



Editorial: Don't 'sweep' affordable housing fund

By The Ledger (Lakeland)

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Various local agencies are working hard to try to fend off the potential for rising homelessness — something all of us should want.

One critical, self-evident aspect of preventing problems with homelessness is ensuring local communities have enough affordable housing.

For context, the Florida Housing Coalition defines affordable housing as that which costs owners or tenants with earnings on the lower end of the wage scale no more than 30% of their household income.

Florida has had a mechanism to help people in a housing-finance crunch since 1992, when the Legislature adopted the Sadowski Affordable Housing Act. The Sadowski Act created a trust fund, fed by taxes on real estate transactions, that aided individuals and local governments in finding affordable housing or increasing its stock.

But in recent years lawmakers have exhibited a bad habit of funneling this money elsewhere, thus defeating the purpose and practice of the Sadowski Act.

Looking forward to the 2020 legislative session, we encourage Gov. Ron DeSantis and state lawmakers to leave this account alone.

A report by the Florida Housing Finance Corp., which administers Sadowski Act funds for the state, reveals what has been lost as lawmakers have drained this program.

Between 1993 and 2018, the Sadowski Act generated a total of \$5.9 billion for housing initiatives. Lawmakers left it alone and funded things accordingly for the first 10 years. But they dipped into the trust fund for the first time in fiscal year 2002, siphoning off \$12 million. "Sweeping," as this practice is known, subsequently proved to be an addiction, the report shows.

Only three times between 2004 and 2018 did lawmakers not draw money from the trust fund. In fact, in two years — 2012 and 2014 — they took it all and didn't appropriate anything for Sadowski Act programs, the report indicates. Meanwhile, 2019 marked the 12th consecutive year that lawmakers swept the Sadowski trust fund for additional revenue.



Overall during the past quarter-century, lawmakers diverted \$2.01 billion from the trust fund — or more than a third of its total revenue — for other projects or programs. According to the FHFC, the trade-off for this “forgone funding” being swept elsewhere into the state budget over the last 25 years has been an estimated 167,000 fewer units of affordable housing.

This is unconscionable. And it must stop.

For his part, Gov. DeSantis showed last session that he was willing to leave the trust fund alone. But that didn’t last. Ultimately, lawmakers found a new home for \$125 million of its revenue. Admittedly, it was hard to argue with rerouting those dollars. The Legislature packaged \$115 million to help areas in the Panhandle devastated by Hurricane Michael.

But for fiscal year 2021, we call on the governor and our lawmakers to wean themselves off this revenue source, which will get fatter as growth returns to pre-Great Recession levels, and use it for its intended purpose: to help the less fortunate put a roof over their heads.

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