

Meeting Date: September 22, 2009

Agenda Item 10

REQUESTED COMMISSION ACTION:

 Consent Ordinance X Resolution Consideration Workshop

SHORT TITLE OR MOTION: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA
SUPPORTING ELIMINATION OF THE CAP ON THE STATE AND LOCAL HOUSING TRUST FUNDS
(HOUSING TRUST FUNDS) AND SUPPORTING FULL APPROPRIATION OF THE HOUSING TRUST
FUNDS FOR HOUSING PROGRAMS; PROVIDING AN EFFECTIVE DATE.

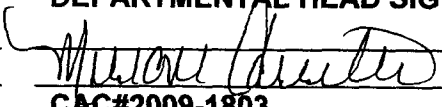
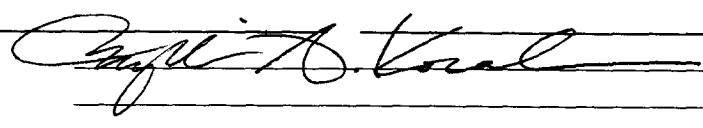
Summary of Purpose and Why:

The Sadowski Workforce Housing Coalition is calling upon the 2009 State Legislature to restore the Sadowski Act to its original structure by repealing the cap because:

- ✓ Repealing the cap on the Sadowski state and local housing trust funds will have NO revenue impact on the state of Florida. Because real estate transactions and the cost of housing are down, the collections projected for FY 2009-10 and FY 2010-2011 are less than the amount of the cap.
- ✓ Repealing the cap will restore the "trust" in the state and local housing trust funds.
- ✓ With the cap lifted, the Sadowski Act can return to its intended function- to generate revenues from the rise in the real estate market. As Florida's future economy revives, we can get back to fueling Florida's economic engine—the housing industry.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

- (1) Origin of request for this action: Office of Housing and Urban Improvement
- (2) Primary staff contact: Miriam Carrillo, OHUI Interim Director 954 786-4656
Alex Medina, Program Administrator 954 545-7787
- (3) Expiration of contract, if applicable: _____
- (4) Fiscal impact and source of funding: None

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	DEPARTMENTAL HEAD SIGNATURE
OHUI	09/08/2009	Approved	
City Attorney	08/05/2009	Approved	CAC#2009-1803
<u> X </u> Interim City Manager			

ACTION TAKEN BY COMMISSION:

<u>Ordinance</u>	<u>Resolution</u>	<u>Consideration</u>	<u>Workshop</u>
1st Reading	1st Reading	Results:	Results:
_____	_____	_____	_____
2nd Reading			
_____	_____	_____	_____
_____	_____	_____	_____



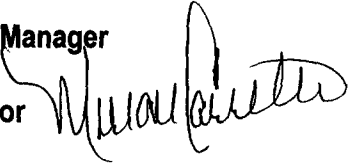
**City of Pompano Beach
Office of Housing and Urban Improvement**

Memorandum No. 09-120

MEMORANDUM

Date: September 16, 2009

To: Phyllis A. Korab, Interim City Manager

From: Miriam Carrillo, Interim Director 

Re: Agenda Item – Resolution Supporting the Cap on Housing Trust Funds

Attached for the City Commission's approval is a Resolution of the City of Pompano Beach Supporting Elimination of the Cap on the State and Local Housing Trust Funds and Supporting Full Appropriation of the Housing Trust Funds for Housing Programs.

The William E. Sadowski Affordable Housing Act (the Sadowski Act), enacted in 1992, created a dedicated revenue source for affordable housing by increasing the documentary stamp tax paid on all real estate transactions and dedicating that increase in taxes to the State and Local Housing Trust Funds.

This increase in doc stamp taxes was supported by the Sadowski Coalition, (now known as the Sadowski Workforce Housing Coalition) which is a diverse collection of interests representing the housing industry, business interest, low income advocates, state and local governments, faith based organizations, advocates for the elderly, and growth management.

The documentary stamp tax was the vehicle used to fund the state and local housing trust funds because of the nexus between the cost of housing and the need for housing assistance for very low, low, and moderate income Floridians. As real estate prices rise, the collection of doc stamps increases. This increase in collections can then be used to fill the gap between what market rate housing costs to buy or rent and what very low to moderate income Floridian's can afford to pay.

When the Florida real estate market was on the rise, the collection in doc stamps also rose. But instead of using the increase in trust fund dollars to fill the housing gap, monies were left un-appropriated and the trust funds were "capped" at approximately \$243 million annually beginning in 2007.

The Sadowski Workforce Housing Coalition is calling upon the 2009 Legislature to restore the Sadowski Act to its original structure by repealing the cap.

- ✓ ***Repealing the cap on the Sadowski state and local housing trust funds will have NO revenue impact on the state of Florida. Because real estate transactions and the cost of housing are down, the collections projected for FY 2009-10 and FY 2010-2011 are less than the amount of the cap.***
- ✓ ***Repealing the cap will restore the “trust” in the state and local housing trust funds.***
- ✓ ***With the cap lifted, the Sadowski Act can return to its intended function- to generate revenues from the rise in the real estate market. As Florida’s future economy revives, we can get back to fueling Florida’s economic engine—the housing industry.***

If you need any additional information, please contact me at 954-786-4656.

CITY OF POMPANO BEACH
Broward County, Florida

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, SUPPORTING ELIMINATION OF THE CAP ON THE STATE AND LOCAL HOUSING TRUST FUNDS (HOUSING TRUST FUNDS) AND SUPPORTING FULL APPROPRIATION OF THE HOUSING TRUST FUNDS FOR HOUSING PROGRAMS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pompano Beach has an obligation to provide for the housing needs of its current and anticipated populations and assisting lower income families is dependent upon sufficient housing assistance from federal and state programs; and

WHEREAS, the William E. Sadowski Affordable Housing Act of 1992 created a dedicated revenue source for the state and local housing trust funds expressly and specifically to fund state and local housing programs that assist local governments in meeting the housing needs of its population; and

WHEREAS, the Legislature enacted a cap on the Housing Trust Funds of approximately \$243 million per year, beginning in Fiscal Year 2007-2008; and

WHEREAS, this cap is currently higher than the projected revenue for the Housing Trust Funds for fiscal years 2010-2011, 2011-2012, and 2012-2013, and therefore removal of the cap would have no negative fiscal impact on the state budget; and

WHEREAS, housing trust fund monies are the single greatest boost to the economy, providing \$7.66 million of economic impact for every \$1 million of state funding, and full appropriation of housing trust fund monies is critically needed to stimulate our local and state economy; and

WHEREAS, the unmet housing needs of low income Floridians is substantial and the downturn in the real estate market creates opportunities for acquiring, constructing, rehabilitating, and preserving housing to meet these needs, and these opportunities are lost without Housing Trust fund monies; now, therefore,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That the foregoing clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

SECTION 2. That the City of Pompano Beach supports repeal of the cap on the Housing Trust Funds, and urges the Governor and Legislature to adopt statutory changes during the 2010 Legislative Session to repeal the cap.

SECTION 3. That the City of Pompano Beach supports full appropriation of housing trust fund monies for housing in the Fiscal Year 2010-2011 Budget.

SECTION 4. That the appropriate City officials are authorized to do all things necessary and expedient to carry out the provisions of this Resolution.

SECTION 5. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this _____ day of _____, 2009.

LAMAR FISHER, MAYOR

ATTEST:

MARY L. CHAMBERS, CITY CLERK

GBL/jrm
8/5/09
l:reso/2009-292