



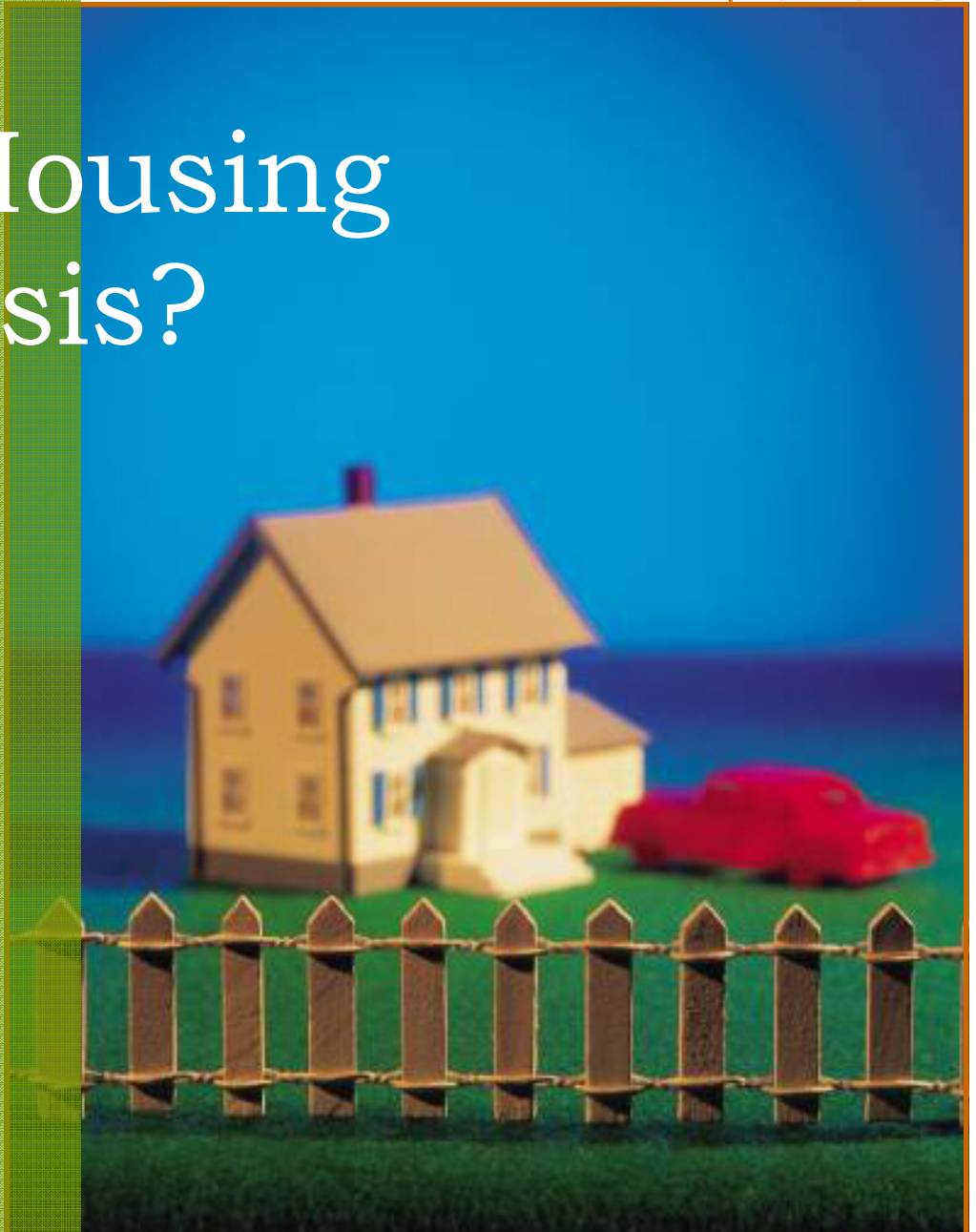
# Florida Impact

*Mobilizing Communities Against Hunger and Poverty*

# Update

## 2006

## What Housing Crisis?



*A report on Legislative Action on Issues of Economic Justice*

# What Housing Crisis?

In effect, the House Fiscal Council and Senate Governmental Oversight and Productivity Committee dangled sets of keys before prospective home buyers in the future and then tossed them out of reach.

Orlando Sentinel editorial, April 23, 2006

## Doing the Math

- Statewide in Florida, the median price for a single-family home is \$250,500—an increase of 77% in the last three years. During the same period, the median family income increased 1.4% to \$52,550.
- There were over 20 bills introduced in the Florida Legislature related to affordable housing.
- The state collected \$7 billion more in sales tax revenue than had been anticipated.
- There was \$940 million available in the FY06-07 Affordable Housing Trust Funds.

And yet . . . the 2006 Florida Legislature failed to lift the cap on Affordable Housing Trust Fund expenditures for FY2006-07. The 2007 Florida Legislature with a new Governor will have one more opportunity to “scrap the cap” before it takes effect July 2007.

