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# Budget Cuts Likely Doom New Homes for Fla.'s Poor

**Estimated 6,000 families affected; land, plans were in place.**

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MIAMI | Sugar cookies - the kind made with cookie cutters and decorated with sprinkles. That's what Carol Ayala had hoped to bake with her four children in the kitchen of her new apartment.

For the past nine months her family has been eating in a communal dining room at a shelter. With her own kitchen, Ayala planned to warm milk for her kids before bedtime and cook rice and beans.

But the complex with the 3-bedroom apartment she's been waiting for may never be built. It's one of more than 50 new affordable housing complexes statewide that could be shelved because of the state's recent round of budget cuts.

The cuts lawmakers made balancing the state's budget in January will drain nearly all the money they had promised to help construct affordable housing - where rents are based on a person's income and far below market rate. By one estimate, the budget revisions Gov. Charlie Crist signed last week endanger housing that would have sheltered some 6,000 families like the Ayalas.

"I try to make it good for them, make it fun for them," said Ayala, 31, a victim of domestic violence whose four children ages 7 and under are living with her in a Miami shelter. "It's not the same as having your own place."

## **PLANS SCRAPPED**

Developers had already made plans based on the promised awards from the state: hiring architects, drawing up plans and buying land. They were counting on the cash to build rental townhouses for farmworkers in the center of the state, a 6-

story high-rise for the elderly in South Florida and a complex for teachers and firefighters built around a refurbished Coca-Cola bottling plant in Tallahassee, among other projects.

The projects aren't completely state funded, but without the 20 to 25 percent of the money the state provides, they won't have enough money to continue even though many have put \$1 million or more into projects.

And that leaves developers and people like Ayala wondering what happens next.

Right now the place Ayala dreamed of living is just an empty, weed-filled lot facing busy NW 54th Street in Miami's Liberty City neighborhood. But developers had been readying to break ground on an eight-story, 90-apartment high-rise in sandstone colors, with palm trees out front. In one of the poorest sections of the city, the residents would share a gym, computer room and library. For Ayala, who has a job at a store that sells beachwear, rent might be \$200-\$300 a month. The project's developer and manager, Carrfour Supportive Housing, says it has hundreds of people waiting for apartments at its properties.

The lists could grow longer in Florida if the economy worsens, and other states may look at cutting affordable housing, too, as lawmakers begin to craft next year's budgets. Though affordable housing dollars are only a small part of states' budgets and not likely to generate a lot of money if cut, at least half of all states will have to make do with less money this year and will be looking carefully at their budgets, according to the National Conference of State Legislatures.

## **GLUT OF HOUSING**

In Florida, some legislators argued that cutting housing made the most sense. That's because the state has a glut of available homes and apartments, including foreclosures, so lawmakers argued that paying for new construction wasn't reasonable. The average price a foreclosure sold in Florida is \$154,984 according to the California-based foreclosure listing firm RealtyTrac, meaning someone would have to pay around \$850 a month with no money down for a 30-year mortgage at current interest rates.

But developers say that many of the people they serve have dismal credit scores or simply can't afford a down payment. They say stopping construction is shortsighted with the economy still struggling and that new construction would help by creating construction jobs.

## **TWO PROGRAMS**

Two state programs will be affected by the Legislature's cut. The first program provides money for the construction of affordable rentals. The second, a pilot program created in 2007, awards money to projects that create housing specifically for teachers, health care workers and law enforcement officers.

Between the two programs the state has promised about \$240 million. About 80 percent of those dollars, \$190 million, now have to be returned to the state.

It's unclear how many developments will be affected by the cuts. Some projects approved in 2004 still aren't under construction, so it's possible some projects promised funding have stalled and wouldn't be built anyway.

"Some will go forward," Stephen Auger, the head of the Florida Housing Finance Corporation, the state agency that oversees the two programs affected by the cut. "Hopefully we can find a way to not have to take money away from those that serve the neediest people."

Auger said he hopes by mid-March to have criteria to decide which projects will get their awards revoked and which will keep their funding. Developers will have to show how ready to start construction they are and make the best case to keep their awards.

Tallahassee developer Dan Winchester says he's ready to fight for his project, which would have 42-units set aside for teachers, health care workers and law enforcement officers within walking distance of the Capitol.

He has a letter that begins "Congratulations!" telling him the state would give him \$5 million of his project's \$12 million cost. And he has slick renderings of the buildings on the site - how architects would turn a historic brick Coca-Cola bottling plant into a community center surrounded by apartments.

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