Restore and Protect Florida’s Housing Trust Funds

**Background:** The Sadowski Act, passed in 1992, increased the doc stamp tax paid on all real estate transactions and placed these monies in a dedicated state and local housing trust fund. Seventy percent of monies go to the Local Government Housing Trust Fund for the State Housing Initiatives Partnership (SHIP) program, which funds housing programs in all 67 counties and larger cities. The remaining 30% of monies go to the State Housing Trust Fund for Florida Housing Finance Corporation programs such as the State Apartment Incentive Loan (SAIL) program.

In Flagler County, SHIP funds are used for repair of existing housing stock to allow seniors to age in place and to provide retrofitting of persons with special needs or disaster assistance for critical home repairs. Flagler County assisted 60 families after hurricanes Matthew and Irma, and provided first-time homeownership with down payment and closing cost assistance, as well as preservation of existing housing. SHIP funds are strongly leveraged, with private sector loans and equity providing $5 for every $1 of SHIP funds in Flagler County. In addition, SHIP funds can be leveraged with federal funding such as the Community Development Block Grant, Low Income Housing Tax Credit and the most recent COVID-19 SHIP funds for rent and mortgage assistance. Flagler County assisted 25 households using COVID-19 related SHIP funds.

Affordable housing needs in the community are greater than ever. According to the University of Florida Shimberg Center for Housing Studies:

- 18,247 households in Flagler County (46%) are headed by a person age 65 or older in 2018 (in comparison, 30.1% of households’ statewide average). Of these 8,211 elderly households (36%) pay more than 30% of income for rent or mortgage costs.
- 13,409 households in Flagler County (34%) are cost-burdened, paying more than 30% of income for housing, of which 6,051 households pay more than 50% of their income for housing.

Affordable housing continues to be out of reach for many residents due to high rents, low wages and the lack of affordable rental homes. According to the National Low Income Housing Coalition, a local worker must earn at least $21.56 per hour to afford a 2-bedroom apartment at the Fair Market Rent of $1,121/month in Flagler County, but the average wage of a renter in Flagler County is only $12.79 per hour. Furthermore, there are only 490 affordable rental units in Flagler County with each property having long wait lists.

Our community cannot afford to see continued cuts in SHIP funding. In 2018 and 2019, Flagler County received only $350,000. If the SHIP program had been fully funded in 2021, Flagler County would have received $1.2m. Unfortunately, because of COVID-19 these funds were vetoed from the State Budget. Full funding of the state and local housing trust funds is more critical as federal funding for housing continues to decrease and the 2017 Tax Cut and Jobs Act has discouraged corporations from investing in tax credits in the Low Income Housing Tax Credit program, the largest federal program for creating and preserving affordable housing.

**Requested Action:** Urge the Florida Legislature to use ALL of Florida’s housing trust fund monies for Florida’s housing programs and stop the sweep of the housing trust funds.

**Effect:** Using Florida’s housing funds solely for housing creates a positive economic impact for Florida by fueling economic development, creating jobs, investing in our local communities, and contributing to the well-being of Florida’s families, veterans, elderly, persons with disabilities, persons experiencing homelessness and deserving Floridians in need across the State. Allow the housing trust funds to be used for its intended purpose for which it was created by the Sadowski Act – HOUSING – and help our lower-income seniors, families, and workforce find and keep their home in Flagler County.