

1 A bill to be entitled
2 An act relating to affordable housing; creating the
3 Community Workforce Housing Innovation Program; providing
4 the Florida Housing Finance Corporation with certain
5 powers and responsibilities relating to the program;
6 requiring the program to target certain entities;
7 requiring the program to supplement existing affordable
8 housing programs; providing incentives for program
9 applicants; providing for funding and conditions for
10 funding; providing requirements for applicants; requiring
11 the corporation to establish a review committee for the
12 application process; requiring the committee to establish
13 certain criteria for applicants; requiring the corporation
14 to develop certain guidelines and rules; authorizing the
15 corporation to foreclose on certain mortgages and security
16 interests or to commence certain legal actions; requiring
17 the corporation to create a down payment assistance
18 program; amending s. 189.4155, F.S.; authorizing special
19 districts to provide housing and housing assistance for
20 their employed personnel; amending s. 191.006, F.S.;
21 authorizing an independent special fire control district
22 to provide housing or housing assistance for its employed
23 personnel; amending s. 193.017, F.S.; providing
24 requirements for using a cap rate for assessing certain
25 affordable housing properties; amending s. 196.1978, F.S.;
26 specifying what constitutes a nonprofit entity for
27 purposes of affordable housing property tax exemption;
28 creating s. 196.1980, F.S.; providing that the actual

29 rental income from certain rent-restricted units be
 30 recognized by property appraisers as the rents for
 31 assessment purposes; amending s. 201.15, F.S.; revising
 32 the distributions of portions of the excise tax on
 33 documents to the State Housing Trust Fund and the Local
 34 Government Housing Trust Fund for purposes of preserving
 35 the rights of holders of affordable housing guarantees;
 36 amending s. 420.507, F.S.; revising the rate of interest
 37 at which certain mortgage loans must be made available;
 38 amending s. 1001.42, F.S.; authorizing district school
 39 boards to provide affordable housing for certain teachers
 40 and other instructional personnel; providing effective
 41 dates.

42
 43 Be It Enacted by the Legislature of the State of Florida:

44
 45 Section 1. Community Workforce Housing Innovation
 46 Program.--

47 (1) The Community Workforce Housing Innovation Program is
 48 created for the purpose of providing regulatory incentives and
 49 state and local funds to promote local public-private
 50 partnerships and leverage government and private resources to
 51 provide affordable rental and single-family housing for persons
 52 with medium incomes in high-cost counties in this state.

53 (2) The Florida Housing Finance Corporation shall be
 54 responsible for implementing and creating an incentive program
 55 for the Community Workforce Housing Innovation Program by
 56 providing financial and regulatory incentives to the public and

57 private sectors to develop and finance innovative rental and
58 home-ownership housing solutions to meet the needs of eligible
59 Floridians.

60 (3) The corporation shall develop selection criteria by
61 rule or by requests for proposal to provide funding for
62 multifamily rental or single-family community workforce housing
63 innovation projects in targeted high-cost counties or critical-
64 concern areas of the state. The corporation shall provide
65 incentives for local governments in high-cost counties to use
66 local affordable housing State Housing Initiatives Partnership
67 Program funds under s. 420.9072, Florida Statutes, for meeting
68 the affordable housing needs of persons eligible under this
69 program.

70 (4) The Community Workforce Housing Innovation Program
71 projects shall target:

72 (a) Counties in high-cost areas of the state, which are
73 defined as those counties in which the average median purchase
74 price of a single-family home is above the state median purchase
75 price of a single-family home, and areas of critical state
76 concern designated under s. 380.05, Florida Statutes, for which
77 the Legislature has declared its intent to provide affordable
78 housing.

79 (b) Project partnerships that include substantial
80 involvement of public sector entities, such as local
81 municipalities, counties, school districts, special districts,
82 and other units of local government, and private sector entities
83 that donate land or other tangible value worth at least 15
84 percent of the project value.

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85 (c) Persons in households with income levels of up to 150
86 percent of the adjusted median income in prioritized areas
87 included in this subsection or a higher adjusted median income
88 percentage in areas of critical state concern.

