

1 1. State and local governments shall provide
2 incentives to encourage the private sector to be the primary
3 delivery vehicle for the development of affordable housing.

4 2. State funds should be heavily leveraged to achieve
5 the maximum local and private commitment of funds while
6 achieving the program objectives.

7 3. To the maximum extent possible, state funds should
8 be expended to provide housing units rather than to support
9 program administration.

10 4. State money should be used, when possible, as loans
11 rather than grants.

12 5. State funds should be available only to local
13 governments that provide incentives or financial assistance
14 for housing.

15 6. State funds should be made available only for
16 projects which are consistent with the local government
17 comprehensive plan.

18 7. State funding for housing should not be made
19 available to local governments whose comprehensive plans have
20 been found not in compliance with chapter 163 and who have not
21 entered into a stipulated settlement agreement with the
22 Department of Community Affairs to bring the plan into
23 compliance.

24 8. Mixed income projects should be encouraged, to
25 avoid a concentration of low-income residents in one area or
26 project.

27 9. Distribution of state housing funds should be
28 flexible and consider the regional and local needs, resources,
29 and capabilities of housing producers.

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1 10. Income levels used to determine program
2 eligibility should be adjusted for family size in determining
3 the eligibility of specific beneficiaries.

4 11. To the maximum extent possible, state-owned lands
5 that are appropriate for the development of affordable housing
6 shall be made available for that purpose.

7 12. Distribution of housing funds for multifamily
8 rental housing should be designed to address the housing needs
9 of persons most in need of housing, as identified by current
10 housing needs data, and at least 30 percent of housing units
11 funded should be targeted to extremely low-income persons. In
12 order to reach this goal, the requirements to maximize
13 leverage pursuant to subparagraph 2. and limit assistance to
14 loans pursuant to subparagraph 4. shall be modified to
15 encourage the development of units targeting extremely
16 low-income persons.

17 Section 2. Section 420.0004, Florida Statutes, is
18 amended to read:

19 420.0004 Definitions.--As used in this part, unless
20 the context otherwise indicates:

21 (1) "Adjusted for family size" means adjusted in a
22 manner which results in an income eligibility level which is
23 lower for households with fewer than four people, or higher
24 for households with more than four people, than the base
25 income eligibility determined as provided in subsection(10)
26 ~~(9)~~, subsection(11)~~(10)~~, or subsection(15)~~(14)~~, based upon
27 a formula as established by the United States Department of
28 Housing and Urban Development.

29 (2) "Adjusted gross income" means all wages, assets,
30 regular cash or noncash contributions or gifts from persons
31 outside the household, and such other resources and benefits

1 as may be determined to be income by the United States
2 Department of Housing and Urban Development, adjusted for
3 family size, less deductions allowable under s. 62 of the
4 Internal Revenue Code.

5 (3) "Affordable" means that monthly rents or monthly
6 mortgage payments including taxes, insurance, and utilities do
7 not exceed 30 percent of that amount which represents the
8 percentage of the median adjusted gross annual income for the
9 households as indicated in subsection~~(10)(9)~~, subsection
10 ~~(11)(10)~~, or subsection~~(15)(14)~~.

11 (4) "Corporation" means the Florida Housing Finance
12 Corporation.

13 (5) "Community-based organization" or "nonprofit
14 organization" means a private corporation organized under
15 chapter 617 to assist in the provision of housing and related
16 services on a not-for-profit basis and which is acceptable to
17 federal and state agencies and financial institutions as a
18 sponsor of low-income housing.

19 (6) "Department" means the Department of Community
20 Affairs.

21 (7) "Elderly" describes persons 62 years of age or
22 older.

23 (8) "Extremely low-income persons" means one or more
24 natural persons or a family, not including students, the total
25 annual adjusted gross household income of which does not
26 exceed 30 percent of the median annual adjusted gross income
27 for households within the state or 30 percent of the median
28 annual adjusted gross income for households within the
29 metropolitan statistical area (MSA) or, if not within an MSA,
30 within the county in which the person or family resides,
31 whichever is greater.

