

A bill to be entitled

An act relating to the state housing strategy; amending s. 420.0003, F.S.; revising policy guidelines of the state housing strategy relating to new programs for housing production or rehabilitation to provide that the distribution of housing funds for multifamily rental housing should be designed to address the housing needs of persons most in need of housing and that a certain minimum percentage of housing units funded should be targeted to extremely low-income persons; amending s. 420.0004, F.S.; defining the term "extremely low-income persons"; amending ss. 163.31771, 196.1978, and 212.08, F.S.; conforming cross-references to changes made by the act; providing an effective date.

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

Section 1. Paragraph (e) of subsection (3) of section 420.0003, Florida Statutes, is amended to read:

420.0003 State housing strategy.--

(3) POLICIES.--

(e) Housing production or rehabilitation programs.--New programs for housing production or rehabilitation shall be developed in accordance with the following general guidelines as appropriate for the purpose of the specific program:

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

29 2. State funds should be heavily leveraged to achieve the
30 maximum local and private commitment of funds while achieving
31 the program objectives.

32 3. To the maximum extent possible, state funds should be
33 expended to provide housing units rather than to support program
34 administration.

35 4. State money should be used, when possible, as loans
36 rather than grants.

37 5. State funds should be available only to local
38 governments that provide incentives or financial assistance for
39 housing.

40 6. State funds should be made available only for projects
41 which are consistent with the local government comprehensive
42 plan.

43 7. State funding for housing should not be made available
44 to local governments whose comprehensive plans have been found
45 not in compliance with chapter 163 and who have not entered into
46 a stipulated settlement agreement with the Department of
47 Community Affairs to bring the plan into compliance.

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

50 9. Distribution of state housing funds should be flexible
51 and consider the regional and local needs, resources, and
52 capabilities of housing producers.

53 10. Income levels used to determine program eligibility
54 should be adjusted for family size in determining the
55 eligibility of specific beneficiaries.

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

59 12. Distribution of housing funds for multifamily rental
60 housing should be designed to address the housing needs of
61 persons most in need of housing, as identified by current
62 housing needs data, and at least 30 percent of housing units
63 funded should be targeted to extremely low-income persons. In
64 order to reach this goal, the requirements to maximize leverage
65 pursuant to subparagraph 2. and limit assistance to loans
66 pursuant to subparagraph 4. shall be modified to encourage the
67 development of units targeting extremely low-income persons.

68 Section 2. Section 420.0004, Florida Statutes, is amended
69 to read:

70 420.0004 Definitions.--As used in this part, unless the
71 context otherwise indicates:

72 (1) "Adjusted for family size" means adjusted in a manner
73 which results in an income eligibility level which is lower for
74 households with fewer than four people, or higher for households
75 with more than four people, than the base income eligibility
76 determined as provided in subsection (10) ~~(9)~~, subsection (11)
77 ~~(10)~~, or subsection (15) ~~(14)~~, based upon a formula as
78 established by the United States Department of Housing and Urban
79 Development.

80 (2) "Adjusted gross income" means all wages, assets,
81 regular cash or noncash contributions or gifts from persons
82 outside the household, and such other resources and benefits as
83 may be determined to be income by the United States Department

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84 of Housing and Urban Development, adjusted for family size, less
85 deductions allowable under s. 62 of the Internal Revenue Code.

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

92 (4) "Corporation" means the Florida Housing Finance
93 Corporation.

94 (5) "Community-based organization" or "nonprofit
95 organization" means a private corporation organized under
96 chapter 617 to assist in the provision of housing and related
97 services on a not-for-profit basis and which is acceptable to
98 federal and state agencies and financial institutions as a
99 sponsor of low-income housing.

100 (6) "Department" means the Department of Community
101 Affairs.

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

103 (8) "Extremely low-income persons" means one or more
104 natural persons or a family, not including students, the total
105 annual adjusted gross household income of which does not exceed
106 30 percent of the median annual adjusted gross income for
107 households within the state or 30 percent of the median annual
108 adjusted gross income for households within the metropolitan
109 statistical area (MSA) or, if not within an MSA, within the
110 county in which the person or family resides, whichever is
111 greater.

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112 (9)~~(8)~~ "Local public body" means any county, municipality,
 113 or other political subdivision, or any housing authority as
 114 provided by chapter 421, which is eligible to sponsor or develop
 115 housing for farmworkers and very-low-income and low-income
 116 persons within its jurisdiction.

117 (10)~~(9)~~ "Low-income persons" means one or more natural
 118 persons or a family, the total annual adjusted gross household
 119 income of which does not exceed 80 percent of the median annual
 120 adjusted gross income for households within the state, or 80
 121 percent of the median annual adjusted gross income for
 122 households within the metropolitan statistical area (MSA) or, if
 123 not within an MSA, within the county in which the person or
 124 family resides, whichever is greater.

125 (11)~~(10)~~ "Moderate-income persons" means one or more
 126 natural persons or a family, the total annual adjusted gross
 127 household income of which is less than 120 percent of the median
 128 annual adjusted gross income for households within the state, or
 129 120 percent of the median annual adjusted gross income for
 130 households within the metropolitan statistical area (MSA) or, if
 131 not within an MSA, within the county in which the person or
 132 family resides, whichever is greater.

133 (12)~~(11)~~ "Student" means any person not living with his or
 134 her parent or guardian who is eligible to be claimed by his or
 135 her parent or guardian as a dependent under the federal income
 136 tax code and who is enrolled on at least a half-time basis in a
 137 secondary school, career center, community college, college, or
 138 university.