89 (d) Persons in need of affordable housing who are employed
90 in areas in which they are considered essential services
91 personnel, such as teachers and educators, police and fire
92 personnel, and health care personnel, and in other job
93 categories in which the personnel are defined as essential
94 services personnel within the annual local State Housing
95 Initiatives Partnership Program under s. 420.9072, Florida
96 Statutes.

97 (e) Innovative projects that include new construction or
98 rehabilitation of existing housing, mixed-income housing, or
99 commercial and housing mixed-use elements.

100 (5) The Community Workforce Housing Innovation Program
101 shall supplement and not supplant the existing affordable
102 housing programs funded under chapter 420, Florida Statutes.

103 (6) On an annual basis, the corporation shall review the
104 success of the Community Workforce Housing Innovation Program to
105 determine how the program supports traditional affordable
106 housing programs as defined in chapter 420, Florida Statutes,
107 and to ascertain whether the program is meeting the housing
108 needs of high-cost counties. The corporation shall submit any
109 recommendations for strengthening the program to the Governor,
110 the Speaker of the House of Representatives, and the President
111 of the Senate by January 1 of each year.

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112 (7) On an annual basis, the corporation shall review ways
113 to improve public and private sector incentives and barriers to
114 affordable and community workforce housing and make any
115 recommendations necessary to improve these incentives in a
116 report to the Governor, the Speaker of the House of
117 Representatives, and the President of the Senate by January 1 of
118 each year. The corporation may request the assistance of the
119 Department of Community Affairs or the Affordable Housing Study
120 Commission in these efforts.

121 (8) (a) Applicants whose projects are approved or funded by
122 the Community Workforce Housing Innovation Program as Community
123 Workforce Housing Innovation Program projects shall be eligible
124 for the following workforce housing incentives to ensure the
125 financial viability, successful development, and ongoing
126 maintenance of these housing developments:

127 1. The processing of approvals of development orders or
128 development permits, as defined in s. 163.3164(7) and (8),
129 Florida Statutes, for affordable housing projects shall be
130 expedited to a greater degree than other projects.

131 2. Impact fees shall be reduced by 50 percent or may be
132 waived entirely by the local governments, or applicants shall be
133 provided with an alternative method of fee payment.

134 3. Increased density levels of up to 16 units or higher
135 density per acre shall be allowed, except in coastal high-hazard
136 areas, if approved by the local government, for community
137 workforce housing.

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138 4. The infrastructure capacity in the local comprehensive
139 plan for affordable housing shall be reserved for these
140 communities.

141 5. Additional affordable residential units in residential
142 zoning districts shall be allowed.

143 6. Open space and setback requirements for affordable
144 housing shall be reduced by 50 percent.

145 7. Zero-lot-line configurations shall be allowed.

146 8. Traffic concurrency requirements shall be modified or
147 reduced by up to 25 percent.

148 9. Local transportation infrastructure funding shall have
149 priority eligibility from metropolitan planning organizations.

150 (b) The regulatory incentives for approved Community
151 Workforce Housing Innovation Program projects shall be
152 considered acceptable by the respective local government
153 maintaining jurisdiction over the site of the project, if:

154 1. The applicant receives a letter of support from the
155 local government for the project application submitted to the
156 corporation; or

157 2. Within 60 days after receipt of the applicant's plan by
158 the local government, no formal vote is taken by that body to
159 object to the project.

160
161 However, if that local government entity votes not to accept the
162 Community Workforce Housing Innovation Program project in its
163 county, the corporation shall remove the application from the
164 project approval list.

