

Florida Realtors launch ballot initiative Group looks to restore affordable housing fund

By Caroline Glenn | June 22, 2021

After lawmakers voted to permanently divert half of the state's affordable housing trust fund to other projects, the Florida Realtors Association is pushing back and spearheading a constitutional amendment that would restore the fund — but with a few changes.

The proposed amendment would make it so money from the Sadowski trust fund can only be spent “to address affordable housing access and availability,” effectively reversing a law that Gov. Ron DeSantis just signed that allows lawmakers to redirect half of the fund to combating sea level rise and upgrading wastewater infrastructure.

To get the measure on the 2022 ballot, the association must collect at least 891,589 petition signatures by Dec. 31 and get approval from the state Supreme Court. To pass, it would need 60% of voters' support.

“With the current legislation that was just signed, we no longer have access to 100% of these funds — we being the citizens of Florida. So that is why now is the time for us to do this,” said Mike McGraw, vice president of Florida Realtors. “We have continued to go to Tallahassee and ask for full

funding, and with this legislation we are now going to go and ask for full funding through the citizens through a ballot initiative.”

Florida's housing advocates and the Realtors Association, the state's largest trade association with over 200,000 members, opposed permanently siphoning money from the Sadowski trust, arguing that it would hurt the state's ability to build affordable homes and help renters become homeowners.

But Republicans who defended the plan pointed to a provision baked into the new law that would prohibit future sweeps of the fund and said the \$200 million retained for housing is more than what's been allocated before. In the past 20 years, Florida lawmakers have swept \$2.3 billion from the trust fund, more than a third of the amount collected by the tax on real estate transactions that fills it.

Still, leaders from the Florida Realtors Association said they believe the entire fund should be devoted to affordable housing, and on June 24 the group is launching a statewide campaign to educate voters about the amendment. The association has already set up a political committee with \$5 million in it called Floridians for Housing.

But housing groups haven't immediately thrown their support behind the amendment. Jaimie Ross said the Sadowski Coalition and Florida Housing Coalition have not taken a position yet.

Orlando Sentinel

Mark Hendrickson, executive director of the Florida Association of Local Housing Finance Authorities, said he was concerned about a detail in it that would mandate 65% of the trust be spent on “programs related to the purchase of affordable housing, rather than programs related to the rental of affordable housing.”

Hendrickson, who helped established the Sadowski trust in 1992, said it was intentionally set up so funding was equally distributed among programs for renters and homeowners, and he’s concerned about tipping the scales.

Currently, the Sadowski trust is primarily used for two programs: the State Apartment Incentive Loan Program, known as SAIL, and the State Housing Initiatives Partnership Program, which goes by SHIP. Between the two, money can be spent on down payment assistance and housing repairs for very low-income to moderate-income families, and also help provide low-interest loans for developers to build affordable apartments and special-needs housing as well as to rehabilitate rental units.

Allotting more of the trust for homeowners would be “a massive change,” Hendrickson said, noting that many of Florida’s elderly and disabled residents rent. So do many residents working in Central Florida’s tourism and service industries, who have long struggled to find affordable apartments.

The National Low Income Housing Coalition has found that Florida has a shortage of more than 300,000 affordable rental homes, and for an Orlando resident to afford a two-bedroom unit that costs \$1,248 per month, they would have to make \$23 an hour, or a \$47,840 yearly salary.

Hendrickson was also worried that if the amendment isn’t written clearly it’ll be easy to distort.

In 2018, for instance, the Florida Rights Restoration Coalition passed Amendment 4, which garnered 64% of the vote and gave back voting rights to ex-felons who had completed their sentences. But the following year, Republican legislators passed a law excluding those who owed fines or fees, keeping as many as 775,000 previously incarcerated residents from voting in the last presidential election.

Ultimately, Hendrickson said the Florida Association of Local Housing Finance Authorities cannot support the amendment because of those concerns. He also noted that the amendment is worded so the money funneled into the Sadowski trust would almost double from \$446 million to roughly \$845 million.

“We love affordable housing. It’s a passion. And having enshrined in the constitution funding for affordable housing, on its face, kind of seems like, ‘Wow, that would be really great!’ And yet when we look at the amendment as it’s written, I’m not so sure about this,” he said.

McGraw said he believes the amendment won’t be a polarizing issue. But Senate President Wilton Simpson and House Speaker Chris Sprowls, Republican leaders who unveiled the plan to divvy up the Sadowski fund as one of their top priorities, were quick to criticize the association’s effort.

“For years, the Florida Realtors Association has sought to protect the affordable housing trust fund from sweeps,” Sprowls said in an emailed statement. “Now that we’ve taken historic steps to meet that shared goal and protect hundreds of millions of dollars for affordable housing, all

Orlando Sentinel

while protecting our environment from challenges like water quality, sea level rise and flooding, the FRA is shifting its advocacy efforts to push a self-serving, special interest agenda that would enrich their organization at the expense of Florida's taxpayers and the health of our environment."

Simpson also defended lawmakers' decision to redirect Sadowski funds, saying in an emailed statement that "supporting affordable housing is about more than money flowing into a trust fund to build and sell new units."

He said: "Legislation we passed this session addresses affordable housing in a more comprehensive and meaningful way, while also protecting our environment."

Article last accessed on June 22, 2021 [here](#).