

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

Bill No. 1009

**COUNCIL/COMMITTEE ACTION**

ADOPTED	<u>      </u>	(Y/N)
ADOPTED AS AMENDED	<u>      </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>      </u>	(Y/N)
FAILED TO ADOPT	<u>      </u>	(Y/N)
WITHDRAWN	<u>      </u>	(Y/N)
OTHER	<u>      </u>	

**Council/Committee hearing bill:** Military & Local Affairs Policy

Committee

The Military & Local Affairs Policy Committee offered the following:

**Proposed Council Substitute**

Remove the entire bill and insert:

A bill to be entitled

An act relating to affordable housing; amending s. 420.0003, F.S.; providing additional policy guidelines under the state housing strategy for the development of programs for housing production or rehabilitation; including the needs of persons with special needs in the strategy's periodic review and report; amending s. 420.0004, F.S.; defining the terms "disabling condition" and "person with special needs"; conforming cross-references; amending 420.507, F.S.; including persons with special needs as a tenant group for specified purposes of the State Apartment Incentive Loan Program; conforming cross-references; amending s. 420.5087, F.S.; including persons with special needs as a tenant group for specified purposes of the State Apartment Incentive Loan Program; providing an effective date.

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

24 Section 1. Paragraph (e) of subsection (3) and paragraph (c) of  
25 subsection (4) of section 420.0003, Florida Statutes, are  
26 amended to read:

27 3) POLICIES.—

28 e) Housing production or rehabilitation programs.—New  
29 programs for housing production or rehabilitation shall be  
30 developed in accordance with the following general guidelines as  
31 appropriate for the purpose of the specific program:

32 1. State and local governments shall provide incentives  
33 to encourage the private sector to be the primary delivery  
34 vehicle for the development of affordable housing.

35 2. State funds should be heavily leveraged to achieve the  
36 maximum local and private commitment of funds while achieving  
37 the program objectives.

38 3. To the maximum extent possible, state funds should be  
39 expended to provide housing units rather than to support program  
40 administration.

41 4. State money should be used, when possible, as loans  
42 rather than grants.

43 5. State funds should be available only to local  
44 governments that provide incentives or financial assistance for  
45 housing.

46 6. State funds should be made available only for projects  
47 which are consistent with the local government comprehensive  
48 plan.

49 7. State funding for housing should not be made available  
50 to local governments whose comprehensive plans have been found  
51 not in compliance with chapter 163 and who have not entered into  
52 a stipulated settlement agreement with the Department of  
53 Community Affairs to bring the plan into compliance.

54 8. Mixed income projects should be encouraged, to avoid a  
55 concentration of low-income residents in one area or project.

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

56 9. Distribution of state housing funds should be flexible  
57 and consider the regional and local needs, resources, and  
58 capabilities of housing producers.

59 10. Distribution of housing funds for multifamily rental  
60 housing should be administered to address the housing needs of  
61 persons most in need of housing.

62 1110. Income levels used to determine program eligibility  
63 should be adjusted for family size in determining the  
64 eligibility of specific beneficiaries

65 12 13. To the maximum extent possible, state-owned lands  
66 that are appropriate for the development of affordable housing  
67 shall be made available for that purpose.

68 (4) IMPLEMENTATION.—The Department of Community Affairs  
69 and the Florida Housing Finance Corporation in carrying out the  
70 strategy articulated herein shall have the following duties:

71 (c) The Shimberg Center for Affordable Housing, in  
72 consultation with the Department of Community Affairs and the  
73 Florida Housing Finance Corporation, shall review and evaluate  
74 existing housing rehabilitation, production, and finance  
75 programs to determine their consistency with relevant policies  
76 in this section and identify the needs of specific populations,  
77 including, but not limited to, elderly persons, ~~and~~ handicapped  
78 persons, and persons with special needs, and shall recommend  
79 statutory modifications where appropriate. The Shimberg Center  
80 for Affordable Housing, in consultation with the Department of  
81 Community Affairs and the corporation, shall also evaluate the  
82 degree of coordination between state housing programs, and  
83 between state, federal, and local housing activities, and shall  
84 recommend improved program linkages. The recommendations  
85 required above and a report of any programmatic modifications  
86 made as a result of these policies shall be included in the

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

87 housing report required by s. 420.6075, beginning December 31,  
88 1991, and every 5 years thereafter.

89 (d) The department and the corporation are anticipated to  
90 conform the administrative rules for each housing program to the  
91 policies stated in this section, provided that such changes in  
92 the rules are consistent with the statutory intent or  
93 requirements for the program. This authority applies only to  
94 programs offering loans, grants, or tax credits and only to the  
95 extent that state policies are consistent with applicable  
96 federal requirements.

