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Full Sadowski funding, and more, needed to mitigate affordable housing crisis | Our View

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A lack of affordable housing is one of Florida's most intractable problems.

And the booming real estate market threatens to make matters worse.

Around the Treasure Coast and statewide [housing costs are soaring](#). Median home prices have spiked in Indian River, St. Lucie and Martin counties over the past six months in particular. Inventory is low, homes are going under contract within days of hitting the market, and many are selling for more than the asking price.

Rents are rising, too. [According to data from the Florida Association of Counties](#), a full-time worker making minimum wage, \$8.56, would need to work 114 hours a week to afford a modest two-bedroom rental.

None of this is good news for working people of modest means looking for a home. And this, theoretically, is where state government is supposed to ride to the rescue.

A documentary stamp tax on real estate transactions goes to the [Sadowski Housing Trust Fund](#). About 70% of the revenue is earmarked for the State Housing Initiatives Partnership, which funds local government loans to low- and moderate-income residents. Residents can buy or rehabilitate homes.

The other 30% goes to the State Housing Trust Fund for programs such as the State Apartment Incentive Loan program.

But it's become a rite of spring in Tallahassee that the money earmarked for affordable housing gets spent on something else.

Every year since 2008-2009, the Legislature has "swept" Sadowski funds — more than \$2.3 billion in total — into the general revenue fund for unrelated projects.

This year Gov. Ron DeSantis has pledged to fully fund affordable housing programs. We'll see if the Legislature goes along, or once again sticks its collective hand into the cookie jar.

An [economic study released by the Sadowski Coalition](#) earlier this month suggests actually using the money for housing could have a cumulative \$5 billion economic impact. The full allocation might house 47,845 people and create 33,286 jobs.

That's considerable, and given the rise in housing costs it would be particularly contemptible for the Legislature to pilfer Sadowski funding this year.

Nonetheless, even if legislators keep their hands off the money, it's not going to be enough.

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State and local programs to distribute it can be cumbersome and wrapped in red tape. For example, contractors who participate in programs designed to rehabilitate existing housing often must wait longer for reimbursement. With the construction business booming, what's the incentive to work on affordable housing projects?

There are other ways local government can encourage construction of affordable housing. They might require — or at least request — a certain number of units in any development be made available at lower prices. For example, the developer of [the proposed Central Parkway Lofts in Stuart](#), a 196-apartment complex, would reserve about 20 units for people making no more than 80% of the area's median income; monthly rents would top out at \$1,040.

Then again, such plans can be scotched, as was the case late last year when the developer of the 280-apartment Savannah Place complex [offered the city of Stuart a lump sum payment of \\$252,000 to wriggle out of an obligation to build 10 lower-price rentals](#). That obligation made the business plan untenable, the developer claimed; the city vowed to take the money and start an affordable housing fund.

But given the scope of the need, \$252,000 amounts to a drop in the ocean.

Unless the state can deliver *all* the Sadowski funds — and not just for one year — local counties and municipalities are going to have to get creative if they ever want to make a dent in the affordable housing crisis.

For as home prices continue to rise, goosed by low interest rates, wealthier Floridians will enjoy the spoils — but more and more will only be able to watch as the American dream disappears over the horizon.

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