



William E. Sadowski Affordable Housing Act

Landmark Legislation to Create Housing and Employment and to Revitalize Communities

In 1992, the Florida Legislature adopted an extraordinary piece of legislation: The William E. Sadowski Affordable Housing Act. The Sadowski Act is of enormous significance, in that it provides both the funding mechanism for a dedicated source of revenue for state and local housing programs and a flexible but accountable framework for local programs that stimulates local economies.

The Sadowski Act was wholeheartedly supported by a broad base of bipartisan and divergent interests including home builders, real estate professional, growth management advocates, government agencies, and low-income housing advocates. Home builders liked that it created jobs, realtors liked that it created home ownership, local governments liked that it provided for flexible and local decision making powers, and everyone liked that it targeted low and very low-income households while leveraging public resources.

The Act establishes a dedicated revenue source for affordable housing, with two phases for funding implementation:

- A ten-cent increase to the documentary stamp tax paid on the transfer of real estate beginning August 1992, and
- A reallocation of an additional ten cents of existing documentary stamp tax revenues from general revenue, beginning July 1995.

In 2000, the Sadowski Act generated over \$175 million in state funds, and leveraged more than \$2 billion in private and federal funding for affordable housing in Florida. Additionally, over \$185 million of dedicated revenue was available for affordable housing in 2001 because of the Sadowski Act. In fiscal year 2002-2003, some \$250 million of dedicated revenue will be available.

The Sadowski Act provides funding for several existing state affordable housing programs including the Housing Predevelopment Loan Program (PLP), the State Apartment Incentive Loan (SAIL) Program, and the Florida Homeownership Assistance Program (HAP). Several new state affordable housing initiatives were also established, such as the Low-Income Emergency Home Repair Program, the HOME Investment Partnerships Program, the HOPE Program, the Florida Affordable Housing Guarantee Program, the Affordable Housing Catalyst Program for Technical Assistance and Training, and SHIP.

