

POLICY BACKGROUND:

REAL ESTATE & HOUSING

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Topics covered in this background:

- Affordable Housing
- The Sadowski Act
- 2021 Doc Stamp Shift
- Adequate Housing Stock
- Surfside Condo Collapse
- Real Estate and Development
- The Law
- Other Recent Legislation
- Additional Reading
- Recent News

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Affordable Housing

According to the [Florida Housing Coalition](#), the state has the third-highest homeless population of any state in the nation, with more than 25,000 people living in shelters or on the streets.

Government funding to help people pay for housing [goes back to the 1930s](#), mostly through federal assistance programs [created during the New Deal](#). Florida's modern effort to address the availability of affordable housing began in the early 1980s with the creation of the Florida Housing Finance Agency, or FHFA, in the Department of Community Affairs to increase the availability of affordable housing by steering federal money toward Florida projects. In 1997, [the Legislature replaced the agency](#) with the [Florida Housing Finance Corporation](#), a public corporation run by the state, with the same mission. The corporation is governed by [a board, appointed by the governor](#), subject to Senate confirmation. The corporation now exists within the Department of Economic Opportunity.

The Sadowski Act

After decades of mostly investing in affordable housing by directing federal money toward the problem, the Florida Legislature began appropriating some funding for state housing programs in the late 1980s. And in 1992, lawmakers created what they envisioned as a permanent dedicated source of funding for affordable housing when they passed the William E. Sadowski Affordable Housing Act. Under [the Sadowski Act](#), a certain amount of money from a tax on real estate transactions - the documentary stamp tax - must go every year into a couple of different trust funds that support affordable housing programs, the Local Government Housing Trust Fund and the State Housing Trust Fund.

While Sadowski Act money is supposed to be earmarked for the housing trust funds, [lawmakers in the past sometimes have "swept" trust funds](#), meaning they diverted the

money to general revenue to be used for some other purpose. (For a historical look at collections, appropriations and sweeps from housing trust funds, see the [Senate Community Affairs Committee Staff Analysis](#) of [SB 874](#) from 2018. That measure, which didn't pass, sought to exempt the State Housing Trust Fund and the Local Government Housing Trust Fund from the part of the law that allows the Legislature to transfer unappropriated cash balances to the Budget Stabilization Fund and General Revenue Fund.)

Sadowski Act funds support [several state and local programs](#), with one of the main ones being the State Housing Initiatives Partnership (SHIP) Program, which gets about two-thirds of the funding. That program sends money to local governments to create and subsidize low and moderate-income housing.

In 2020, the SHIP program looked as if it would be fully funded, with the Legislature deciding against trust fund sweeps that have disappointed housing activists in other years. But near the end of the legislative session, the seriousness of the financial crisis that would result from the COVID pandemic began to become clear, and Gov. Ron DeSantis [vetoed the entire \\$225 million allocated for SHIP projects](#), though he attempted to reduce the impact of the move by earmarking federal pandemic assistance money toward affordable housing. Housing advocates were also relieved that [the veto merely put the money back into the Sadowski trust fund](#), leaving it unspent and potentially available for housing programs at a later date.

2021 Doc Stamp Shift; End of Sweeps?

In 2021, House and Senate leaders [announced a plan](#) to [shift some money that normally has gone to the Sadowski Fund to instead pay for infrastructure improvements related to sea level rise](#) resulting from climate change. The plan initially drew [criticism from advocates](#) for regular housing set-asides, [some of whom opposed](#) the idea, saying it essentially made the annual legislative sweeps of the fund permanent.

But proponents made the measure palatable to affordable housing advocates by

including a section preventing additional sweeps of the newly-codified earmarked amount for housing, creating, they argued, a minimum expenditure requirement for housing where none previously existed. Lawmakers eventually settled on [a plan](#) carried out in the budget and two conforming bills ([SB 2512](#), [SB 2514](#)) that sent [\\$200 million toward affordable housing programs, with about \\$111 million going to sea-level rise mitigation and another \\$111 million to wastewater infrastructure grants](#). Lawmakers noted the \$200 million for housing was more than the Legislature has typically spent on such programs. Housing advocates didn't support cutting the amount available for housing programs in half, but some did praise the compromise, acknowledging the new statute will stop the trust fund sweeps, providing a guaranteed recurring source of revenue for housing initiatives. In its year-end legislative wrap-up, [The Florida Housing Coalition](#) noted that even though the amount of money earmarked for housing programs was cut in half, the original amount was rarely actually made available for the intended purpose. Florida Realtors, however, were [pushing in the summer of 2021 a ballot initiative](#) in a bid to restore the earlier funding for the housing programs.

Adequate Housing Stock

Housing advocates worry that parts of the state - especially South Florida - are particularly vulnerable to damage from potentially increasing storm severity and frequency. [The Miami Herald noted](#) in 2020 that roughly 70% of Miami-Dade County's more than 1 million homes, condos and townhomes were built before 1990, two years before Miami-Dade and Broward counties adopted a stricter ["High-Velocity Hurricane Zone"](#) building code standard after Hurricane Andrew. Bringing all that housing stock up to code would cost billions of dollars. And more than 30% of the county's renters live in storm-vulnerable housing, the report said.

Surfside Condo Collapse

In the summer of 2021, the question of safe housing stock got more attention when a 40-year-old, 12-story beachfront condo tower just north of Miami Beach, the Champlain Towers South, [partially collapsed to the ground in the middle of the night](#), killing 98

people. While the exact factors that caused the collapse were expected to take months to determine, several local communities around the state began immediately to look at whether older buildings needed to be inspected more often, and lawmakers began discussing whether building safety changes might be needed in light of the collapse.

Real Estate and Development

For background on Florida's land use and development policy and laws, see the [LobbyTools Florida Land Use and Development Backgrounder](#).

The Law

Housing laws, including those spelling out a state housing strategy and the law creating and governing the Florida Housing Finance Corporation, are in [Florida Statutes, Chapter 420](#).

Other Recent Legislation

2021

A wide-ranging Department of Financial Services agency bill that included a broad swath of changes to the law on several subjects made one change that was sought by apartment owners and the Florida Apartment Association. The measure ([HB 1209](#)) included a section that extends the deadline for apartment building owners to comply with upgrades to systems inside the building that allow firefighters to more easily communicate through their radios when working in high-rises.

The catch-all tax bill ([HB 7061](#)) passed in 2021, which among other things provided for back-to-school and disaster preparedness tax breaks, also had a provision that increases the property tax discount for multi-unit affordable housing from 50% to 100%.

Additional Reading

[Florida Housing Coalition 2021 Legislative Wrap Up](#)

Recent News

["Florida Realtors Launch Ballot Initiative to Restore Affordable Housing Trust Fund,"](#)
Orlando Sentinel, 6-18-2021

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