

Officials: Affordable housing fund is rarely fully funded

By: Tony Judnich | NWF Daily News

Posted October 12, 2019

State legislators often use the dollars intended for affordable housing programs for other purposes.

To the detriment of affordable housing programs in Northwest Florida and the rest of the Sunshine State, the state Legislature earlier this year took another massive bite out of the Sadowski Affordable Housing Trust Fund.

Such raids of the fund have been going on for years, with the money being used for a variety of purposes other than their intended ones, said Nitsi Bennett, president and CEO of Habitat for Humanity of Okaloosa County.

“It seems the Sadowski Fund is the catch-all for everything,” Bennett said. “Florida is one of the few states that need to have a balanced budget, and the Sadowski Fund keeps getting raided.”

Part of the problem is the “all or nothing” state budget that’s presented each year to lawmakers, said state Sen. George Gainer, who would like to consider the Sadowski Fund and other parts of next year’s budget in separate measures.

For the state’s fiscal year 2020 budget, the Legislature approved transferring \$125 million from the Sadowski Fund into the general fund and using \$115 million-worth of housing money to help counties recover from Hurricane Michael.

That left only \$85 million in the Sadowski Fund, according to information on the Sadowski Housing Coalition website.

Because of those actions, “We were hoping that the governor would veto (the overall state budget), but he did not,” Bennett said.

The nonpartisan Sadowski Housing Coalition, which consists of more than 30 statewide organizations, was formed in 1991 to obtain a dedicated revenue source for the state’s affordable housing programs. The Sadowski Fund is named in honor of the late Bill Sadowski, a former state Department of Community Affairs secretary who was passionate about providing affordable housing to all Floridians.

The state’s housing programs are paid for with revenue from the doc stamp tax paid on all real estate transactions, according to the coalition. It states that starting in 1992, those funds were dedicated to the state and local housing trust funds.

The Local Government Housing Trust Fund receives about 70% of the total Sadowski housing trust monies appropriated each year for the State Housing Initiatives Partnership (SHIP) program, according to the coalition.

It reports that this revenue funds housing programs in all 67 counties and larger cities for rehabilitation/renovation of existing housing stock, first time home ownership with down payment and closing cost assistance, rehabilitation and retrofit.

The State Housing Trust Fund receives the remaining 30% of the total Sadowski housing trust money for Florida Housing Finance Corporation programs such as the State Apartment Incentive Loan (SAIL) program, according to the coalition.

For fiscal '20, Okaloosa County was supposed to receive almost \$2.4 million from the Sadowski Fund but will get only \$381,688 because of legislators' budget decisions, the coalition reports.

Santa Rosa and Bay counties were each supposed to receive more than \$2.1 million. But the legislative raid on the fund leaves Santa Rosa with \$358,385 and Bay with \$360,622.

The approved state budget also leaves \$350,000 worth of Sadowski Fund money for Walton County instead of the \$806,565 it was supposed to receive.

“Gov. (Ron) DeSantis had originally proposed full funding of the (overall Sadowski Trust Fund) program, but it got cut,” Okaloosa County Growth Management Director Elliot Kampert said. “I don’t know why. It happens quite frequently, I’m afraid to say.”

The \$381,688 approved for the county is SHIP funding. Of that total, the county receives \$341,573 and the Fort Walton Beach Housing Authority receives \$40,115.

The county’s greatly reduced share of the funding for affordable housing “means we can help fewer people,” Kampert said. “The less money the state puts out, the less people across the state will be able to find decent affordable housing.”

Nearly 922,000 very low-income Floridians pay more than 50% of their income on housing and are one missed paycheck away from joining the state’s homeless population, which is the third largest in the nation, according to the Sadowski Housing Coalition.

It reports that if the trust fund monies are used in fiscal '21 for their intended purpose of housing, they would create more than 30,000 jobs and provide a more than \$4.4 billion positive economic impact.

Bennett said if the Sadowski Fund had been fully funded this year, the Habitat for Humanity programs in Okaloosa and Walton counties would have received about \$150,000 to \$200,000.

“I could have easily built three houses,” said Bennett, who added that Habitat does not receive SHIP funding. “But I never budget to receive money from the Sadowski Fund. This year, we had high hopes because of DeSantis saying he doesn’t believe in taking funding for pet projects, but the legislators didn’t see it that way.”

Gainer, R-Panama City, defended the use of \$115 million in Sadowski Fund money for Hurricane Michael recovery efforts.

Since 2016, he has served as the senator for District 2, which consists of Bay, Holmes, Jackson, Walton and Washington counties and part of Okaloosa County.

“We’re in a very dire situation,” he said of areas slammed by the storm.

But money meant for affordable housing programs should not be used to help balance the budget, Gainer said.

Article last accessed [here](#) on October 14, 2019.