



FLORIDA'S SADOWSKI/WORKFORCE HOUSING COALITION CALLS FOR A REPEAL OF THE CAP ON HOUSING TRUST FUNDS SCHEDULED FOR FY07-08

1. The Florida Legislature enacted a dedicated revenue source for affordable housing, known as the William E. Sadowski Affordable Housing Act. The funding was deliberately tied to documentary tax revenues so that as real estate costs and population increases drove up doc stamp receipts, the monies available for housing would increase proportionately.
2. Sadowski Act monies are statutorily dedicated by formula to the state and local housing trust funds with 70% of the revenue dedicated to local governments through the SHIP program and 30% of the revenue dedicated to the state to fund successful programs such as SAIL and HAP.
3. The Florida Legislature has closely scrutinized both the state and local housing trust funds and Florida's housing programs. These reviews have shown that Sadowski Act monies have been an unequivocal success in promoting home ownership, building quality rental housing, leveraging public dollars with private investments, and providing an economic boost to Florida far in excess of the amount of funds appropriated for housing.
4. Additionally, the current shortage of affordable housing for our workforce as well as hurricane damage has led to the new CWHIP and hurricane recovery housing programs, which are funded from the Housing Trust Funds.
5. Between ongoing successful programs such as SHIP and SAIL, the new CWHIP Program, and hurricane housing recovery, the Legislature appropriated \$433 to \$443 million each of the past two years. Combined with increasing need to serve additional segments of the workforce, the need for housing funding will far exceed the \$500-\$600 million per year that is being distributed to the trust funds currently.
6. Beginning in FY07-08, the doc stamp distributions into the housing trust funds will be reduced to \$243 million per year. At that time, we will be faced with attempting to force \$500-\$600 million or more of housing funding under that cap—a train wreck in the making.
7. Unlike many a crisis, Florida prepared for this one by creating an effective housing funding system. The Housing Trust Funds were designed to have more money available when housing costs escalated. Coupled with our innovative housing programs, we have enough resources to address the housing crisis—but only if the cap is repealed.