139 (13)~~(12)~~ "Substandard" means:

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

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

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

148 (14)~~(13)~~ "Substantial rehabilitation" means repair or
 149 restoration of a dwelling unit where the value of such repair or
 150 restoration exceeds 40 percent of the value of the dwelling.

151 (15)~~(14)~~ "Very-low-income persons" means one or more
 152 natural persons or a family, not including students, the total
 153 annual adjusted gross household income of which does not exceed
 154 50 percent of the median annual adjusted gross income for
 155 households within the state, or 50 percent of the median annual
 156 adjusted gross income for households within the metropolitan
 157 statistical area (MSA) or, if not within an MSA, within the
 158 county in which the person or family resides, whichever is
 159 greater.

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

162 163.31771 Accessory dwelling units.--

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

164 (d) "Low-income persons" has the same meaning as in s.
 165 420.0004 (10)~~(9)~~.

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

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

170 Section 4. Section 196.1978, Florida Statutes, is amended
 171 to read:

172 196.1978 Affordable housing property exemption.--Property
 173 used to provide affordable housing serving eligible persons as
 174 defined by s. 159.603(7) and persons meeting income limits
 175 specified in s. 420.0004 (10) ~~(9)~~, (11) ~~(10)~~, and (15) ~~(14)~~, which
 176 property is owned entirely by a nonprofit entity which is
 177 qualified as charitable under s. 501(c)(3) of the Internal
 178 Revenue Code and which complies with Rev. Proc. 96-32, 1996-1
 179 C.B. 717, shall be considered property owned by an exempt entity
 180 and used for a charitable purpose, and those portions of the
 181 affordable housing property which provide housing to individuals
 182 with incomes as defined in s. 420.0004 (10) ~~(9)~~ and (15) ~~(14)~~
 183 shall be exempt from ad valorem taxation to the extent
 184 authorized in s. 196.196. All property identified in this
 185 section shall comply with the criteria for determination of
 186 exempt status to be applied by property appraisers on an annual
 187 basis as defined in s. 196.195. The Legislature intends that any
 188 property owned by a limited liability company which is
 189 disregarded as an entity for federal income tax purposes
 190 pursuant to Treasury Regulation 301.7701-3(b)(1)(ii) shall be
 191 treated as owned by its sole member.

192 Section 5. Paragraph (o) of subsection (5) of section
 193 212.08, Florida Statutes, is amended to read:

194 212.08 Sales, rental, use, consumption, distribution, and
 195 storage tax; specified exemptions.--The sale at retail, the

196 rental, the use, the consumption, the distribution, and the
 197 storage to be used or consumed in this state of the following
 198 are hereby specifically exempt from the tax imposed by this
 199 chapter.

200 (5) EXEMPTIONS; ACCOUNT OF USE.--

201 (o) Building materials in redevelopment projects.--

202 1. As used in this paragraph, the term:

203 a. "Building materials" means tangible personal property
 204 that becomes a component part of a housing project or a mixed-
 205 use project.

206 b. "Housing project" means the conversion of an existing
 207 manufacturing or industrial building to housing units in an
 208 urban high-crime area, enterprise zone, empowerment zone, Front
 209 Porch Community, designated brownfield area, or urban infill
 210 area and in which the developer agrees to set aside at least 20
 211 percent of the housing units in the project for low-income and
 212 moderate-income persons or the construction in a designated
 213 brownfield area of affordable housing for persons described in
 214 s. 420.0004 (10) ~~(9)~~, (11) ~~(10)~~, or (15) ~~(14)~~, or in s.
 215 159.603 (7).

216 c. "Mixed-use project" means the conversion of an existing
 217 manufacturing or industrial building to mixed-use units that
 218 include artists' studios, art and entertainment services, or
 219 other compatible uses. A mixed-use project must be located in an
 220 urban high-crime area, enterprise zone, empowerment zone, Front
 221 Porch Community, designated brownfield area, or urban infill
 222 area, and the developer must agree to set aside at least 20

223 percent of the square footage of the project for low-income and
 224 moderate-income housing.

225 d. "Substantially completed" has the same meaning as
 226 provided in s. 192.042(1).

227 2. Building materials used in the construction of a
 228 housing project or mixed-use project are exempt from the tax
 229 imposed by this chapter upon an affirmative showing to the
 230 satisfaction of the department that the requirements of this
 231 paragraph have been met. This exemption inures to the owner
 232 through a refund of previously paid taxes. To receive this
 233 refund, the owner must file an application under oath with the
 234 department which includes:

235 a. The name and address of the owner.

236 b. The address and assessment roll parcel number of the
 237 project for which a refund is sought.

238 c. A copy of the building permit issued for the project.

239 d. A certification by the local building code inspector
 240 that the project is substantially completed.

241 e. A sworn statement, under penalty of perjury, from the
 242 general contractor licensed in this state with whom the owner
 243 contracted to construct the project, which statement lists the
 244 building materials used in the construction of the project and
 245 the actual cost thereof, and the amount of sales tax paid on
 246 these materials. If a general contractor was not used, the owner
 247 shall provide this information in a sworn statement, under
 248 penalty of perjury. Copies of invoices evidencing payment of
 249 sales tax must be attached to the sworn statement.

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250 3. An application for a refund under this paragraph must
251 be submitted to the department within 6 months after the date
252 the project is deemed to be substantially completed by the local
253 building code inspector. Within 30 working days after receipt of
254 the application, the department shall determine if it meets the
255 requirements of this paragraph. A refund approved pursuant to
256 this paragraph shall be made within 30 days after formal
257 approval of the application by the department. The provisions of
258 s. 212.095 do not apply to any refund application made under
259 this paragraph.

260 4. The department shall establish by rule an application
261 form and criteria for establishing eligibility for exemption
262 under this paragraph.

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

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