

HOUSE MESSAGE SUMMARY

BILL: CS/CS/SB 2578 [S2578.HMS]
SPONSOR: Commerce and Economic Opportunities Committee, Fiscal Resource Committee, and Senator Hargrett
SUBJECT: Neighborhood Revitalization
PREPARED BY: Senate Committee on Commerce and Economic Opportunities
DATE: May 5, 2000

I. Amendments Contained in Message

House Amendment 1 - 865123 (body with title)

House Amendment 2 - 310175 (body with title)

II. Summary of Amendments Contained in Message

House Amendment 1 removes sections 2 and 4 from CS/CS/SB 2578, which requires certain programs to give priority consideration to projects that would convert vacant industrial and manufacturing facilities to affordable housing units, and priority consideration for projects that support the objectives of redeveloping HOPE VI neighborhoods.

House Amendment 2 adds to CS/CS/SB 2578 many of the provisions contained in CS/CS/SB 2310, relating to affordable housing. Specifically, the amendment:

- Lengthens the time period during which bonds must have been issued and written notice of the issuance must have been provided to the director of the Division of Bond Finance from 90 to 155 calendar days after the date the confirmation was issued or December 29, whichever occurs first. Changes the deadline whereby agencies which have received a confirmation must notify the Division of Bond Finance if they have failed to issue bonds from 95 days to 160 days. Clarifies that, upon issuance of bonds, the agency issuing the bonds must notify the division by telephone on the day of the issuance and send a written report to arrive no later than the next business day.
- Extends the time period for utilization of the state private activity pool and the Florida First Business Pool for priority projects from April 1 to June 1.
- Conforms the time periods for obtaining a written confirmation for the state allocation pool to the new June 1st date and provides that the notice of intent to issue must be filed with the division no later than May 1st, instead of the March 1st date of current law.
- Amends s. 159.809, F.S., relating to the recapture of unused amounts. The amendments include: requiring that on June 1 of each year, any portion of each allocation for which the division has not issued a written confirmation shall be added to the Florida First Business Allocation Pool; on July 1 of each year, any portion of each allocation made pursuant to s. 159.804(3), F.S., for which the division has not issued a written confirmation or had not received an issuance report shall be added to the Florida First Business allocation pool; and on October 1 of each year, any portion of the allocation made to the Florida First Business allocation pool which is eligible for carry-forward, but

which has not been certified, shall be returned to the Florida First Business allocation pool.

- Amends s. 159.81, F.S., to provide authorization for certain carry-forward requests.
- Revises the current low-income housing property exemption to ensure that housing provided through local housing finance authorities is covered under the exemption. The bill revises the current low-income housing property exemption. The section is amended to provide that property used to provide affordable housing serving eligible persons as defined by s. 159.603(7), F.S., and persons having eligible incomes as defined by s. 420.004, F.S., which property is owned by entities meeting current requirements (property is owned by s. 501(c)(3) corporation qualified as charitable by the IRS and complies with Rev. Proc. 96-32, 1996-1 C.B. 717), shall be exempt from ad valorem taxation. The application of this section is retroactive to January 1, 2000.
- Provides specific rule making authority to the Florida Housing Finance Corporation which matches the existing rule and practice of the corporation in permitting the reservation of future allocation or funding to provide a remedy for an applicant which appeals the status of its application, in order to avoid the cessation of all funding in the event of litigation. Grants specific authority for the designation by the board of the Florida Housing Finance Corporation of private activity allocations between single and multifamily housing.
- Changes the Redevelopment Loan Program to allow the corporation to forgive certain loans and convert the loans to grants where the sponsor of the loan is unable to obtain construction or permanent financing for the development. However, the corporation may not forgive any portion of the loan that is secured by a mortgage to the extent the loan could be repaid from the sale of the mortgaged property. In addition, sponsors of farmworker housing receive first priority under the program. Provides that the rate of interest of the loans can be set between 0 and 3 percent per year.
- Changes the date the Affordable Housing Commission submits its annual report from December 31st to July 15th of each year, beginning with the 2001 annual report. The commission must now submit the report to the executive director of the corporation in addition to the secretary of the Department of Community Affairs.
- Provides for the calculation of annual gross income under the SHIP program by annualizing verified sources of income instead of projecting the prevailing rate of income. Also modifies the definition of "sales price" under the SHIP program in the case of rehabilitations to take into account new living space created by such rehabilitation. Sales price is defined as the value of the real property, as determined by an appraisal dated within 12 months of the date construction is to begin or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements.
- To the extent that the Florida Housing Finance Corporation provides the same monitoring and determination, allows entities implementing a local housing assistance plan assisting rental developments to rely on another governmental entity to annually monitor and determine tenant eligibility. Also modifies the existing purchase price limits under the SHIP program to permit an alternate determination from the Treasury's safe harbor amounts, based on actual statistical sales during the most recent 12-month period.
- Amends the Florida Fair Housing Act to prohibit discrimination in land use decisions or in the permitting of development based on the source of financing of a development or

proposed development, in addition to race, color, national origin, sex, disability, familial status or religion.

- Establishes a State Farmworker Housing Pilot Loan Program. Under the program, the corporation shall make farmworker housing loans to a sponsor. In order to be eligible, a sponsor must agree to set aside at least 80% of the units for eligible farmworkers and 100% of the units must be set aside for households whose family income does not exceed 50% of the adjusted local median income in areas that are not metropolitan statistical areas, and 40% of adjusted local median income in metropolitan statistical areas. Rents must be limited to no more than 30% of the maximum household income. In addition, the sponsor must use federal funds provided under section 514 or section 516 of Title V of the Federal Housing Act of 1949.
- Provides that nothing in the act shall serve to remove the exemption from any entity that is currently available for and receives the exemption.