165 Section 2. Program funding.--

166 (1) Subject to the availability of funds appropriated by
167 the Legislature to fund the Community Workforce Housing
168 Innovation Program, the Florida Housing Finance Corporation
169 shall have the authority to provide Community Workforce Housing
170 Innovation Program grants to an applicant for construction or
171 rehabilitation of rental or single-family community workforce
172 housing, provided the sponsor of such appropriation:

173 (a) Sets aside at least 80 percent of the units for
174 eligible persons whose household income does not exceed 150
175 percent of the adjusted local median income;

176 (b) Sets aside up to 60 percent of the units as
177 prioritized for households whose family members are employed in
178 areas deemed essential public service, such as education, health
179 care, and other areas defined by the local community in its
180 State Housing Initiatives Partnership Program plan. Such
181 projects shall identify sales and leasing strategies to
182 accomplish this set-aside priority for essential services
183 personnel as well as alternative strategies to sell or lease
184 units to other qualified individuals if essential services
185 personnel are not immediately available or qualified for the
186 units;

187 (c) For rental projects, limits rents to no more than 30
188 percent of the maximum household income adjusted to unit size;
189 or

190 (d) For home ownership, limits the sales price to the
191 price for which an eligible applicant at 150 percent of the
192 average median income may qualify.

193 (2) The corporation shall issue a request for proposals to
194 solicit applications for program approval and grants offered
195 under this section and shall establish a funding process to
196 distribute funds under this section. The corporation may approve
197 a project under this program that does not require grant
198 funding. Grant funding shall be based on demonstrated financial
199 need of the project. The corporation shall prioritize projects
200 in those high-cost counties with the highest real estate cost
201 burdens for housing, including those counties with designated
202 areas of critical state concern and those counties with the
203 highest average median price of single-family homes.

204 (3) All eligible applications shall:

205 (a) Demonstrate that the program applicant consists of a
206 public-private partnership of at least one local government or
207 special district public entity and one private not-for-profit or
208 for-profit development partner.

209 (b) Demonstrate how the applicant will use the regulatory
210 incentives outlined in subsection (8) of section 1 and include,
211 if available, any letters of support from the local government
212 partner for the incentives.

213 (c) Demonstrate that the applicant possesses title to or
214 firm site control of land and evidences availability of required
215 infrastructure.

216 (d) Provide any research or facts available supporting the
217 demand and need for rental or home ownership workforce housing
218 for qualified workforce residents in the county in which the
219 project is proposed.

220 (e) Have grants, donations of land, or contributions from
 221 other sources collectively totaling at least 15 percent of the
 222 total development cost. Such grants, donations of land, or
 223 contributions must only be evidenced by a letter of commitment
 224 at the time of application.

225 (f) Demonstrate accessibility to commercial businesses,
 226 services, and employment opportunities needed to serve the needs
 227 of the residents or include a viable plan to provide
 228 transportation access to those commercial businesses, services,
 229 and jobs.

230 (g) Demonstrate a marketing and sales plan to ensure that
 231 residents fit the income requirements and workforce employment
 232 demand for essential services.

233 (h) Provide a viable pro forma financial statement for the
 234 development costs and revenues for the project.

235 (4) The corporation shall establish a review committee
 236 composed of staff of the corporation and shall establish a
 237 scoring system for evaluation and competitive ranking of
 238 applications submitted to the program.

239 (5) The corporation shall develop evaluation and ranking
 240 criteria that use the eligibility criteria of subsection (3) and
 241 emphasize the following: innovative planning concepts,
 242 innovative building design, local government participation,
 243 public-private partnerships, the ability to proceed with
 244 construction, the feasibility and economic viability of the
 245 project, the applicant's affordable housing development and
 246 management experience, the ability to meet essential service
 247 personnel needs, a management plan to attract, serve, and keep

248 eligible workforce tenants and ensure the long-term
249 affordability of the rental or ownership units, and the quality
250 of project design.

251 (6) The corporation shall develop rules and procedures for
252 the awarding and accountability of Community Workforce Housing
253 Innovation Program grants to selected applicants. Grants may be
254 used with other corporation and private-sector resources. The
255 proceeds of all grants shall be used for new construction or
256 substantial rehabilitation that creates affordable, safe, and
257 sanitary rental or ownership workforce housing units. The
258 corporation shall expedite the review, evaluation, and awarding
259 of program grants.

