

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1593 w/CS Land Development

**SPONSOR(S):** M. Davis

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2188

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government &amp; Veterans' Affairs</u>	<u>20 Y, 0 N w/CS</u>	<u>Mitchell</u>	<u>Cutchins</u>
2) <u>Transportation &amp; Economic Development Appropriations (Sub)</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
3) <u>Appropriations</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
4) <u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
5) <u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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### SUMMARY ANALYSIS

This bill changes six areas related to land development: (1) county-held tax certificates and environmental contamination, (2) mixed-use, high density development, (3) transfer of development rights in urban areas; (4) rural land stewardship areas (5) water planning, and (6) brownfield redevelopment.

This bill amends provisions relating county-held tax certificates and the reversion of property to the county when it has not been sold after three years. The bill also provides protection to the county for "preexisting soil or groundwater contamination" due solely to its ownership of such lands.

This bill provides legislative findings and intent related to mixed-use, high-intensity development and "transfer of development rights" programs for historic buildings. The bill directs the Department of Community Affairs to provide technical assistance to local governments and develop a model ordinance.

The bill makes findings regarding the price of homes and the cost of affordable rental housing. The bill then permits local governments, upon certain findings, to adopt an ordinance to allow accessory dwelling units in any area zoned for single-family residential use. The bill sets forth requirements regarding building permits for accessory dwelling units and allows accessory dwelling units to satisfy the affordable housing component of the housing element in the comprehensive plan of the local government's comprehensive plan.

The bill modifies rural land stewardship areas to encourage counties to designate these areas, remove the limits on number and size, provide additional agency assistance, permit multicounty areas, change the assignment of the highest number of credits per acre, and delete language requiring program substantiation.

The bill changes water supply planning by moving the date by which the regional water supply plan must be considered in the comprehensive plan, adding provisions related to the update of the work plan, exempting any related amendments from the comprehensive plan amendment limit, and expanding the scope of the Local Government Comprehensive Planning and Land Development Regulation Act to require local governments to address necessary water supply sources.

The bill reduces the number of jobs that must be created from ten (10) to five (5) to receive the brownfield redevelopment bonus refund. The bill provides that limited state loan guarantee applies to 50% of the primary lenders for redevelopment projects in brownfield areas for the Brownfields Area Loan Guarantee Program.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h1593a.lgv.doc

**DATE:** April 2, 2004

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |                                         |
|--------------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

##### Interim Project on Urban Infill and Redevelopment

The Senate Committee on Comprehensive Planning conducted an interim project related to urban infill and redevelopment.<sup>1</sup> The report defines urban infill and redevelopment projects:

Urban infill and redevelopment projects are those projects that use vacant or under-utilized parcels within an urban area to improve existing neighborhoods and encourage economic development. In general, as communities have continued to grow with low density development and new public facilities towards the fringe, many older urban areas have begun to decline and are now considered distressed neighborhoods.

The report explores several obstacles to infill and redevelopment in an urban area including land assemblage issues, abandoned properties, inadequate infrastructure, environmental contamination, and outdated zoning regulations. The report then provides recommendations which would promote and encourage urban infill and redevelopment.

This bill begins to implement the recommendations related to (1) tax certificates and environmental contamination, (2) a model ordinance that encourages mixed-use, high density development, and (3) a model ordinance on transfer of development rights in urban areas.

This bill also makes changes related to rural land stewardship areas, water planning, and brownfield redevelopment.

##### Tax Certificates and Environmental Contamination

A tax certificate is a legal document which represents unpaid delinquent real property taxes, non-ad valorem assessments, including special assessments, interest, and related costs and charges against a specific parcel of real property and is a first lien thereon, superior to all other liens.<sup>2</sup>

Subsection (6) of section 197.502, Florida Statutes, provides for bidding of county-held tax certificates on nonhomestead property and subsection (8) provides for land which has not been sold to escheats<sup>3</sup> to the county three years from when the land was offered for public sale and for all tax certificates and liens against the property are canceled, and the tax deed title vests in the name of the county.

<sup>1</sup> See Fla. S. Comm. on Comp. Planning, *Interim Project Report 2004-165* (Dec. 2003) (on file with Fla. S. Comm. on Comp. Planning).

<sup>2</sup> See Fla. Stat. § 197.102(3) (2003).

<sup>3</sup> Escheats is the reversion of property ownership to the state. See Black's Law Dictionary 564 (7th ed. 1999).

