

Legislature considers permanent reduction in money available for affordable housing

The plan would take two-thirds of affordable housing money for other uses.

By Lawrence Mower *Herald/Times Tallahassee Bureau* | March 25, 2021

TALLAHASSEE — Despite soaring rents and housing prices across Florida, Republican legislative leaders want to permanently divert money for affordable housing to water and environmental projects.

In a deal described by one lawmaker as “The Hunger Games,” hundreds of millions of dollars meant to be used each year to finance affordable housing projects would instead be split in three: a third would go to affordable housing, another third to environmental and flooding projects and the rest to wastewater programs.

The money would be permanently dedicated to those programs, unlike it is today. Over the last 13 years, state lawmakers have “swept” the money dedicated to affordable housing and spent it on other projects 12 times.

“We’re telling future Legislatures, this is important, and it can’t be swept,” Rep. Lawrence McClure, R-Dover, said Thursday.

The deal was announced earlier this week by Senate President Wilton Simpson, R-Trilby, and House Speaker Chris Sprowls, R-Palm Harbor, whose priorities this year would benefit from the plan. Sprowls has emphasized environmental and flooding projects, and Simpson has prioritized wastewater programs.

But Democrats, housing advocates and even some Republicans balked at the proposal, which passed two committees this week.

Florida is tied with California for the highest percentage of people devoting at least 50% of their income to housing, [according to a Harvard index](#). Home prices continue to rise and the state’s median income has fallen behind other states since the Great Recession. When Simpson and Sprowls decided not to sweep the money for other uses last year, lawmakers celebrated.

“It’s said the bill eliminates the sweeps, but in reality, this bill institutionalizes the sweeps,” said Rep. Omari Hardy, D-West Palm Beach. “It reminds me of the ‘Hunger Games,’ where people with needs are being pitted against each other for resources.”

This year, there is at least \$423 million in a trust fund to finance affordable housing across all 67 counties, said Jaimie Ross, CEO of the Florida Housing Coalition, which helps distribute the money.

The money comes from documentary stamp taxes, which have surged with rising home prices during the pandemic.

In the early 1990s, the state decided to set aside a certain percentage of those taxes and devote it to financing affordable housing projects, known as The Sadowski Act. Realtors advocated for the affordable housing plan in the 1990s, and they came out against the plan to cut it on Thursday.

“Affordable housing is at its greatest need ever,” Christina Pappas, president-elect of the Florida Realtors Association, told lawmakers. “It’s one of the greatest government programs we have.”

The idea also raised eyebrows among lawmakers because the state is facing a windfall of federal stimulus money, more than \$10 billion, easily wiping out whatever budget shortfall the state might be facing this year.

“We have a housing crisis in no small part because of the sweeps that have been happening over the years,” Ross said. “These monies are desperately needed, and they’re entirely used.”

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In Miami-Dade County, where 30% of households pay more than they can afford for housing, leaders have set a goal to create 210,000 affordable new homes by 2030, according to Annie Lord, executive director of Miami Homes for All, a homeless advocacy group.

“We are not going to do that very easily without Sadowski,” she said.

People of color — African Americans and other Black residents — bear the greatest burden of this trend with 53% cost burdened.

“Those folks are super vulnerable to an unexpected loss of income or a healthcare expense, and the pandemic gave us that,” Lord said. “They are either evicted or face the threat of being evicted and are vulnerable to homelessness. We are at a precipice.”

Miami Herald Tallahassee Bureau Chief Mary Ellen Klas contributed to this report.

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