1 ~~(9)~~~~(8)~~ "Local public body" means any county,
2 municipality, or other political subdivision, or any housing
3 authority as provided by chapter 421, which is eligible to
4 sponsor or develop housing for farmworkers and very-low-income
5 and low-income persons within its jurisdiction.

6 ~~(10)~~~~(9)~~ "Low-income persons" means one or more natural
7 persons or a family, the total annual adjusted gross household
8 income of which does not exceed 80 percent of the median
9 annual adjusted gross income for households within the state,
10 or 80 percent of the median annual adjusted gross income for
11 households within the metropolitan statistical area (MSA) or,
12 if not within an MSA, within the county in which the person or
13 family resides, whichever is greater.

14 ~~(11)~~~~(10)~~ "Moderate-income persons" means one or more
15 natural persons or a family, the total annual adjusted gross
16 household income of which is less than 120 percent of the
17 median annual adjusted gross income for households within the
18 state, or 120 percent of the median annual adjusted gross
19 income for households within the metropolitan statistical area
20 (MSA) or, if not within an MSA, within the county in which the
21 person or family resides, whichever is greater.

22 ~~(12)~~~~(11)~~ "Student" means any person not living with
23 his or her parent or guardian who is eligible to be claimed by
24 his or her parent or guardian as a dependent under the federal
25 income tax code and who is enrolled on at least a half-time
26 basis in a secondary school, career center, community college,
27 college, or university.

28 ~~(13)~~~~(12)~~ "Substandard" means:

29 (a) Any unit lacking complete plumbing or sanitary
30 facilities for the exclusive use of the occupants;

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1 (b) A unit which is in violation of one or more major
2 sections of an applicable housing code and where such
3 violation poses a serious threat to the health of the
4 occupant; or

5 (c) A unit that has been declared unfit for human
6 habitation but that could be rehabilitated for less than 50
7 percent of the property value.

8 ~~(14)~~~~(13)~~ "Substantial rehabilitation" means repair or
9 restoration of a dwelling unit where the value of such repair
10 or restoration exceeds 40 percent of the value of the
11 dwelling.

12 ~~(15)~~~~(14)~~ "Very-low-income persons" means one or more
13 natural persons or a family, not including students, the total
14 annual adjusted gross household income of which does not
15 exceed 50 percent of the median annual adjusted gross income
16 for households within the state, or 50 percent of the median
17 annual adjusted gross income for households within the
18 metropolitan statistical area (MSA) or, if not within an MSA,
19 within the county in which the person or family resides,
20 whichever is greater.

21 Section 3. Paragraphs (d), (e), and (f) of subsection
22 (2) of section 163.31771, Florida Statutes, are amended to
23 read:

24 163.31771 Accessory dwelling units.--

25 (2) As used in this section, the term:

26 (d) "Low-income persons" has the same meaning as in s.
27 420.0004~~(10)~~~~(9)~~.

28 (e) "Moderate-income persons" has the same meaning as
29 in s. 420.0004~~(11)~~~~(10)~~.

30 (f) "Very-low-income persons" has the same meaning as
31 in s. 420.0004~~(15)~~~~(14)~~.

1 Section 4. Section 196.1978, Florida Statutes, is
2 amended to read:

3 196.1978 Affordable housing property
4 exemption.--Property used to provide affordable housing
5 serving eligible persons as defined by s. 159.603(7) and
6 persons meeting income limits specified in s. 420.0004~~(10)(9)~~,
7 (11)(10), and~~(15)(14)~~, which property is owned entirely by
8 a nonprofit entity which is qualified as charitable under s.
9 501(c)(3) of the Internal Revenue Code and which complies with
10 Rev. Proc. 96-32, 1996-1 C.B. 717, shall be considered
11 property owned by an exempt entity and used for a charitable
12 purpose, and those portions of the affordable housing property
13 which provide housing to individuals with incomes as defined
14 in s. 420.0004~~(10)(9)~~ and~~(15)(14)~~ shall be exempt from ad
15 valorem taxation to the extent authorized in s. 196.196. All
16 property identified in this section shall comply with the
17 criteria for determination of exempt status to be applied by
18 property appraisers on an annual basis as defined in s.
19 196.195. The Legislature intends that any property owned by a
20 limited liability company which is disregarded as an entity
21 for federal income tax purposes pursuant to Treasury
22 Regulation 301.7701-3(b)(1)(ii) shall be treated as owned by
23 its sole member.