This bill adds clarifying language to these escheatment provisions to provide that the land escheats “free and clear.” “Accrued taxes” and liens “of any nature” are also “deemed” canceled “as a matter of law and of no further legal force and effect.” The bill also provides that the tax deed is an “escheatment tax deed” which vests title in the county in which the land is located.

This bill also provides protection to the county for “preexisting soil or groundwater contamination” due solely to its ownership of escheated property.<sup>4</sup> Currently the county may be liable pursuant to chapters 376<sup>5</sup> or 403<sup>6</sup>, Florida Statutes, for such contamination. The bill does not, however, affect the rights or liabilities of any past or future owners of the escheated property and does not affect the liability of any governmental entity for the results of its actions that create or exacerbate a pollution source. Also, the bill permits the county and the Department of Environmental Protection to enter into a written agreement for the performance, funding, and reimbursement of the investigative and remedial acts necessary for a property which escheats to the county.

### Accessory Dwelling Units

The bill also makes findings regarding the price of homes and the cost of affordable rental housing:

- the median price of homes in this state has increased steadily over the last decade and at a greater rate of increase than the median income in many urban areas;
- the cost of rental housing has also increased steadily and the cost often exceeds an amount that is affordable to very-low-income, low-income, or moderate-income persons and has resulted in a critical shortage of affordable rentals in many urban areas in the state;
- the shortage of affordable rentals constitutes a threat to the health, safety, and welfare of the residents of the state; and
- it serves an important public purpose to encourage the permitting of accessory dwelling units in single-family residential areas in order to increase the availability of affordable rentals for very-low-income, low-income, or moderate-income persons.

The bill then defines an accessory dwelling unit as “an ancillary or secondary living unit, that has a separate kitchen, bathroom, and sleeping area, existing either within the same structure, or on the same lot, as the primary dwelling unit.” The bill also defines affordable rental as “monthly rent and utilities do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross annual income for very-low-income, low-income, or moderate-income persons.” Definitions for local government, low-income persons, moderate income persons, and very-low income persons are also provided.

After providing these findings and definitions, the bill provides that if a local government makes a finding that there is a shortage of affordable rentals within its jurisdiction, then it may adopt an ordinance to allow accessory dwelling units in any area zoned for single-family residential use. The bill then requires an application for a building permit to construct an accessory dwelling unit, permitted under such an ordinance, to include an affidavit from the applicant which attests that the unit will be rented at an affordable rate to a very-low-income, low-income, or moderate-income person or persons.

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<sup>4</sup> See Fla. Stat. 337.27 (2003) (providing that the Department of Transportation is not liable “preexisting soil or groundwater contamination” due solely to its ownership of lands acquired through eminent domain).

<sup>5</sup> See Fla. Stat. ch. 376 (2003) (relating to pollutant discharge and removal).

<sup>6</sup> See Fla. Stat. ch. 403 (2003) (relating to environmental control).

The bill allows each accessory dwelling unit allowed by an accessory dwelling unit ordinance to apply towards satisfying the affordable housing component of the housing element in the comprehensive plan of the local government's comprehensive plan.

The bill requires the Department of Community Affairs to evaluate the effectiveness of using accessory dwelling units to address a local government's shortage of affordable housing and report to the Legislature by January 1, 2007. The report must specify the number of ordinances adopted by a local government under this section and the number of accessory dwelling units that were created under these ordinances.

### Mixed-Use, High-Intensity Development

Part II of Chapter 163, Florida Statutes, contains the Local Government Comprehensive Planning and Land Development Regulation Act. Section 163.3177, Florida Statutes, sets forth the required and optional elements of the comprehensive plan that each local government is required to prepare. This section also "recognizes the need for innovative planning and development strategies which will address the anticipated demands of continued urbanization" and provides legislative intent that comprehensive plans offer a planning process which allows for land use efficiencies within existing urban areas and which also allows for the conversion of rural lands to other uses. There is further legislative intent for the comprehensive plans and their implementing land development regulations to provide strategies which maximize the use of existing facilities and services through redevelopment, urban infill development, and other strategies for urban revitalization.

This bill provides related legislative findings and intent related to mixed-use, high-intensity development, indicating that this type of development:

- is appropriate for urban infill and redevelopment areas since mixed-use projects accommodate a variety of uses, including residential and commercial, and usually at higher densities that promote pedestrian-friendly, sustainable communities;
- improves the quality of life for residents and businesses in urban areas; and
- benefits residents by creating a livable community with alternative modes of transportation.