260 (7) If a default on a grant occurs, the corporation may
261 foreclose on any mortgage or security interest or commence any
262 legal action to protect the interest of the corporation and
263 recover the amount of the grant principal, accrued interest, and
264 fees. The corporation may acquire real or personal property or
265 any interest in such property when that acquisition is necessary
266 or appropriate to protect any grant or sell, transfer, and
267 convey any such property to a buyer without regard to the
268 provisions of chapters 253 and 270, Florida Statutes.

269 (8) The corporation shall develop and implement a
270 Community Workforce Housing Innovation Program down payment
271 assistance program with available funds consistent with all the
272 requisite financial guidelines to meet the needs of eligible
273 individuals to purchase workforce housing. The corporation shall
274 encourage local governments to accomplish the same goals through

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275 their housing assistance plans provided in s. 420.9075, Florida
276 Statutes.

277 (9) (a) The corporation shall develop guidelines and rules
278 for providing for the conversion of existing affordable
279 multifamily rental apartments to affordable home ownership units
280 for projects in high-cost counties and counties with areas
281 designated as areas of critical state concern. Eligible
282 conversion projects must:

283 1. Have been in operation and in compliance with the
284 corporation's rules for at least 5 years.

285 2. Demonstrate the guarantee of a term of affordability
286 for home ownership in the deed restrictions or financing
287 restrictions equal to the term of affordability provided under
288 the rental agreement.

289 3. Demonstrate an affordable home ownership purchase price
290 approved by the corporation based on the average median purchase
291 price of a home in the counties for persons whose incomes do not
292 exceed 150 percent of the average median income in the county.

293 4. Provide current renters of apartments the first
294 opportunity to purchase converted home ownership units.

295 (b) The corporation may approve only 15 percent of the
296 available affordable rental projects as eligible for conversion
297 to affordable home ownership in any eligible high-cost county in
298 any one year. Priority must be given to replacing the stock of
299 rental units converted to affordable home ownership within these
300 counties with new rental units in the corporation's annual
301 funding cycle.

302 (10) The corporation shall require all program applicants
 303 to obtain and document local public input on the proposed
 304 project. The corporation shall establish criteria for what local
 305 public input the applicants shall be required to obtain.

306 Section 3. Subsection (6) is added to section 189.4155,
 307 Florida Statutes, to read:

308 189.4155 Activities of special districts; local government
 309 comprehensive planning.--

310 (6) Any independent district created pursuant to special
 311 act or general law, including, but not limited to, chapters 189,
 312 190, 191, and 298, for the purpose of providing urban
 313 infrastructure of services, is authorized to provide housing and
 314 housing assistance for its employed personnel.

315 Section 4. Subsection (19) is added to section 191.006,
 316 Florida Statutes, to read:

317 191.006 General powers.--The district shall have, and the
 318 board may exercise by majority vote, the following powers:

319 (19) To provide housing or housing assistance for its
 320 employed personnel.

321 Section 5. Subsection (5) is added to section 193.017,
 322 Florida Statutes, to read:

323 193.017 Low-income housing tax credit.--Property used for
 324 affordable housing which has received a low-income housing tax
 325 credit from the Florida Housing Finance Corporation, as
 326 authorized by s. 420.5099, shall be assessed under s. 193.011
 327 and, consistent with s. 420.5099(5) and (6), pursuant to this
 328 section.

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329 (5) If a cap rate is used to assess just valuation for the
330 property, the appraiser shall use a cap rate calculated annually
331 for affordable housing properties authorized by the Florida
332 Housing Finance Corporation and approved by the Department of
333 Revenue.

