

## Legislature Misses Opportunity to Do the Right Thing



by Jaimie Ross

**B**y the close of the 2013 Legislative Session, Florida lawmakers passed Senate Bill 1852, legislation that appropriated approximately \$200 million in Attorney General Mortgage Settlement funds. The Attorney General is to be commended for her leadership role in obtaining the

bank settlement and moreover for her insistence that the discretionary portion of the settlement funds was to be used only for housing related purposes. The Legislature is to be commended for using a portion of those funds for the State Apartment Incentive Loan Program (SAIL) and State Housing Initiative Partnership Program (SHIP).

But the missed opportunity of using the right pot of money for funding SAIL and SHIP is glaring. The Attorney General Settlement monies are one time funds; intended to supplement, not to supplant Florida's dedicated funding for SAIL and SHIP. The Florida legislature could and should have appropriated both the Attorney General Settlement funds and the Sadowski Affordable Housing Trust Funds for housing.

The state and local housing trust fund monies collected pursuant to a statutory dedication of a portion of the documentary stamp taxes (commonly known as the Sadowski Affordable Housing Trust Funds) had approximately \$204 million available for appropriation in the 2013 session. All those monies were swept to general revenue and in a year flush with general revenue such as this, can more accurately be described as swept into Florida's "rainy day fund." If the Legislature had used the housing trust funds for their intended purposes, lawmakers could have created more than 15,700 jobs and bolstered Florida's economy with more than \$1.5 billion in positive economic benefit in just one year.

During the past four years, lawmakers claimed that housing trust fund sweeps were not something they wanted to do, but something they needed to do, as they saw no alternative when faced with huge budget deficits and a constitutional duty to pass a balanced budget. For the first time in four years, Florida was enjoying a revenue surplus rather than a budget deficit, which made this year the ideal moment for lawmakers to put

the trust back into the housing trust funds and honor the purpose for which these tax dollars are collected.

Both SHIP at the local level and SAIL at the state level have a proven track record of success in assisting Floridian's with critical housing needs, including housing the working poor, low-income seniors, people with disabilities, and children. Florida's housing needs for the most vulnerable populations such as military veterans with disabilities and children are a national disgrace: we own the dubious distinction of having approximately 6,000 military veterans and more than 83,500 children who experience homelessness each year in Florida.

SHIP is a flexible program that operates at the retail level and provides funding to meet the specific needs of community residents, from people who are homeless to the moderate-income workforce. SHIP is dynamic enough to change strategies during changing economic times. SAIL funds can be used to create, rehabilitate, and preserve affordable apartments which might otherwise be lost; apartments that house Florida's most vulnerable populations, such as the frail elderly and persons with disabilities who would end up living in institutional settings without the preservation of their apartments. Establishing a dedicated revenue source to ensure that both SHIP and SAIL never lack the means to operate was the clear intention of the private sector support for the increase in documentary stamp tax that the Florida Legislature dedicated to the housing trust fund programs when it passed the William E. Sadowski Affordable Housing Act in 1992.

2013 should have been the year for no excuses when it came to using the state and local housing trust fund monies for housing. But the opportunity to camouflage the diversion of trust funds by the cover of Attorney General Settlement funds proved too great. Without another Attorney General Settlement next year and without a budget deficit, perhaps the Legislature will do the right thing. Florida will still have an ever increasing and critical need to assist its residents in desperate need of housing and an economy in desperate need of the jobs that are created when monies are expended on housing. We cannot afford to miss this opportunity again. [HNN](#)