Florida Senate - 2006

By Senator Sebesta

16-647-06

1	A bill to be entitled
2	An act relating to affordable housing;
3	repealing s. 420.37, F.S., relating to certain
4	powers of the Florida Housing Finance
5	Corporation; amending s. 420.503, F.S.;
6	redefining the term "farmworker" for purposes
7	of the use of certain federal funds by the
8	corporation; amending s. 420.5087, F.S.;
9	revising the population numbers for the
10	categories used to allocate funds to counties
11	under the State Apartment Incentive Loan
12	Program; amending s. 420.5088, F.S.; increasing
13	the percentage of the state or local median
14	income below which personal or family income
15	must fall in order to purchase a home under the
16	Florida Homeownership Assistance Program;
17	amending s. 420.9075, F.S.; providing for
18	calculating the average area purchase price for
19	eligible housing under the State Housing
20	Initiatives Partnership Act in the manner
21	established by the United States Department of
22	Treasury; providing an effective date.
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24	Be It Enacted by the Legislature of the State of Florida:
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26	Section 1. <u>Section 420.37, Florida Statutes, is</u>
27	repealed.
28	Section 2. Subsection (18) of section 420.503, Florida
29	Statutes, is amended to read:
30	420.503 DefinitionsAs used in this part, the term:
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1	(18) "Farmworker" means a laborer who is employed on a
2	seasonal, temporary, or permanent basis in the planting,
3	cultivating, harvesting, or processing of agricultural or
4	aquacultural products and who derived at least 50 percent of
5	her or his income in the immediately preceding 12 months from
6	such employment. "Farmworker" also includes a person who has
7	retired as a laborer due to age, disability, or illness. In
8	order to be considered retired as a farmworker due to age
9	under this part, a person must be 50 years of age or older and
10	must have been employed for a minimum of 5 years as a
11	farmworker before retirement. In order to be considered
12	retired as a farmworker due to disability or illness, a person
13	must:
14	(a) Establish medically that she or he is unable to be
15	employed as a farmworker due to that disability or illness <u>;</u>
16	and-
17	(b) Establish that she or he was previously employed
18	as a farmworker.
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20	Notwithstanding the provisions of this subsection, when funds
21	that are administered by the corporation are used in
22	conjunction with funds from the Rural Development Agency of
23	the United States Department of Agriculture, the term
24	"farmworker" may mean a laborer who meets, at a minimum, the
25	definition of "domestic farm laborer" as found in 7 C.F.R. s.
26	3560.11. The corporation may by rule establish additional
27	<u>criteria.</u>
28	Section 3. Subsection (1) of section 420.5087, Florida
29	Statutes, is amended to read:
30	420.5087 State Apartment Incentive Loan
31	ProgramThere is hereby created the State Apartment
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1 Incentive Loan Program for the purpose of providing first, 2 second, or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and 3 public entities, to provide housing affordable to 4 5 very-low-income persons. б (1) Program funds shall be distributed over successive 7 3-year periods in a manner that meets the need and demand for 8 very-low-income housing throughout the state. That need and demand must be determined by using the most recent statewide 9 low-income rental housing market studies available at the 10 beginning of each 3-year period. However, at least 10 percent 11 12 of the program funds distributed during a 3-year period must 13 be allocated to each of the following categories of counties, as determined by using the population statistics published in 14 the most recent edition of the Florida Statistical Abstract: 15 16 (a) Counties that have a population of 825,000 or more 17 than 500,000 people; 18 (b) Counties that have a population between 100,000 and 825,000 500,000 people; and 19 20 (c) Counties that have a population of 100,000 or 21 fewer less. 22 Any increase in funding required to reach the 10-percent 23 minimum shall be taken from the county category that has the 2.4 largest allocation. The corporation shall adopt rules which 25 26 establish an equitable process for distributing any portion of 27 the 10 percent of program funds allocated to the county 2.8 categories specified in this subsection which remains unallocated at the end of a 3-year period. Counties that have 29 a population of 100,000 or less shall be given preference 30 under these rules. 31

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1 Section 4. Paragraph (e) of subsection (2) of section 420.5088, Florida Statutes, is amended to read: 2 3 420.5088 Florida Homeownership Assistance 4 Program. -- There is created the Florida Homeownership Assistance Program for the purpose of assisting low-income 5 6 persons in purchasing a home by reducing the cost of the home 7 with below-market construction financing, by reducing the 8 amount of down payment and closing costs paid by the borrower to a maximum of 5 percent of the purchase price, or by 9 reducing the monthly payment to an affordable amount for the 10 purchaser. Loans shall be made available at an interest rate 11 12 that does not exceed 3 percent. The balance of any loan is due 13 at closing if the property is sold or transferred. (2) For loans made pursuant to s. 420.507(23)(a)3.: 14 (e) At least 30 percent of the units in a project 15 financed pursuant to this subsection must be sold to persons 16 17 or families who have incomes that do not exceed 80 percent of 18 the state or local median income, whichever amount is greater, adjusted for family size; and at least another 30 percent of 19 the units in a project financed pursuant to this subsection 20 21 must be sold to persons or families who have incomes that do 22 not exceed 65 50 percent of the state or local median income, 23 whichever amount is greater, adjusted for family size. Section 5. Subsection (4) of section 420.9075, Florida 2.4 Statutes, is amended to read: 25 420.9075 Local housing assistance plans; 26 27 partnerships. --2.8 (4) The following criteria apply to awards made to eligible sponsors or eligible persons for the purpose of 29 30 providing eligible housing: 31