334 Section 6. Section 196.1978, Florida Statutes, is amended
335 to read:

336 196.1978 Affordable housing property exemption.--Property
337 used to provide affordable housing serving eligible persons as
338 defined by s. 159.603(7) and persons meeting income limits
339 specified in s. 420.0004(9), (10), and (14), which property is
340 owned entirely by a nonprofit entity which is qualified as
341 charitable under s. 501(c)(3) of the Internal Revenue Code and
342 which complies with Rev. Proc. 96-32, 1996-1 C.B. 717, shall be
343 considered property owned by an exempt entity and used for a
344 charitable purpose, and those portions of the affordable housing
345 property which provide housing to individuals with incomes as
346 defined in s. 420.0004(9) and (14) shall be exempt from ad
347 valorem taxation to the extent authorized in s. 196.196. For the
348 purposes of this section, ownership by a nonprofit entity is
349 classified as ownership by a corporation not for profit, a
350 Florida limited partnership the sole general partner of which is
351 a corporation not for profit, or a Florida limited liability
352 corporation the sole member of which is a corporation not for
353 profit. All property identified in this section shall comply
354 with the criteria for determination of exempt status to be
355 applied by property appraisers on an annual basis as defined in
356 s. 196.195. The Legislature intends that any property owned by a

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357 limited liability company which is disregarded as an entity for
 358 federal income tax purposes pursuant to Treasury Regulation
 359 301.7701-3(b)(1)(ii) shall be treated as owned by its sole
 360 member.

361 Section 7. Section 196.1980, Florida Statutes, is created
 362 to read:

363 196.1980 Affordable housing property exemption.--For the
 364 purpose of assessing just valuation of affordable housing
 365 properties used by persons with income limits defined as low,
 366 moderate, and very low, as specified in s. 420.0004(9), (10),
 367 and (14), the actual rental income from rent-restricted units in
 368 such a property shall be recognized by the property appraiser
 369 for assessment purposes, and an income approach shall be used
 370 for assessment of the rents for the following properties:

371 (1) Property that is funded by the United States
 372 Department of Housing and Urban Development under s. 8 of the
 373 United States Housing Act of 1937, that is used to provide
 374 affordable housing serving eligible persons as defined by s.
 375 159.603(7), and elderly and very-low-income persons as defined
 376 by s. 420.0004(7) and (14), and that has undergone financial
 377 restructuring as provided in s. 501, Title V, Subtitle A of the
 378 Multifamily Assisted Housing Reform and Affordability Act of
 379 1997.

380 (2) Multifamily, farmworker, or elderly rental properties
 381 that are funded by the Florida Housing Finance Corporation under
 382 ss. 420.5087 and 420.5089 and the State Housing Incentives
 383 Partnership Program under ss. 420.9072 and 420.9075.

384 Section 8. Effective July 1, 2007, subsections (9) and
 385 (10) of section 201.15, Florida Statutes, as amended by chapter
 386 2005-92, Laws of Florida, are amended to read:

387 201.15 Distribution of taxes collected.--All taxes
 388 collected under this chapter shall be distributed as follows and
 389 shall be subject to the service charge imposed in s. 215.20(1),
 390 except that such service charge shall not be levied against any
 391 portion of taxes pledged to debt service on bonds to the extent
 392 that the amount of the service charge is required to pay any
 393 amounts relating to the bonds:

394 (9) ~~The lesser of~~ Seven and fifty-three hundredths percent
 395 of the remaining taxes collected under this chapter ~~or \$107~~
 396 ~~million in each fiscal year~~ shall be paid into the State
 397 Treasury to the credit of the State Housing Trust Fund and shall
 398 be used as follows:

399 (a) Half of that amount shall be used for the purposes for
 400 which the State Housing Trust Fund was created and exists by
 401 law.

402 (b) Half of that amount shall be paid into the State
 403 Treasury to the credit of the Local Government Housing Trust
 404 Fund and shall be used for the purposes for which the Local
 405 Government Housing Trust Fund was created and exists by law.

406 (10) ~~The lesser of~~ Eight and sixty-six hundredths percent
 407 of the remaining taxes collected under this chapter ~~or \$136~~
 408 ~~million in each fiscal year~~ shall be paid into the State
 409 Treasury to the credit of the State Housing Trust Fund and shall
 410 be used as follows:

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411 (a) Twelve and one-half percent of that amount shall be
412 deposited into the State Housing Trust Fund and be expended by
413 the Department of Community Affairs and by the Florida Housing
414 Finance Corporation for the purposes for which the State Housing
415 Trust Fund was created and exists by law.

