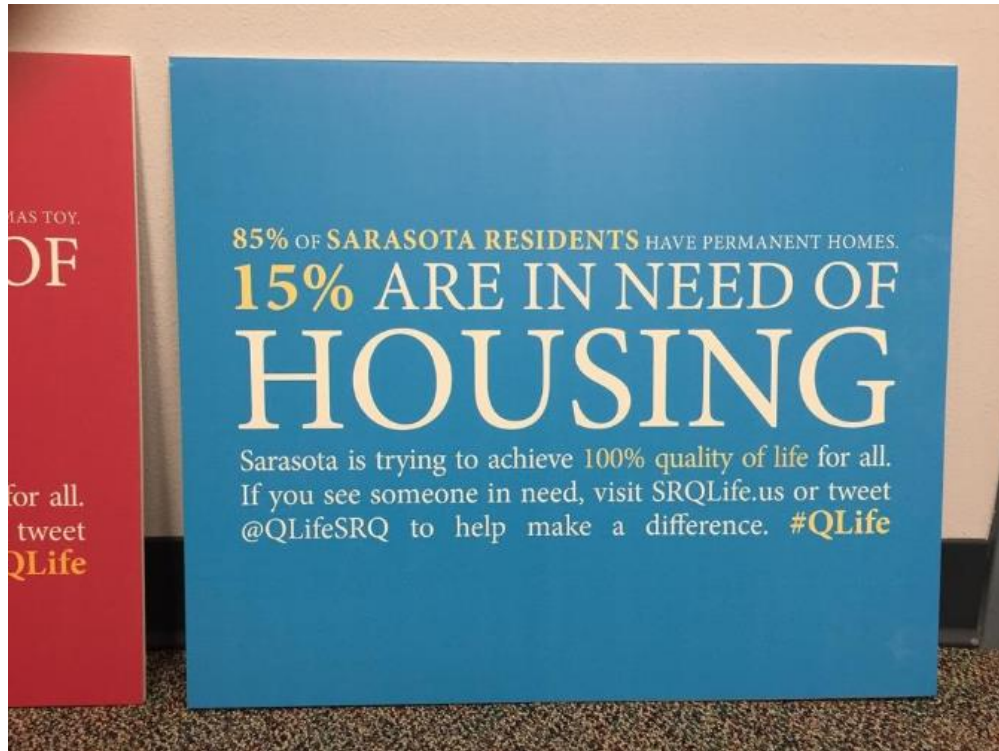


## Editorial: Pass law to protect housing trust funds

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The Salvation Army's Quality of Life By Choice program puts an emphasis on getting homeless people into permanent housing. [HERALD-TRIBUNE ARCHIVE]

Posted Jan 18, 2018 at 5:55 AM

From the “there shouldn’t have to be a law but history shows there is a need for one” file: A Republican state senator and a Democratic representative in the Florida House have filed legislation intended to prevent the Legislature and governor from raiding affordable-housing trust funds.

For decades, the Legislature and multiple governors have plundered trust-fund revenue like a band of pirates — shortchanging affordable housing and undermining the intent of the law that created the funds.

Twenty-five years ago, in an era of bipartisanship, the Legislature passed the Sadowski Act — named after Bill Sadowski, a one-time legislator and Community Affairs secretary.

The Sadowski housing trust funds are supposed to be used throughout the state to finance or subsidize the construction, renovation or purchase of homes and apartments

in a price range geared toward everyday workers. The funds also help create and preserve housing for the elderly, the disabled and the homeless.

According to the Sadowski Coalition, the Local Government Housing Trust Fund receives about 70 percent of the trust funds appropriated each year for the State Housing Initiatives Partnership program. These dollars pay for housing programs in all 67 counties for rehabilitation and renovation of existing housing stocks; the money can also be used to promote first-time home ownership with down-payment and closing-cost assistance.

The State Housing Trust Fund receives the remaining 30 percent of the Sadowski housing trust funds for Florida Housing Finance Corporation programs such as the State Apartment Incentive Loan (SAIL) program.

The trust funds' revenue comes from a slice of the documentary stamp tax on real-estate transactions. That levy was increased a smidgen in 1992 to bring in revenue for the funds. The increase was agreed to by builders and real-estate interests, who recognized that the money would be plowed back into their industries and the economy.

The need for affordable housing has become even greater today in Manatee and Sarasota counties and throughout Florida. Local business leaders point to a shortage of affordable housing in our region as one of the main challenges in economic development.

The documentary-stamp approach has another advantage: Its revenues rise during times of high real-estate values — when there is the greatest need to fund more affordable housing.

Yet, hundreds of millions of dollars in the trust funds — in some years, nearly the entire amount available — have been swept into the state's general fund or otherwise diverted. Last year, the sweep exceeded \$200 million; this year, Gov. Rick Scott has proposed sweeping “only” \$92 million.

Sen. Kathleen Passidomo, a Naples-area Republican, and Rep. Sean Shaw, a Hillsborough County Democrat, have filed bills that would prevent the Legislature from diverting housing trust funds elsewhere in the budget.

Ideally, this legislation would not be necessary to protect the funds and the integrity of the law that created them.

A case can be made for giving the Legislature limited flexibility in emergencies, but the Legislature and governor have repeatedly broken the trust behind the trust funds, meaning that House Bill 191 and Senate Bill 874 are necessary and should be passed.