97 Section 2. Section 420.0004, Florida Statutes, is amended to  
98 read:

99  
100 420.0004 Definitions.—As used in this part, unless the context  
101 otherwise indicates:

102 (1) "Adjusted for family size" means adjusted in a manner  
103 which results in an income eligibility level which is lower for  
104 households with fewer than four people, or higher for households  
105 with more than four people, than the base income eligibility  
106 determined as provided in subsection (9) ~~(8)~~, subsection (11)  
107 ~~(10)~~, subsection (12) ~~(11)~~, or subsection (17) ~~(15)~~, based upon  
108 a formula as established by the United States Department of  
109 Housing and Urban Development.

110 (2) "Adjusted gross income" means all wages, assets,  
111 regular cash or noncash contributions or gifts from persons  
112 outside the household, and such other resources and benefits as  
113 may be determined to be income by the United States Department  
114 of Housing and Urban Development, adjusted for family size, less  
115 deductions allowable under s. 62 of the Internal Revenue Code.

116 (3) "Affordable" means that monthly rents or monthly  
117 mortgage payments including taxes, insurance, and utilities do  
118 not exceed 30 percent of that amount which represents the

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

119 percentage of the median adjusted gross annual income for the  
120 households as indicated in subsection (9) ~~(8)~~, subsection (11)  
121 ~~(10)~~, subsection (12) ~~(11)~~, or subsection (17) ~~(15)~~.

122 (4) "Corporation" means the Florida Housing Finance  
123 Corporation.

124 (5) "Community-based organization" or "nonprofit  
125 organization" means a private corporation organized under  
126 chapter 617 to assist in the provision of housing and related  
127 services on a not-for-profit basis and which is acceptable to  
128 federal and state agencies and financial institutions as a  
129 sponsor of low-income housing.

130 (6) "Department" means the Department of Community  
131 Affairs.

132 (7) "Disabling condition means a diagnosable substance  
133 abuse disorder, serious mental illness, developmental  
134 disability, or chronic physical illness or disability, or the  
135 co-occurrence of two or more of these conditions, and a  
136 determination that the condition is:

137 (a) Expected to be of long-continued and indefinite  
138 duration; and

139 (b) Not expected to impair the ability of the person with  
140 special needs to live independently with appropriate supports;

141 (8) ~~(7)~~ "Elderly" describes persons 62 years of age or  
142 older.

143 (9) ~~(8)~~ "Extremely-low-income persons" means one or more  
144 natural persons or a family whose total annual household income  
145 does not exceed 30 percent of the median annual adjusted gross  
146 income for households within the state. The Florida Housing  
147 Finance Corporation may adjust this amount annually by rule to  
148 provide that in lower income counties, extremely low income may  
149 exceed 30 percent of area median income and that in higher

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

150 income counties, extremely low income may be less than 30  
151 percent of area median income.

152 (10) ~~(9)~~ "Local public body" means any county,  
153 municipality, or other political subdivision, or any housing  
154 authority as provided by chapter 421, which is eligible to  
155 sponsor or develop housing for farmworkers and very-low-income  
156 and low-income persons within its jurisdiction.

157 (11) ~~(10)~~ "Low-income persons" means one or more natural  
158 persons or a family, the total annual adjusted gross household  
159 income of which does not exceed 80 percent of the median annual  
160 adjusted gross income for households within the state, or 80  
161 percent of the median annual adjusted gross income for  
162 households within the metropolitan statistical area (MSA) or, if  
163 not within an MSA, within the county in which the person or  
164 family resides, whichever is greater.

165 (12) ~~(11)~~ "Moderate-income persons" means one or more  
166 natural persons or a family, the total annual adjusted gross  
167 household income of which is less than 120 percent of the median  
168 annual adjusted gross income for households within the state, or  
169 120 percent of the median annual adjusted gross income for  
170 households within the metropolitan statistical area (MSA) or, if  
171 not within an MSA, within the county in which the person or  
172 family resides, whichever is greater.

173 (13) "Person with special needs" means an adult person  
174 requiring independent living services in order to maintain  
175 housing or to develop independent living skills, and who has a  
176 disabling condition; or is a young adult formerly in foster care  
177 who are eligible for services under s. 409.1451(5); a survivor  
178 of domestic violence as defined in F.S. 741.28; or a person  
179 receiving benefits under Social Security Disability  
180 Insurance (SSDI) program; or Supplemental Social Security (SSI)  
181 program; or veterans disability benefit.