416 (b) Eighty-seven and one-half percent of that amount shall
417 be distributed to the Local Government Housing Trust Fund and
418 shall be used for the purposes for which the Local Government
419 Housing Trust Fund was created and exists by law. Funds from
420 this category may also be used to provide for state and local
421 services to assist the homeless.

422 Section 9. Paragraph (a) of subsection (22) of section
423 420.507, Florida Statutes, is amended to read:

424 420.507 Powers of the corporation.--The corporation shall
425 have all the powers necessary or convenient to carry out and
426 effectuate the purposes and provisions of this part, including
427 the following powers which are in addition to all other powers
428 granted by other provisions of this part:

429 (22) To develop and administer the State Apartment
430 Incentive Loan Program. In developing and administering that
431 program, the corporation may:

432 (a) Make first, second, and other subordinated mortgage
433 loans including variable or fixed rate loans subject to
434 contingent interest for all State Apartment Incentive Loans
435 provided for in this chapter based upon available cash flow of
436 the projects. The corporation shall make loans exceeding 25
437 percent of project cost available only to nonprofit
438 organizations and public bodies which are able to secure grants,

439 donations of land, or contributions from other sources and to
 440 projects meeting the criteria of subparagraph 1. Mortgage loans
 441 shall be made available at the following rates of interest:

442 1. Zero to 3 percent interest for sponsors of projects
 443 that maintain an 80 percent occupancy of residents qualifying as
 444 farmworkers as defined in s. 420.503(18), commercial fishing
 445 workers as defined in s. 420.503(5), or the homeless as defined
 446 in s. 420.621(4) over the life of the loan.

447 2. One ~~Three to 9~~ percent interest for sponsors of
 448 projects targeted at populations other than farmworkers,
 449 commercial fishing workers, and the homeless.

450 Section 10. Paragraph (b) of subsection (9) of section
 451 1001.42, Florida Statutes, is amended to read:

452 1001.42 Powers and duties of district school board.--The
 453 district school board, acting as a board, shall exercise all
 454 powers and perform all duties listed below:

455 (9) SCHOOL PLANT.--Approve plans for locating, planning,
 456 constructing, sanitating, insuring, maintaining, protecting, and
 457 condemning school property as prescribed in chapter 1013 and as
 458 follows:

459 (b) Sites, buildings, and equipment.--

460 1. Select and purchase school sites, playgrounds, and
 461 recreational areas located at centers at which schools are to be
 462 constructed, of adequate size to meet the needs of projected
 463 students to be accommodated.

464 2. Approve the proposed purchase of any site, playground,
 465 or recreational area for which district funds are to be used.

466 3. Expand existing sites.

- 467 4. Rent buildings when necessary.
- 468 5. Enter into leases or lease-purchase arrangements, in
 469 accordance with the requirements and conditions provided in s.
 470 1013.15(2), with private individuals or corporations for the
 471 rental of necessary grounds and educational facilities for
 472 school purposes or of educational facilities to be erected for
 473 school purposes. Current or other funds authorized by law may be
 474 used to make payments under a lease-purchase agreement.
 475 Notwithstanding any other statutes, if the rental is to be paid
 476 from funds received from ad valorem taxation and the agreement
 477 is for a period greater than 12 months, an approving referendum
 478 must be held. The provisions of such contracts, including
 479 building plans, shall be subject to approval by the Department
 480 of Education, and no such contract shall be entered into without
 481 such approval. As used in this section, "educational facilities"
 482 means the buildings and equipment that are built, installed, or
 483 established to serve educational purposes and that may lawfully
 484 be used. The State Board of Education may adopt such rules as
 485 are necessary to implement these provisions.
- 486 6. Provide for the proper supervision of construction.
- 487 7. Make or contract for additions, alterations, and
 488 repairs on buildings and other school properties.
- 489 8. Ensure that all plans and specifications for buildings
 490 provide adequately for the safety and well-being of students, as
 491 well as for economy of construction.
- 492 9. Provide affordable housing for teachers and other
 493 instructional personnel independently or in conjunction with
 494 other agencies as described in s. 1001.43(5).

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495 | Section 11. Except as otherwise expressly provided in this
496 | act, this act shall take effect July 1, 2006.