At the beginning of the 2006 Florida Legislature, Representative Mike Davis (R-Naples) and Senator Mike Bennett (R-Bradenton) led a charge of legislators to “Scrap the Cap” on the housing trust fund and authorize full funding for housing programs. Advocates pushed for \$940 million in FY06-07, and \$500-\$600 million in FY07-08 and the years after that. The Legislative Committee on Intergovernmental Relations sent a letter to the Governor, Senate President, Speaker of the House, and Chairs of the Senate and House appropriations committees "requesting the elimination of caps on distributions to the Sadowski Trust Funds and . . . to appropriate all funds within the Trust Funds, including those funds that remain un-appropriated to local governments to address affordable housing in their communities". All but one (from the Governor's Office) of the Committee's 15 members voted for the recommendation.

Governor Bush said the cap was necessary to maintain "executive power over the budget" and to ensure spending is determined by need—not when money is available. He recommended the state spend \$545 million in his budget proposal for next year.

Davis' 76-page House Bill 1363 included \$20 million for teachers to access the Florida Homeownership Assistance Program (HAP) and \$32 million for extremely low income housing units. Bennett's 97-page Senate Bill 132 was similar to HB1363 but also required local governments to identify surplus lands and, where appropriate, make them available for affordable housing. It authorized local governments and special districts to provide housing assistance to employees. It created a Community Workforce Innovation Program for what it termed essential personnel -- teachers, law enforcement, firefighters and nurses -- in high-cost counties, and it increased income thresholds governing home ownership programs and raised the percentage of the home purchase price eligible for assistance.

Despite the volume of bills circulating, HB1363 and SB132 were the viable "omnibus" housing bills. Both included removal of the cap on housing trust funds and . . .

- created a new Community Workforce Housing Innovation Program (CWHIP) targeted to essential workers earning up to 150% of median income;
- implemented and funded an extremely low income component of the SAIL Program;
- made technical improvements to both SAIL and HAP;
- made changes to the law to ensure that rent-restricted properties would be properly assessed for ad valorem taxation purposes; and
- made a myriad of other changes relative to affordable housing.

In the final analysis, it came down to a lack of support from the legislative leadership. Florida House Speaker Allan Bense said he didn't "want to just throw money at an issue to make everyone feel good." But back in 2003, the House Select Committee on Affordable Housing reported the Sadowski-funded housing programs proved to be creative, flexible, and efficient--highly leveraging public dollars to produce housing throughout the state serving the target populations. By design there is a direct nexus between the higher collection of doc stamps as real estate prices rise and the need for trust fund dollars to close the gap between what Floridians can afford and the cost of housing.

## The Final Housing Budget

Program	Funding Level (from State and Local Housing Trust Funds)
Florida Housing (SAIL, HAP, PLP, Catalyst Training & Technical Assistance, & Guaranty Fund)	\$ 70,500,000
SHIP	\$166,400,000
SHIP Monitoring	\$200,000
Homeless	\$7,900,000
Hurricane Rental (RRLP)	\$92,900,000
Hurricane Farm Worker & Special Housing	\$15,000,000
Hurricane Training & TA	\$100,000
CWHIP	\$50,000,000
Extremely Low Income (ELI)	\$30,000,000
<b>TOTAL APPROPRIATED</b>	<b>\$433,000,000</b>
Total Available for Appropriation	\$940,000,000
<b>TRUST FUND MONIES NOT APPROPRIATED</b>	<b>\$507,000,000</b>

## A message from the Executive Director

**Update 2006** is one of many initiatives Florida Impact undertakes each year to assist, inform, and help bring about changes that will reduce poverty and hunger in our state. The support of friends like you is essential to the success of these initiatives. You can give that support in several ways. You can encourage our efforts by acting on the information we provide – for example, through your calls to legislators or enlistment of your congregation in the work of Impact. You also can support our efforts directly.

First, we ask that you consider a financial contribution. Through our work, we will help you “cast your bread upon the waters . . .” and provide real returns as we advocate for justice and compassion in Florida communities and before the Florida Legislature. Please respond today with your tax-deductible gift to Florida Impact.

With this contribution, please update your address and telephone information and provide an email address (if you have one) for Impact’s plan to make more efficient use of electronic communications in the 2007 Florida legislative session *and* to provide information about policies and budget priorities in the U.S. Congress.

*Debra A. Susie, Ph.D.*

**Florida Impact is a 501c3 organization (Federal ID#59-2859151).  
Please send your check to 345 South Magnolia Drive, #E11  
Tallahassee FL 32301**

345 S. Magnolia Drive, Suite E-11  
Tallahassee FL 32301  
*Mobilizing Communities  
Against Hunger and Poverty*

**Florida**  
**Impact**

NONPROFIT ORG.  
U.S. Postage  
PAID  
Tallahassee, FL  
Permit NO. 187