In addition, the bill makes a finding that "local zoning ordinances often discourage mixed-use, high-density development in areas that are appropriate for urban infill and redevelopment." In providing legislative intent to discourage single-use zoning in urban areas which often leads to lower-density, land-intensive development outside an urban service area, the bill directs the Department of Community Affairs to provide technical assistance to local governments, including a model ordinance, to encourage mixed-use, high-density urban infill and redevelopment projects.

### Transfer of Development Rights

A program for the transfer of development rights for historic properties permits the owner of a property, in this case, a historic property, to take the development rights that are permitted for that property, usually related to the permitted density, and use those credits in an area designated for high-density development. In addition to making findings related to mixed-use, high-intensity development, this bill also makes findings related to transfer of development rights programs for historic buildings, indicating that these programs:

- are a useful tool to preserve historic buildings and create public open spaces in urban areas; and

- allow the transfer of density credits from historic properties and public open spaces to areas designated for high-density development. The Legislature recognizes that high-density development is integral to the success of many urban infill and redevelopment projects.

Since the bill intends to encourage high-density urban infill and redevelopment while preserving historic structures and open spaces, it requires the Department of Community Affairs to provide technical assistance to local governments, including a model ordinance, in order to promote the transfer of development rights within urban areas for high-density infill and redevelopment projects.

### Rural Land Stewardship Areas

Chapter 2001-279, Laws of Florida, amended the Local Government Comprehensive Planning and Land Development Regulation Act<sup>7</sup> to permit the Department of Community Affairs to authorize up to five local governments to designate as a *rural land stewardship area*, all lands, or portions thereof, classified in the future land use element as predominantly agricultural, rural, open, open-rural, or a substantially equivalent use.

This is a county land use planning program as well as a rural areas development and protection program.<sup>8</sup> The objectives of the program are to (1) direct development to suitable locations within rural areas; (2) maintain the economic value of rural areas (agriculture, silviculture, mining, hunting/fishing, outdoor recreation and tourism); and (3) protect valuable ecosystems and habitats.

The designation of the rural land stewardship area involves the designation of “sending areas” and “receiving areas.”<sup>9</sup> It also requires the assignment of “transferable rural land use credits.”<sup>10</sup> These credits may then be transferred from the sending areas to the receiving areas. These credits do not operate to displace the underlying density of land uses assigned to a parcel of land, unless the credits are transferred to a designated receiving area.<sup>11</sup>

Although no rural land stewardship areas have been designated under the existing provisions, a similar program was implemented in Collier County.<sup>12</sup> Based on the experience in Collier County<sup>13</sup>, this bill makes a number of changes related to rural land stewardship areas:

- amends the provisions setting forth the requirements of the future land use element to encourage counties to designate rural land stewardship areas as overlays on the future land use map;
- removes the limit on the number of local governments the Department of Community Affairs may authorize to designate rural land stewardship areas;
- adds the Department of Environmental Protection, the water management districts, and the regional planning councils to the agencies required to provide assistance to local governments in designating rural land stewardship areas and describes permitted assistance:

<sup>7</sup> See Fla. Stat. § 163.3177(11)(d) (2003).

<sup>8</sup> Fla. Dep’t of Community Affairs, *Promoting Rural Sustainability Through Rural Land Stewardship Areas* (2002) (at <http://www.dca.state.fl.us/fdcp/DCP/RuralLandStewardship/RLSAII%20mc.ppt>) (last visited Apr. 5, 2004).

Dep’t. of Env’tl. Prot., *Annual Status Report on Regional Water Supply Planning and Water Resource Development Work Programs* (Jun. 2003) (at [http://www.dep.state.fl.us/water/waterpolicy/docs/Status\\_Report\\_2003\\_FINAL.pdf](http://www.dep.state.fl.us/water/waterpolicy/docs/Status_Report_2003_FINAL.pdf)) (last visited Apr. 4, 2004) at p. 3.

<sup>9</sup> See, e.g., Fla. Stat. § 163.3177(11)(d)7. (2003).

<sup>10</sup> See Fla. Stat. § 163.3177(11)(d)8. (2003).

