

Editorial: Federal and state help needed to avoid a housing crash

By The Florida Times-Union Editorial Board | October 21, 2020

A second federal stimulus is badly needed to protect millions of Americans from homelessness and financial devastation.

A total of 90 percent of Americans support a second stimulus to help small businesses and employees, according to a poll conducted by Morning Consult for the American Hotel & Lodging Association. That broad support includes 92 percent of Democrats and 89 percent of Republicans.

In fact, this overwhelming majority say Congress should remain in session until an agreement is reached.

How big is the problem? About 1 in 3 adults say they could face eviction or foreclosure in the next months, reports the U.S. Census Bureau.

Also, about 34 million Americans who rent will owe about \$34 billion by the end of the year when a moratorium on evictions expires. In Florida alone, there is a rent shortfall ranging from \$2.1 billion to \$2.7 billion.

"A huge wave of evictions and additional financial pain will crash on the American economy unless Congress authorizes emergency aid to renters," said Stockton Williams, executive director of the National Council of State Housing Agencies.

Landlords, too, will need help. Many of them are independently wealthy. Real estate and housing groups have filed lawsuits such as the National Apartment Association, which joined a federal lawsuit to help landlords get paid or allow evictions.

In September, the Trump administration issued an order to prevent people behind on their rent from being evicted. But as The Washington Post reported, it included no new money for tenants or landlords. Instead, it directed renters to existing sources of state and federal aid.

"In many states, renters don't know about the government's eviction protections, and those who do have struggled to find and fill out the forms," The Post reported.

That was confirmed locally by Jim Kowalski, who heads Jacksonville Area Legal Aid. A potential wave of evictions in January could cause devastation, he said to the Times-Union Editorial Board.

The city of Jacksonville should respond to this crisis like it would after a hurricane, Kowalski said. A system is needed for this housing crisis, he emphasized.

He suggested that Jacksonville create something like the Orange County web portal for landlords and tenants to try to negotiate resolutions short of eviction.

Orange County's COVID-19 Eviction Diversion Program assists the most vulnerable tenants who are in imminent danger of eviction due to COVID-19 and provides the property owner with an alternative to eviction. The program provides up to \$4,000 in past due rent for landlords and tenants who meet the eligibility criteria.

Kowalski also underlined the level of poverty in Jacksonville — 40 percent of the residents qualify for the help of Legal Aid.

Affordable housing crisis in Florida

When Floridians purchase homes, a portion of revenue from the documentary stamps are assigned to the Sadowski Fund, which then directs them to a public-private partnership of home building and remodeling.

It is a brilliant system — as housing prices rise, documentary stamp revenue rises, too.

Lives are changed by the fund. For instance, the St. Johns Housing Partnership recently told the story of a widow who worked for over 20 years for the St. Johns County school district.

The widow qualified for home repairs through a state program funded by the Sadowski Fund.

But in most years the Legislature has swept much of the Sadowski funds into the general fund.

In the last legislative session, the governor and Legislature approved full funding for the Sadowski Fund. Then the pandemic hit, so the funds were pulled back in June.

Those funds for affordable housing are needed more than ever.

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