24 Section 5. Paragraph (o) of subsection (5) of section
25 212.08, Florida Statutes, is amended to read:

26 212.08 Sales, rental, use, consumption, distribution,
27 and storage tax; specified exemptions.--The sale at retail,
28 the rental, the use, the consumption, the distribution, and
29 the storage to be used or consumed in this state of the
30 following are hereby specifically exempt from the tax imposed
31 by this chapter.

- 1 (5) EXEMPTIONS; ACCOUNT OF USE.--
- 2 (o) Building materials in redevelopment projects.--
- 3 1. As used in this paragraph, the term:
- 4 a. "Building materials" means tangible personal
- 5 property that becomes a component part of a housing project or
- 6 a mixed-use project.
- 7 b. "Housing project" means the conversion of an
- 8 existing manufacturing or industrial building to housing units
- 9 in an urban high-crime area, enterprise zone, empowerment
- 10 zone, Front Porch Community, designated brownfield area, or
- 11 urban infill area and in which the developer agrees to set
- 12 aside at least 20 percent of the housing units in the project
- 13 for low-income and moderate-income persons or the construction
- 14 in a designated brownfield area of affordable housing for
- 15 persons described in s. 420.0004~~(10)(9)~~, ~~(11)(10)~~, or (15)
- 16 ~~(14)~~, or in s. 159.603(7).
- 17 c. "Mixed-use project" means the conversion of an
- 18 existing manufacturing or industrial building to mixed-use
- 19 units that include artists' studios, art and entertainment
- 20 services, or other compatible uses. A mixed-use project must
- 21 be located in an urban high-crime area, enterprise zone,
- 22 empowerment zone, Front Porch Community, designated brownfield
- 23 area, or urban infill area, and the developer must agree to
- 24 set aside at least 20 percent of the square footage of the
- 25 project for low-income and moderate-income housing.
- 26 d. "Substantially completed" has the same meaning as
- 27 provided in s. 192.042(1).
- 28 2. Building materials used in the construction of a
- 29 housing project or mixed-use project are exempt from the tax
- 30 imposed by this chapter upon an affirmative showing to the
- 31 satisfaction of the department that the requirements of this

1 paragraph have been met. This exemption inures to the owner
2 through a refund of previously paid taxes. To receive this
3 refund, the owner must file an application under oath with the
4 department which includes:

5 a. The name and address of the owner.
6 b. The address and assessment roll parcel number of
7 the project for which a refund is sought.
8 c. A copy of the building permit issued for the
9 project.
10 d. A certification by the local building code
11 inspector that the project is substantially completed.
12 e. A sworn statement, under penalty of perjury, from
13 the general contractor licensed in this state with whom the
14 owner contracted to construct the project, which statement
15 lists the building materials used in the construction of the
16 project and the actual cost thereof, and the amount of sales
17 tax paid on these materials. If a general contractor was not
18 used, the owner shall provide this information in a sworn
19 statement, under penalty of perjury. Copies of invoices
20 evidencing payment of sales tax must be attached to the sworn
21 statement.

22 3. An application for a refund under this paragraph
23 must be submitted to the department within 6 months after the
24 date the project is deemed to be substantially completed by
25 the local building code inspector. Within 30 working days
26 after receipt of the application, the department shall
27 determine if it meets the requirements of this paragraph. A
28 refund approved pursuant to this paragraph shall be made
29 within 30 days after formal approval of the application by the
30 department. The provisions of s. 212.095 do not apply to any
31 refund application made under this paragraph.

1 4. The department shall establish by rule an
2 application form and criteria for establishing eligibility for
3 exemption under this paragraph.

4 5. The exemption shall apply to purchases of materials
5 on or after July 1, 2000.

6 Section 6. This act shall take effect July 1, 2006.
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