<sup>11</sup> See *id.*

<sup>12</sup> See telephone conversation with Walker Banning, Planner, Fla. Dep’t of Community Affairs (Apr. 2, 2004). See also telephone conversation with Chuck Littlejohn, Registered Lobbyist (Apr. 2, 2004).

<sup>13</sup> See also telephone conversation with Chuck Littlejohn, Registered Lobbyist (Apr. 2, 2004).

- assistance from the Department of Environmental Protection and water management districts in creating the geographic information systems land cover database and aerial photogrammetry needed to prepare for a rural land stewardship area;
  - allocation of funds earmarked for conservation easement and land acquisition programs that could be leveraged to protect greater acreages using the rural land stewardship area approach; and
  - expansion of the role of the Department of Community Affairs as a resource agency and the provision of grants to facilitate establishment of rural land stewardship areas in smaller rural counties that do not have the staff or planning budgets to create a rural land stewardship area.
- permits rural land stewardship areas to be multi-county in order to encourage coordinated regional stewardship;
  - provides that the application to designate a rural land stewardship area by a local government may be in conjunction with a regional planning council, stakeholder organization of private landowners, or another local government;
  - eliminates the minimum size of 50,000 acres and the maximum size of 250,000 acres for rural land stewardship areas;
  - changes the assignment of transferable rural land use credits to be according to the natural resource or other beneficial use characteristics of the land in addition to the land use;
  - provides for assignment of the highest number of credits per acre to “the most environmentally valuable land” rather than to “preserve environmentally valuable land;”
  - allows option agreements for sale to public entities or private land conservation entities, instead of just “government” as currently provided, as part of the incentives to enter into stewardship agreements; and
  - deletes intent language providing that the success of authorized rural land stewardship areas be substantiated before implementation occurs on a statewide basis.

### Water Planning

The Department of Environmental Protection, in cooperation with the water management districts and regional water supply authorities, is required to develop the Florida water plan.<sup>14</sup> Similarly, each water management district is required to develop a “district water management plan” for water resources within its region to address water supply, water quality, flood protection and floodplain management, and natural systems:<sup>15</sup>

- The district water management plan must identify one or more water supply planning regions.<sup>16</sup>
- The water management district is required develop a regional water supply plan for those water supply planning regions where sources of water are not adequate to supply water for all existing and projected reasonable-beneficial uses and to sustain the water resources and related natural systems.<sup>17</sup>

<sup>14</sup> See Fla. Stat. § 373.036(1) (2003).

<sup>15</sup> See Fla. Stat. § 373.036(2) (2003).

<sup>16</sup> See Fla. Stat. § 373.036(2)(b)2. (2003).

<sup>17</sup> See Fla. Stat. § 373.0361(1) (2003).

- A water resource development component is part of this regional water supply plan.<sup>18</sup>
- The water management districts prepare a 5-year water resource development program, if it is required to prepare a regional water supply plan, which describes the implementation strategy for this water resource development component.<sup>19</sup>

All of the required regional water supply plans were completed as of August 2001.<sup>20</sup> The Districts are in the process of updating their regional water supply plans by first updating their water supply assessments<sup>21</sup>:

<u>Water Management District</u>	<u>Water Supply Assessment</u>	<u>Regional Water Supply Plan</u>
Northwest Florida	July 1, 2003	October 2005
Suwannee River	July 1, 2003	2005 (if necessary)
St. Johns River	July 1, 2003	April 2005
Southwest Florida	July 1, 2003	December 2005
South Florida	August 1, 2003	
Upper East Coast		June 2004
Kissimmee Basin		April 2005
Lower West Coast		October 2005
Lower East Coast		December 2005

Water planning is also part of the Local Government Comprehensive Planning and Land Development Regulation Act. Local government comprehensive plans are required to have a general sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge element.<sup>22</sup> Currently, this element must “consider” the regional water supply plan of the water management district by January 1, 2005 or the adoption deadline for the Evaluation and Appraisal Report, whichever date occurs first.<sup>23</sup> This element must also include a work plan, covering at least a 10-year planning period, for building water supply facilities that are identified in the element as necessary to serve existing and new development and for which the local government is responsible.<sup>24</sup>

This bill changes to December 1, 2006, the date by which this general sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge element must consider the regional water supply plan of the water management district.

The bill also requires the work plan to be updated, at a minimum, every five years within 12 months after the approval of the revised regional water supply plan and amendments to incorporate the whole plan do not count toward the limitations on frequency of adoption of amendments to the comprehensive plan.

