

Housing money a rich target for lawmakers — again

By **John Kennedy** | GateHouse Capital Bureau

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TALLAHASSEE — With rising home prices driving the demand for affordable housing to levels not seen since before the Great Recession, advocates are rallying behind Gov. Ron DeSantis' call for putting more state money into building houses and apartments for lower-income residents.

But key lawmakers are not ready to commit.

The Legislature has siphoned off \$2.3 billion in affordable housing money for other needs over the past two decades, and some lawmakers appear ready to do it again.

“I think the House will take a similar stance to what it has in the past,” said House Appropriations Chair Travis Cummings, R-Fleming Island. “Sweeping is a possibility due to some unmet needs out there.”

If housing money is spent elsewhere, it would mark the second straight year Republican leaders in the Legislature defy the GOP governor on affordable housing. It would also continue what has become a yearly pattern of redirecting cash from the housing trust fund to cover shortages in other budget areas.

“We need to stop the normalization of sweeping the housing trust fund,” said Rep. Sam Killebrew, R-Winter Haven, who is sponsoring legislation (HB 381) with Sen. Debbie Mayfield, R-Vero Beach, (SB 306) that would stop legislative raids on the affordable housing fund.

But that legislation looks like a long shot.

“It'd probably be irresponsible of the Legislature to tie future legislators' hands,” Cummings said.

Money flowing into the fund comes from a tax on real estate transactions, so the pool of cash becomes more robust — and potentially a fatter target for legislators — when the economy is good.

Home sales and construction, which are driving tax collections, will push the trust fund to \$387 million next year.

But the state's potent economy also is forging a bigger distance between Florida's haves and have-nots.

A report earlier this year by the non-profit Florida Housing Coalition found that almost 1 million Floridians pay more than 50 percent of their income on housing. Since 2015, the gap between the rent people can reasonably afford and the rent they actually pay also has been growing larger.

The housing market is growing tighter in Florida. The vacancy rate for homes and apartments has plummeted from 13.2 percent in 2009 to 8.5 percent last year, meaning there are fewer units available across the state, even for those who have the money to buy or rent.

Last year the Legislature agreed to spend \$200 million on affordable housing — but still grabbed \$125 million from the trust fund to spread across other areas of state spending.

Even the \$200 million spent had a catch — \$115 million of it was directed to Panhandle counties struggling to recover from the devastation of last year's Hurricane Michael.

Housing advocates are not disputing the Panhandle's need. But the \$125 million pulled out of the program meant Florida's more urban counties had to make do with leftovers — about \$76 million scattered across counties with a backlog of thousands of residents already seeking help with finding a place to live.

The greater Orlando area, Tampa Bay, Jacksonville and South Florida are among the regions where the state housing aid fell far short of what they were in line to get — even before lawmakers raided the fund.

Killebrew's Polk County drew only a \$1 million share, while it could expect about \$8 million next year if the program is fully funded.

Palm Beach County's \$2 million this year is well off the \$17 million it is in line for next year if the program is shielded. Miami-Dade's current \$2.3 million is short of its potential \$21 million; and Duval's \$1.3 million compares with \$11.4 million in potential cash.

In Alachua County, the \$465,328 it received this year is below a \$3.1 million target; Volusia's \$812,090 fell short of \$6.3 million; and Sarasota's \$664,742 was far below the \$4.9 million it could receive if the trust fund sweep is avoided next year.

Sweeping cash out of the trust fund is not what DeSantis wanted. But he went ahead and signed the state budget in June, which included the move.

For next year, the governor is calling for spending the full \$387 million on a program that finances subsidized apartment complexes and the bigger State Housing Initiative Partnership (SHIP) program, which can finance new construction, home renovations and even help buyers with down-payment money.

But after going along with the trust fund sweep this year, DeSantis should flex some muscle when lawmakers convene in January, said Rep. Carlos Guillermo Smith, D-Orlando.

Smith said DeSantis should threaten ruling Republicans in the Legislature with the threat of budget vetoes if they try to redirect housing money.

“Does that commitment to affordable housing from Gov. DeSantis come with a bold veto threat if the Legislature doesn’t get its act together?” Smith asked. Otherwise, he added, the money is ripe for the taking — again.

But Cummings, the House budget chief, pointed out that DeSantis has recommended spending priorities that — when combined with those coming from lawmakers — can make it difficult to avoid looking for money from wherever it sits in the state treasury.

DeSantis is calling for a new, almost \$1 billion teacher pay and bonus program. And he wants another \$625 million for Everglades restoration and water programs, along with a \$247 million reduction in school property taxes.

Meanwhile, Cummings said any housing success is relative.

“We were pleased last year that the sweep was not maybe as much as it has been in the past, which I think is a victory,” Cummings said.

But advocates warn the lost money is hurting.

“There are real consequences to that,” said Jaimie Ross, president of the Florida Housing Coalition. “And we see that. It’s hurting Floridians, from the most vulnerable, those living on fixed incomes, to the workforce.”

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