

By Senator Margolis

35-1014B-07

See HB 625

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A bill to be entitled
An act relating to affordable housing for the elderly; amending s. 420.5087, F.S.; authorizing the Florida Housing Finance Corporation to provide forgivable loans to nonprofit organizations that serve very-low-income elderly tenants; providing criteria; providing an effective date.

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

Section 1. Paragraph (d) of subsection (3) of section 420.5087, Florida Statutes, is amended to read:

420.5087 State Apartment Incentive Loan Program.--There is hereby created the State Apartment Incentive Loan Program for the purpose of providing 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.

(3) During the first 6 months of loan or loan guarantee availability, program funds shall be reserved for use by sponsors who provide the housing set-aside required in subsection (2) for the tenant groups designated in this subsection. The reservation of funds to each of these groups shall be determined using the most recent statewide very-low-income rental housing market study available at the time of publication of each notice of fund availability required by paragraph (6)(b). The reservation of funds within each notice of fund availability to the tenant groups in paragraphs (a), (b), and (d) may not be less than 10 percent

1 of the funds available at that time. Any increase in funding
2 required to reach the 10-percent minimum shall be taken from
3 the tenant group that has the largest reservation. The
4 reservation of funds within each notice of fund availability
5 to the tenant group in paragraph (c) may not be less than 5
6 percent of the funds available at that time. The tenant groups
7 are:

8 (d) Elderly persons. Ten percent of the amount
9 reserved for the elderly shall be reserved to provide loans to
10 sponsors of housing for the elderly for the purpose of making
11 building preservation, health, or sanitation repairs or
12 improvements which are required by federal, state, or local
13 regulation or code, or lifesafety or security-related repairs
14 or improvements to such housing. Such a loan may not exceed
15 \$750,000 per housing community for the elderly. In order to
16 receive the loan, the sponsor of the housing community must
17 make a commitment to match at least 5 percent of the loan
18 amount to pay the cost of such repair or improvement. The
19 corporation shall establish the rate of interest on the loan,
20 which may not exceed 3 percent, and the term of the loan,
21 which may not exceed 15 years; however, if the lien of the
22 corporation's encumbrance is subordinate to the lien of
23 another mortgagee, then the term may be made coterminous with
24 the longest term of the superior lien. The term of the loan
25 shall be established on the basis of a credit analysis of the
26 applicant. The Legislature recognizes that nonprofit
27 organizations that serve very-low-income elderly tenants may
28 be precluded from taking on additional debt due to their legal
29 and practical inability to increase rents. Therefore, the
30 corporation may provide forgivable loans to nonprofit
31 organizations, as defined in s. 420.0004(5), which sponsor

1 affordable housing for the elderly if at least 50 percent of
2 the units are dedicated to low-income or very-low-income
3 elderly persons or a combination of the two and the housing
4 community for which the loan is requested has been providing
5 affordable housing to the elderly for 15 years or more. The
6 corporation shall establish, by rule, the procedure and
7 criteria for receiving, evaluating, and competitively ranking
8 all applications for loans under this paragraph. A loan
9 application must include evidence of the first mortgagee's
10 having reviewed and approved the sponsor's intent to apply for
11 a loan. A nonprofit organization or sponsor may not use the
12 proceeds of the loan to pay for administrative costs, routine
13 maintenance, or new construction.

14 Section 2. This act shall take effect upon becoming a
15 law.

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