In addition, the bill also specifically adds to the scope of the Local Government Comprehensive Planning and Land Development Regulation Act. The bill requires all local governments to address the water supply sources necessary to meet and achieve the existing and projected water use demand as part of their comprehensive plans.

<sup>18</sup> See Fla. Stat. § 373.0361(2)(b) (2003).

<sup>19</sup> Fla. Dep’t. of Env’tl. Prot., *Annual Status Report on Regional Water Supply Planning and Water Resource Development Work Programs* (Jun. 2003)(at [http://www.dep.state.fl.us/water/waterpolicy/docs/Status\\_Report\\_2003\\_FINAL.pdf](http://www.dep.state.fl.us/water/waterpolicy/docs/Status_Report_2003_FINAL.pdf)) at p. 3.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> See Fla. Stat. § 163.3177(6)(c) (2003).

<sup>23</sup> See *id.*

<sup>24</sup> See *id.*

## Brownfield Redevelopment – Bonus Refund

"Brownfield sites" are sites that are generally abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by *actual or perceived environmental contamination*.<sup>25</sup> A "brownfield area" is a contiguous area of one or more brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution.<sup>26</sup>

One of the programs which encourages development in these areas is the "brownfield redevelopment bonus refund." Created in 1997,<sup>27</sup> a bonus refund of \$2,500 is provided to any qualified target industry business<sup>28</sup> or other eligible business<sup>29</sup> for each new job created in a brownfield area.<sup>30</sup>

Four criteria must be met in order to be eligible for the brownfield redevelopment bonus refund:

- (1) the creation of at least 10 new full-time permanent jobs, not including construction or site rehabilitation jobs, associated with the implementation of a brownfield site agreement;
- (2) the completion of a fixed capital investment of at least \$2 million in mixed-use business activities, including multiunit housing, commercial, retail, and industrial in brownfield areas;
- (3) the designation as a brownfield will diversify and strengthen the economy of the area surrounding the site; and
- (4) the designation as a brownfield will promote capital investment in the area beyond that contemplated for the rehabilitation of the site.

The Office of Program Policy Analysis and Governmental Accountability (OPPAGA) reviewed this program in 2002<sup>31</sup> and 2004<sup>32</sup> and recommended each time that the Legislature eliminate the statutory requirement that businesses must create a minimum of 10 new jobs in order to make the program attractive to more developers. As such, this bill changes the number of jobs that must be created from ten (10) to five (5).<sup>33</sup>

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<sup>25</sup> See Fla. Stat. § 288.107(1)(b) (2003); see also Fla. Stat. § 376.79(3) (2003).

<sup>26</sup> See Fla. Stat. § 288.107(1)(c) (2003); see also Fla. Stat. § 376.79(4) (2003).

<sup>27</sup> See ch. 97-277, § 11, Laws of Fla.

<sup>28</sup> See Fla. Stat. § 288.106(1)(o) (2003).

<sup>29</sup> See Fla. Stat. § 288.107(1)(e)2. (2003) (A business that can demonstrate a fixed capital investment of at least \$2 million in mixed-use business activities, including multiunit housing, commercial, retail, and industrial in brownfield areas and which provides benefits to its employees).

<sup>30</sup> See Fla. Stat. § 288.107(2) (2003) (the job creation must be claimed as provided).

<sup>31</sup> Office of Program Policy Analysis and Government Accountability, *Justification Review: Slow Progress Has Been Made in Cleaning Up and Redeveloping Contaminated Brownfield Sites*, Report 02-08 (2003) (available at <http://www.oppaga.state.fl.us/reports/reports.html>).

<sup>32</sup> Office of Program Policy Analysis and Government Accountability, *Progress Report: Brownfield Rehabilitation is Increasing; More Time Needed to Assess Program's Impact*, Report 04-18 (2003) (available at <http://www.oppaga.state.fl.us/reports/reports.html>).

<sup>33</sup> According to the Office of Tourism, Trade, and Economic Development, this program is "heavily used" with 26 projects receiving \$8,894,750.00 in bonus refunds since 1998. This change is not likely to have an adverse impact on the program. At the same time, this change may not have the expected positive impacts as the programmatic requirements are not generally worth meeting for only a small number of jobs. In fact, developers are not often able to take advantage of this program at all since they do not directly create the jobs and can only rely on the program as a potential incentive for those businesses which will ultimately utilize the development. See telephone conversation with Wynnelle Wilson, Chief Analyst, Economic Development Policy and Incentives, Office of Tourism, Trade, and Economic Development (Apr. 2, 2004). See also e-mail from Wynnelle Wilson, Chief Analyst, Economic Development Policy and Incentives, Office of Tourism, Trade, and Economic Development (Apr. 7, 2004, 10:54 EST)(providing a spreadsheet on projects and program utilization).



