

Housing Advocacy Group Applauds Likely End To Affordable Housing 'Sweeps'

By Valerie Crowder | May 6, 2021

State lawmakers this year permanently slashed the affordable housing trust fund's revenue share, while also passing a guarantee that housing dollars would never again pay for other expenses.

"It's going to be recurring revenue not subject to sweep," said Jaimie Ross, director of the Florida Housing Coalition, which has advocated for an end to lawmakers' tradition of diverting dollars away from state and local affordable housing trust funds. "And that actually is a very big win for housing."

Still, the amount the legislature allocated to housing programs - \$209 million - has some advocates displeased. That's because they'd originally asked for twice that amount. Gov. Ron DeSantis's proposed budget included \$423 million to fully fund the state's affordable housing needs.

"The amount of money that's getting appropriated now is really not a sufficient amount for housing," Ross said. "But when you look at what the legislature was doing — continually spending the housing trust funds — this outcome is certainly better than that."

The Sadowski Act of 1992 dedicated a portion of documentary stamp tax revenues to state and local affordable housing trust funds. Almost a third of those dollars finance developer loans for affordable housing units. The rest covers emergency home repairs, downpayment assistance loans and other affordable housing needs in the state's cities and 67 counties. Last year, DeSantis eliminated funding for the State Housing Incentive Partnership program (SHIP) — which finances those local programs — due to the pandemic. Those dollars were restored in lawmakers' budget for the upcoming fiscal year.

The amount of SHIP dollars counties and cities receive is based on population size. Leon County is set to get about \$2 million, Ross said. Tallahassee would receive most of that or about \$1.3 million.

In Bay County, the funds have largely helped low- and moderate- income residents repair their homes and secure new housing following Hurricane Michael. The county will receive about \$1.2 million, Ross said. Of that amount, Panama City will get \$231,000.

"It's a bipartisan issue," Ross said. "But you could see from the conversations that went on this session, it was really the Democrats saying, 'No, no, no. We want to use all the housing trust money for housing.'"

Democrats have supported fully funding the affordable housing trust fund. While the GOP-controlled legislature has a nearly decade-long record of spending a portion of those monies elsewhere.

This year, however, Republican lawmakers vowed to put an end to that. Even though they voted to permanently cut the fund by nearly 50%, they also passed a provision barring the legislature from "sweeping" those dollars away ever again, Ross said.

"Since 2002, the legislature has been regularly sweeping the Sadowski Housing Trust fund monies," she said. "There's a permanent sweep now, but the upside is there won't be any more sweep."

Advocates were counting on the legislature to fully support the trust fund.



Doorways of Northwest Florida works to end homelessness in six counties hit hard by Hurricane Michael. Ahead of this year's legislative session, the agency's director Yvonne Petrasovits called on the area's state representatives to spend the state's affordable housing trust fund only on housing programs.

"It has a lot of revenue generating power for the state," Petrasovits said during an interview with WFSU News in February. "It also protects the scarce amount of affordable housing that we actually have."

Petrasovits, like many housing advocates, had been pushing lawmakers to fully fund the state's affordable housing needs, which were covered with the portion of documentary stamp tax revenues allocated to the funds in 1992.

"If we use it specifically for affordable housing, we have job creation and a huge revenue source for our state," she said.

DeSantis isn't allowed to appropriate dollars last minute, even though he can remove spending items included in lawmakers' budget.

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