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1 (a) At least 65 percent of the funds made available in 2 each county and eligible municipality from the local housing distribution must be reserved for home ownership for eligible 3 4 persons. 5 (b) At least 75 percent of the funds made available in 6 each county and eligible municipality from the local housing 7 distribution must be reserved for construction, 8 rehabilitation, or emergency repair of affordable, eligible 9 housing. 10 (c) The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area 11 12 purchase price in the statistical area in which the eligible 13 housing is located. The Such average area purchase price may be that calculated for any 12-month period beginning not 14 earlier than the fourth calendar year prior to the year in 15 which the award occurs or as established by the United States 16 17 Department of Treasury. (d)1. All units constructed, rehabilitated, or 18 otherwise assisted with the funds provided from the local 19 housing assistance trust fund must be occupied by 20 21 very-low-income persons, low-income persons, and 22 moderate-income persons. 23 2. At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for 24 awards to very-low-income persons or eligible sponsors who 25 26 will serve very-low-income persons and at least an additional 27 30 percent of the funds deposited into the local housing 2.8 assistance trust fund must be reserved for awards to 29 low-income persons or eligible sponsors who will serve low-income persons. This subparagraph does not apply to a 30 county or an eligible municipality that includes, or has 31

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1 included within the previous 5 years, an area of critical 2 state concern designated or ratified by the Legislature for which the Legislature has declared its intent to provide 3 affordable housing. The exemption created by this act expires 4 on July 1, 2008. 5 б (e) Loans shall be provided for periods not exceeding 7 30 years, except for deferred payment loans or loans that 8 extend beyond 30 years which continue to serve eligible 9 persons. 10 (f) Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the 11 12 local housing assistance trust fund must be subject to 13 recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless 14 reserved for eligible persons for 15 years or the term of the 15 assistance, whichever period is longer. Eligible sponsors that 16 17 offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a 18 first right of refusal to eligible nonprofit organizations for 19 purchase at the current market value for continued occupancy 20 21 by eligible persons. 22 (g) Loans or grants for eligible owner-occupied

housing constructed, rehabilitated, or otherwise assisted from proceeds provided from the local housing assistance trust fund shall be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan.

(h) The total amount of monthly mortgage payments or
the amount of monthly rent charged by the eligible sponsor or
her or his designee must be made affordable.

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1 (i) The maximum sales price or value per unit and the 2 maximum award per unit for eligible housing benefiting from awards made pursuant to this section must be established in 3 the local housing assistance plan. 4 5 (j) The benefit of assistance provided through the б State Housing Initiatives Partnership Program must accrue to 7 eligible persons occupying eligible housing. This provision shall not be construed to prohibit use of the local housing 8 distribution funds for a mixed income rental development. 9 10 (k) Funds from the local housing distribution not used to meet the criteria established in paragraph (a) or paragraph 11 12 (b) or not used for the administration of a local housing 13 assistance plan must be used for housing production and finance activities, including, but not limited to, financing 14 the purchase of existing units, providing rental housing, and 15 providing home ownership training to prospective home buyers 16 17 and owners of homes assisted through the local housing 18 assistance plan. Notwithstanding the provisions of paragraphs (a) and (b), program income as defined in s. 420.9071(24) may 19 also be used to fund activities described in this paragraph. 20 21 22 If both an award under the local housing assistance plan and 23 federal low-income housing tax credits are used to assist a project and there is a conflict between the criteria 2.4 prescribed in this subsection and the requirements of s. 42 of 25 the Internal Revenue Code of 1986, as amended, the county or 26 27 eligible municipality may resolve the conflict by giving 2.8 precedence to the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, in lieu of following the 29 30 criteria prescribed in this subsection with the exception of

CODING: Words stricken are deletions; words underlined are additions.

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paragraphs (a) and (d) of this subsection.

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1	Section 6. This act shall take effect upon becoming a
2	law.
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5	SENATE SUMMARY
6	Repeals a provision relating to powers of the Florida Housing Finance Corporation. Provides that the meaning of
7	 the term "farmworker" varies under certain circumstances. Changes the population numbers for categories of counties under the State Apartment Incentive Loan Program. Increases the percentage of the state or local median income below which a personal or family income must fall in order to purchase a home under the Florida Homeownership Assistance Program. Provides that the time period established by the United States Department of
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