## Brownfield Redevelopment – Loan Guarantees

Another program which is designed to encourage brownfield redevelopment is the Brownfields Area Loan Guarantee Program. This program provides a limited state guaranty of up to 5 years of loan guarantees or loan loss reserves for 10 percent of the primary lenders loans for redevelopment projects in brownfield areas.

The OPPAGA also reviewed this program in 2002 and 2004<sup>34</sup> and has recommended each time that the state guarantee on loans to brownfield developers needs to be increased from 10% to 50% or higher. OPPAGA opined on the need for this change in its Justification Review:

Program staff also asserted that the guarantee offered on loans (10%) is too low to encourage lending institutions to assume the risk of making loans to brownfield developers. Presently, no lending institutions have applied for a brownfields loan guarantee. Program staff believed that increasing the loan guarantee to 50% or higher may encourage lending institutions to take on the risk of providing financing for brownfield redevelopment projects. Higher guarantees are offered by other governmental programs that support business financing. For example, the U.S. Small Business Administration provides guarantees of 85% on loans of \$150,000 or less and 75% on loans over \$150,000. Also, the Florida Export Finance Corporation will guarantee up to 90% of a bank loan or \$500,000, whichever is less, to a business conducting export sales. A 2000 OPPAGA report noted that the Florida Export Finance Corporation issued 28 loan guarantees totaling \$9,700,000 in 1999. Higher loan guarantees could encourage lending institutions to provide financial support for brownfield redevelopment.

This bill provides that limited state loan guarantee applies to 50% of the primary lenders for redevelopment projects in brownfield areas.<sup>35</sup>

### C. SECTION DIRECTORY:

- Section 1: Amends subsection (8) of section 197.502, Florida Statutes.
- Section 2: Creates provisions of law related to accessory dwelling units.
- Section 3: Adds new paragraphs (d) and (e) to subsection (11) of section 163.3177, Florida Statutes, and redesignates current paragraphs (d), (e), and (f) as (f), (g), and (h).
- Section 6: Amends subsection (3) of section 288.107, Florida Statutes.
- Section 7: Amends subsection (1) of section 376.86, Florida Statutes.
- Section 8: Provides that the bill will take effect July 1, 2004.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

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<sup>34</sup> *Supra* notes 31 and 32.

<sup>35</sup> According to the Office of Tourism, Trade, and Economic Development, this program has rarely been utilized. This change, however, is reasonable especially with interest rates so low. This change is not likely to have an adverse impact on the program or expose the state to potentially liability on these guarantees. The real estate generally serves as the collateral for the loan and the contract requires relief to be sought from all other parties before seeking it from the state. See telephone conversation with Mary Helen Blakesless, Chief Analyst, Rural, Brownfields, and CAPCO, Office of Tourism, Trade, and Economic Development (Apr. 2, 2004)

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

This bill may have a fiscal impact on state government expenditures in that it requires the Department of Community Affairs to provide technical assistance, including a model ordinance for high-density urban infill and development and for transfer of development rights within such urban areas. The bill also requires the Department of Community Affairs to evaluate the effectiveness of using accessory dwelling units to address a shortage of affordable housing and report to the Legislature.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to impact local government revenues.

2. Expenditures:

This bill does not appear to impact local government expenditures, although the liability protections on properties which escheat to the county may decrease expenditures by counties.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The only provisions of the bill which may have a direct economic impact on the private sector are those providing for accessory dwelling units as an alternative source of affordable housing.

D. FISCAL COMMENTS:

There are not additional fiscal comments.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The municipality/county mandates provision does not appear to apply to this bill as it does not directly require counties or municipalities to spend funds or take action requiring the expenditure of funds. Thus, the bill appears exempt the bill from the provisions of section 18, article VII of the Florida Constitution.

2. Other:

There do not appear to be any constitutional issues.

B. RULE-MAKING AUTHORITY:

This bill does not seem to provide any rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

There are no drafting issues or other comments.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

There are no amendments or committee substitute changes.