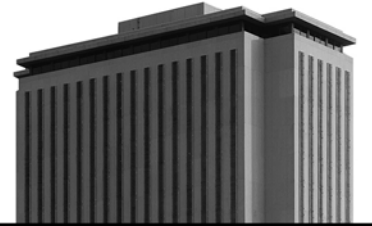




LEGISLATIVE ISSUE BRIEFS



Affordable Housing Trust Funds

The Florida League of Cities will support legislation that reauthorizes the Sadowski Affordable Housing Trust Funds, preserves the dedicated documentary stamp fee as the Trust Funds funding source and removes the legislative cap on fund distribution. The Florida League of Cities will oppose any action that diverts any of these funds and that does not meet the state's affordable housing needs.

Background:

In 1992, the Florida Legislature enacted in statute the Sadowski Act, a dedicated revenue source for affordable housing. The source of funding is the documentary stamp tax collected on the transfer of real property in Florida. The Act creates two separate trust funds under the umbrella of the affordable housing trust; the State Housing Trust Fund that funds housing programs statewide and the State Apartment Incentive Loan program (SAIL) and the Local Government Housing Trust Fund that funds the State Housing Initiatives Program (SHIP) that is implemented at the discretion of local governments in all 67 counties and 48 entitlement cities. The funding for the Affordable Housing Trust Funds was purposefully linked to documentary stamp collections so trust fund dollars would increase as real estate costs escalated, thus providing more affordable housing funding when it was most needed.

In 2005, the Legislature enacted a \$247 million cap on the affordable housing trust fund distribution that started this fiscal year. This will negatively impact housing development and the future of public private partnerships. 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. Additionally, the current shortage of affordable housing for our workforce is having a negative impact on business creation and expansion, and has placed many critical professions out of the home purchasing market.

The Florida Legislature will review both the state and local housing trust funds as a part of the sunset requirement in 2008. This review will determine if the Sadowski Trust Fund should continue. These actions result in the Municipal Service Delivery Council proposing the above priority statement to support the reauthorization and repeal the cap on fund distribution.

Status:

To date, the Governor has published his Proposed Budget recommendations and approximately 15 bills have been filed to address several aspects of affordable housing. Provided below is a brief comparison of the Governor's proposed budget recommendations for affordable housing and short summaries of key affordable housing legislation:

Governor's Proposed Budget for Affordable Housing

Housing Program Funding Analysis (02/04/08)	FY07-08 Funding Level—Actual	Governor's Proposed FY08-09 Funding Level	+/-
Total Available for Appropriation	\$709,000,000	\$562,600,000	
TOTAL APPROPRIATED	\$390,800,000	\$318,236,500	-\$72,563,500 or -18.6%
Swept to General Revenue	None	\$180,000,000	
TRUST FUND MONIES NOT APPROPRIATED	\$318,200,000	\$ 64,363,500	

Key Affordable Housing Bills

Cap Repeal Bills

SB 74 (Geller) (King) & HB 5 (Saunders) Repeal Affordable Housing Trust Fund

Repeal cap

SB 80 (Wilson) Repeal

Repeal cal & requires 90% yearly distribution

SHIP Program Enhancements

HB 699 (Aubuchon) & SB 482 or 484 (Garcia) SHIP

SHIP program changes to reporting; grant amounts

DCA Growth Management w Affordable Housing Component

SB 482 or 484 (Garcia) Growth Management (No H. Companion)

Other Bills

HB 431 (Fitzgerald) & SB 796 (Bennett) Affordable Housing

Different assessment for land of Community Land Trust and property developed with Low Income Tax Credits

HB 561(Vana) Affordable Housing for Senior's (No S. Companion)

Requires that Senior Housing be included in the Housing Element of Comprehensive Plans

SB 1020 (Geller) Affordable Housing for Veterans (No H. Companion) \$20M

Increase amount of doc stamp to fund loans to Veterans under the Housing Assistance Program

SB 1362 (Fasano) Housing Preservation Program (No H. Companion) \$50M

Provide loans to rehab multifamily buildings older than 15 years & Mobile Homes of Extremely Low Income persons

Contact: Desinda "Dee" Wood-Carper

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