

By the Committee on Community Affairs; and Senator Margolis

578-2165-07

1 A bill to be entitled
2 An act relating to affordable housing for the
3 elderly; amending s. 420.5087, F.S.;
4 authorizing the Florida Housing Finance
5 Corporation to provide partially forgivable
6 loans to nonprofit organizations that serve
7 extremely-low-income elderly tenants; providing
8 criteria; providing an effective date.

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

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12 Section 1. Paragraph (d) of subsection (3) of section
13 420.5087, Florida Statutes, is amended to read:

14 420.5087 State Apartment Incentive Loan
15 Program.--There is hereby created the State Apartment
16 Incentive Loan Program for the purpose of providing first,
17 second, or other subordinated mortgage loans or loan
18 guarantees to sponsors, including for-profit, nonprofit, and
19 public entities, to provide housing affordable to
20 very-low-income persons.

21 (3) During the first 6 months of loan or loan
22 guarantee availability, program funds shall be reserved for
23 use by sponsors who provide the housing set-aside required in
24 subsection (2) for the tenant groups designated in this
25 subsection. The reservation of funds to each of these groups
26 shall be determined using the most recent statewide
27 very-low-income rental housing market study available at the
28 time of publication of each notice of fund availability
29 required by paragraph (6)(b). The reservation of funds within
30 each notice of fund availability to the tenant groups in
31 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 corporation may forgive indebtedness for a
27 share of the loan attributable to the units in a project
28 reserved for extremely-low-income elderly by nonprofit
29 organizations, as defined in s. 420.0004(5), if the project
30 has provided affordable housing to the elderly for 15 years or
31 more. The corporation shall establish, by rule, the procedure

1 and criteria for receiving, evaluating, and competitively
2 ranking all applications for loans under this paragraph. A
3 loan application must include evidence of the first
4 mortgagee's having reviewed and approved the sponsor's intent
5 to apply for a loan. A nonprofit organization or sponsor may
6 not use the proceeds of the loan to pay for administrative
7 costs, routine maintenance, or new construction.

8 Section 2. This act shall take effect upon becoming a
9 law.

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11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 Senate Bill 1626

14 The committee substitute authorizes the Florida Housing
15 Finance Corporation to partially forgive loans given to
16 nonprofit organizations that sponsor affordable housing
17 projects for the elderly. The portion of the loan to be
18 forgiven is attributable to the units set aside in the project
19 for extremely-low-income elderly tenants and the project must
20 have been providing affordable housing to the elderly for at
21 least 15 years.