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

182           (14) ~~(12)~~ "Student" means any person not living with his  
183 or her parent or guardian who is eligible to be claimed by his  
184 or her parent or guardian as a dependent under the federal  
185 income tax code and who is enrolled on at least a half-time  
186 basis in a secondary school, career center, community college,  
187 college, or university.

188           (15) ~~(13)~~ "Substandard" means:

189           (a) Any unit lacking complete plumbing or sanitary  
190 facilities for the exclusive use of the occupants;

191           (b) A unit which is in violation of one or more major  
192 sections of an applicable housing code and where such violation  
193 poses a serious threat to the health of the occupant; or

194           (c) A unit that has been declared unfit for human  
195 habitation but that could be rehabilitated for less than 50  
196 percent of the property value.

197           (16) (14) "Substantial rehabilitation" means repair or  
198 restoration of a dwelling unit where the value of such repair or  
199 restoration exceeds 40 percent of the value of the dwelling.

200           (17) (15) "Very-low-income persons" means one or more  
201 natural persons or a family, not including students, the total  
202 annual adjusted gross household income of which does not exceed  
203 50 percent of the median annual adjusted gross income for  
204 households within the state, or 50 percent of the median annual  
205 adjusted gross income for households within the metropolitan  
206 statistical area (MSA) or, if not within an MSA, within the  
207 county in which the person or family resides, whichever is  
208 greater.

209 Section 3. - Paragraph (a) of subsection (22) of section  
210 420.507, Florida Statutes, is amended to read:

211 420.507 Powers of the corporation.—The corporation shall have  
212 all the powers necessary or convenient to carry out and  
213 effectuate the purposes and provisions of this part, including

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

214 the following powers which are in addition to all other powers  
215 granted by other provisions of this part:

216 (22) To develop and administer the State Apartment  
217 Incentive Loan Program. In developing and administering that  
218 program, the corporation may:

219 (a) Make first, second, and other subordinated mortgage  
220 loans including variable or fixed rate loans subject to  
221 contingent interest for all State Apartment Incentive Loans  
222 provided for in this chapter based upon available cash flow of  
223 the projects. The corporation shall make loans exceeding 25  
224 percent of project cost available only to nonprofit  
225 organizations and public bodies which are able to secure grants,  
226 donations of land, or contributions from other sources and to  
227 projects meeting the criteria of subparagraph 1. Mortgage loans  
228 shall be made available at the following rates of interest:

229 1. Zero to 3 percent interest for sponsors of projects  
230 that set aside at least 80 percent of their total units for  
231 residents qualifying as farmworkers as defined in this part, or  
232 commercial fishing workers as defined in this part, or the  
233 homeless as defined in s. 420.621(4), or special needs as  
234 defined in s. 420.621(13) over the life of the loan.

235 2. Zero to 3 percent interest based on the pro rata share  
236 of units set aside for homeless residents or persons with  
237 special needs if the total of such units is less than 80 percent  
238 of the units in the borrower's project.

239 3. One to 9 percent interest for sponsors of projects  
240 targeted at populations other than farmworkers, commercial  
241 fishing workers, ~~and~~ the homeless and special needs.

242 Section 4. Subsections (3) and (6) of section 420.5087, Florida  
243 Statutes, are hereby amended to read:

244 420.5087 State Apartment Incentive Loan Program.—There is  
245 hereby created the State Apartment Incentive Loan Program for



PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

246 the purpose of providing first, second, or other subordinated  
247 mortgage loans or loan guarantees to sponsors, including for-  
248 profit, nonprofit, and public entities, to provide housing  
249 affordable to very-low-income persons.

250 (3) During the first 6 months of loan or loan guarantee  
251 availability, program funds shall be reserved for use by  
252 sponsors who provide the housing set-aside required in  
253 subsection (2) for the tenant groups designated in this  
254 subsection. The reservation of funds to each of these groups  
255 shall be determined using the most recent statewide very-low-  
256 income rental housing market study available at the time of  
257 publication of each notice of fund availability required by  
258 paragraph (6)(b). The reservation of funds within each notice of  
259 fund availability to the tenant groups in paragraphs (a), (b),  
260 and (e) ~~(d)~~ may not be less than 10 percent of the funds  
261 available at that time. Any increase in funding required to  
262 reach the 10-percent minimum must be taken from the tenant group  
263 that has the largest reservation. The reservation of funds  
264 within each notice of fund availability to the tenant group in  
265 paragraph (c) may not be less than 5 percent of the funds  
266 available at that time. The reservation of funds within each  
267 notice of fund availability to the tenant group in paragraph (d)  
268 may not be more than 10 percent of the funds available at that  
269 time. The tenant groups are:

- 270 (a) Commercial fishing workers and farmworkers;
- 271 (b) Families;
- 272 (c) Persons who are homeless;
- 273 (d) Persons with special needs; and
- 274 (e) ~~(d)~~ Elderly persons. Ten percent of the amount  
275 reserved for the elderly shall be reserved to provide loans to  
276 sponsors of housing for the elderly for the purpose of making  
277 building preservation, health, or sanitation repairs or

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

278 improvements which are required by federal, state, or local  
279 regulation or code, or lifesafety or security-related repairs or  
280 improvements to such housing. Such a loan may not exceed  
281 \$750,000 per housing community for the elderly. In order to  
282 receive the loan, the sponsor of the housing community must make  
283 a commitment to match at least 5 percent of the loan amount to  
284 pay the cost of such repair or improvement. The corporation  
285 shall establish the rate of interest on the loan, which may not  
286 exceed 3 percent, and the term of the loan, which may not exceed  
287 15 years; however, if the lien of the corporation's encumbrance  
288 is subordinate to the lien of another mortgagee, then the term  
289 may be made coterminous with the longest term of the superior  
290 lien. The term of the loan shall be based on a credit analysis  
291 of the applicant. The corporation may forgive indebtedness for a  
292 share of the loan attributable to the units in a project  
293 reserved for extremely-low-income elderly by nonprofit  
294 organizations, as defined in s. 420.0004(5), where the project  
295 has provided affordable housing to the elderly for 15 years or  
296 more. The corporation shall establish, by rule, the procedure  
297 and criteria for receiving, evaluating, and competitively  
298 ranking all applications for loans under this paragraph. A loan  
299 application must include evidence of the first mortgagee's  
300 having reviewed and approved the sponsor's intent to apply for a  
301 loan. A nonprofit organization or sponsor may not use the  
302 proceeds of the loan to pay for administrative costs, routine  
303 maintenance, or new construction.

304 (6) On all state apartment incentive loans, except loans  
305 made to housing communities for the elderly to provide for  
306 lifesafety, building preservation, health, sanitation, or  
307 security-related repairs or improvements, the following  
308 provisions shall apply:

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

309 (a) The corporation shall establish two interest rates in  
310 accordance with s. 420.507(22) (a)1. and 3.

311 (b) The corporation shall publish a notice of fund  
312 availability in a publication of general circulation throughout  
313 the state. Such notice shall be published at least 60 days prior  
314 to the application deadline and shall provide notice of the  
315 temporary reservations of funds established in subsection (3).

316 (c) The corporation shall provide by rule for the  
317 establishment of a review committee composed of the department  
318 and corporation staff and shall establish by rule a scoring  
319 system for evaluation and competitive ranking of applications  
320 submitted in this program, including, but not limited to, the  
321 following criteria:

322 1. Tenant income and demographic targeting objectives of  
323 the corporation.

324 2. Targeting objectives of the corporation which will  
325 ensure an equitable distribution of loans between rural and  
326 urban areas.

327 3. Sponsor's agreement to reserve the units for persons or  
328 families who have incomes below 50 percent of the state or local  
329 median income, whichever is higher, for a time period to exceed  
330 the minimum required by federal law or the provisions of this  
331 part.

332 4. Sponsor's agreement to reserve more than:

333 a. Twenty percent of the units in the project for persons  
334 or families who have incomes that do not exceed 50 percent of  
335 the state or local median income, whichever is higher; or

336 b. Forty percent of the units in the project for persons  
337 or families who have incomes that do not exceed 60 percent of  
338 the state or local median income, whichever is higher, without  
339 requiring a greater amount of the loans as provided in this  
340 section.

PROPOSED COMMITTEE SUBSTITUTE FOR COMMITTEE PURPOSES

341 5. Provision for tenant counseling.

342 6. Sponsor's agreement to accept rental assistance  
343 certificates or vouchers as payment for rent.

344 7. Projects requiring the least amount of a state  
345 apartment incentive loan compared to overall project cost except  
346 that the share of the loan attributable to units serving  
347 extremely-low-income persons shall be excluded from this  
348 requirement.

349 8. Local government contributions and local government  
350 comprehensive planning and activities that promote affordable  
351 housing.

352 9. Project feasibility.

353 10. Economic viability of the project.

354 11. Commitment of first mortgage financing.

355 12. Sponsor's prior experience.

356 13. Sponsor's ability to proceed with construction.

357 14. Projects that directly implement or assist welfare-to-  
358 work transitioning.

359 15. Projects that reserve units for extremely-low-income  
360 persons.

361 16. Projects that reserve units for persons with special  
362 needs.

363 Section 5. This act shall take effect July 1, 2009.

364