

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: Transportation and Economic Development Appropriations Committee

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BILL: SB 724

SPONSOR: Senators Margolis and Baker

SUBJECT: Affordable Housing for the Elderly

DATE: March 9, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Yeatman</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Weaver</u>	<u>Martin</u>	<u>TA</u>	<b>Favorable</b>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This bill increases the maximum loan amount for eligible projects under the Elderly Housing Community Loan program from \$200,000 to \$750,000 per housing community.

This bill substantially amends section 420.5087 of the Florida Statutes.

## II. Present Situation:

Section 420.5087, F.S., creates the State Apartment Incentive Loan (SAIL) program, which is designed to stimulate production of affordable, multi-family rental housing for very-low income individuals and families. The SAIL program provides first, second, or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and public entities, to provide housing affordable to very-low-income persons. The Florida Housing Finance Corporation is responsible for the management of this program.

Subsection (3) of s. 420.5087, F.S., provides for the reservation of SAIL funds for specified tenant groups. The designated tenant group categories include: commercial fishing workers and farm workers; families; persons who are homeless; and elderly persons. Presently, 24 percent of the total amount is reserved for the elderly.<sup>1</sup> Ten percent of the amount reserved for the elderly must be allocated to the Elderly Housing Community Loan Program to provide loans for

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<sup>1</sup> Section 420.503(19), F.S., provides "housing for the elderly" means, for purposes of s. 420.5087(3)(d), any nonprofit housing community that is financed by a mortgage loan made or insured by the United States Department of Housing and Urban Development under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National Housing Act, as amended, and that is subject to income limitations established by the United States Department of Housing and Urban Development, or any program funded by the Rural Development Agency of the United States Department of Agriculture.

building preservation, health, or sanitation repairs or improvements which are required by federal, state, or local regulation or code, or life safety or security-related repairs or improvements to such housing. Loans issued under this program may not exceed \$200,000 per housing community for the elderly.

### **III. Effect of Proposed Changes:**

This bill amends s. 420.5087(3), F.S., to increase the maximum loan amount under the SAIL program for projects funded through the Elderly Housing Community Loan Program from \$200,000 to \$750,000 per housing community.

Representatives of the Florida Association of Homes for the Aging indicated that the bill will enable housing communities for low-income elders to address larger repair and renovation projects and reduce the need to secure multiple loans from different sources to cover repair and renovation costs.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Economic Impact and Fiscal Note:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

While the annual funding for the Elderly Housing Community Loan Program is unaffected by this bill, the total number of loans issued in any one year may decrease as the dollar amount of the individual loans increase.

#### **C. Government Sector Impact:**

None.

### **VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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