Housing Trust Funds: Getting Ready for the Florida 2012 Legislative Session

by Jaimie Ross and Mark Hendrickson

The 2012 Legislative Session begins January 10 and runs for 60 days. The Sadowski Coalition has one priority:

Use housing trust fund money solely for housing.

Contractors and subcontractors constitute a substantial number of those now unable to pay their mortgages or rent. But Florida has work for them to do. We have thousands of foreclosed and abandoned homes that are in need of rehabilitation; in need of all the skills they can provide. And we have the money to put them to work: We have approximately $116.6 million in dedicated revenue from Florida's state and local housing trust funds in fiscal year 2012-2013. If the Legislature appropriates that money for its intended purposes, it will create approximately 9,000 jobs and $900 million in economic activity.

The appropriation of the Sadowski housing trust funds for housing will create approximately 9,000 jobs and $900 million in economic activity.

Unemployment and underemployment in the construction industry are causing financial hardship for carpenters and painters, people who hang drywall, install roofs and plumbing, lay floors and wire electric. They have lost their jobs due to the downturn in new construction, a consequence of Florida's severe foreclosure crisis.

Housing rehabilitation, whether in the form of restoring vacant or abandoned single-family houses or preserving federally-subsidized apartments, creates as many or more jobs as new construction. While "job creation" is the claim du jour, the housing = jobs mantra began in 1991 for the Sadowski Coalition and the fact is that housing construction or rehabilitation creates more jobs per million dollars of state expenditure than any other program. The total economic impact is the leveraging of the housing trust fund money with private sector funds plus the economic multiplier effect—creating 77 jobs for every $1 million in trust fund dollars.

The state and local housing trust funds exist because industry groups, including the Florida Realtors and the Florida Home Builders Association, agreed to a legislative increase of the documentary stamp tax paid on all real estate transactions beginning in 1992, provided those funds would be dedicated for housing and that approximately 70 percent of those funds would flow directly to local jurisdictions for the State Housing Initiatives Partnership (SHIP) program.

The SHIP program has received no legislative appropriation of funds for the past three years because all the SHIP funds were swept into general revenue and used for purposes unrelated to housing. The SHIP offices received some funding through a distribution of other one-time funds by the Florida Housing Finance Corporation in July 2011, keeping afloat some SHIP offices that may otherwise have had to close.

Without the survival of SHIP offices, Florida communities will be ill equipped to respond to natural disasters. When federal hurricane assistance flowed into Florida's

Trey Price, Public Policy Representative with Florida Realtors, speaking at the Florida Housing Coalition Conference about the Realtors support of the SHIP program. The panel addressing advocacy from L to R: Kent Spuhler, Florida Legal Services; Alyce Gowdy Wright, Community Organizer; Suzanne Cabrera, Housing Leadership Council; and Jaimie Ross, 1000 Friends of Florida.

communities in the aftermath of five consecutive hurricanes, Florida's communities were able to get housing rehabilitated quickly and efficiently because of an operational SHIP program. While historically new construction oriented, SHIP is also flexible enough to change strategies during changing economic times. For example, in some of the areas hardest hit by unemployment in Florida, such as Kissimmee at over 12 percent unemployment, the Osceola SHIP office began using SHIP money to prevent foreclosures and homelessness for the underemployed work force, as well as down payment and closing cost assistance to get families into existing housing.

Using housing trust fund money for housing puts the "trust" back into trust funds, but it does more: It puts Florida's construction industry back to work and provides a much needed lift to our troubled real estate market. Economic recovery will only be further delayed by failing to appropriate housing trust fund money for housing, and Florida cannot afford to delay its economic recovery.

The Sadowski Coalition launched a website in November 2011 that provides facts and resources for housing advocates and the legislature. See ***www.sadowskicoalition.com*** **HNN**

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Sadowski Housing Coalition
Housing = Jobs

The Sadowski Housing Coalition is a nonpartisan collection of 24 statewide organizations. Currently, membership in the coalition ranges from business and industry groups to faith-based organizations, demonstrating a wide breadth of support across all industries in Florida. Sadowski Coalition members are:

Business / Industry Groups
- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Florida Realtors
- Florida Bankers Association
- Florida Chamber of Commerce
- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Retail Federation

Advocates for the Elderly
- AARP of Florida
- Florida Association of Homes and Services for the Aging

Planning / Growth Management Organizations
- 1000 Friends of Florida
- Florida Chapter of American Planning Association

Government
- Florida Association of Counties
- Florida Association of Local Housing Finance Authorities
- Florida Association of Housing and Redevelopment Officials
- Florida League of Cities

Social Services / Low Income Housing Advocates
- Florida Legal Services
- Florida Coalition for the Homeless
- Florida Housing Coalition
- Florida Supportive Housing Coalition
- United Way of Florida

Faith-Based Organizations
- Florida Catholic Conference
- Florida Impact
- Habitat for Humanity of Florida