

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

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

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 10 Section 1. Paragraph (d) of subsection (3) of section
 11 420.5087, Florida Statutes, is amended to read:

12 420.5087 State Apartment Incentive Loan Program.--There is
 13 hereby created the State Apartment Incentive Loan Program for
 14 the purpose of providing first, second, or other subordinated
 15 mortgage loans or loan guarantees to sponsors, including for-
 16 profit, nonprofit, and public entities, to provide housing
 17 affordable to very-low-income persons.

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

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29 at that time. Any increase in funding required to reach the 10-
30 percent minimum shall be taken from the tenant group that has
31 the largest reservation. The reservation of funds within each
32 notice of fund availability to the tenant group in paragraph (c)
33 may not be less than 5 percent of the funds available at that
34 time. The tenant groups are:

35 (d) Elderly persons. Ten percent of the amount reserved
36 for the elderly shall be reserved to provide loans to sponsors
37 of housing for the elderly for the purpose of making building
38 preservation, health, or sanitation repairs or improvements
39 which are required by federal, state, or local regulation or
40 code, or lifesafety or security-related repairs or improvements
41 to such housing. Such a loan may not exceed \$750,000 per housing
42 community for the elderly. In order to receive the loan, the
43 sponsor of the housing community must make a commitment to match
44 at least 5 percent of the loan amount to pay the cost of such
45 repair or improvement. The corporation shall establish the rate
46 of interest on the loan, which may not exceed 3 percent, and the
47 term of the loan, which may not exceed 15 years; however, if the
48 lien of the corporation's encumbrance is subordinate to the lien
49 of another mortgagee, then the term may be made coterminous with
50 the longest term of the superior lien. The term of the loan
51 shall be established on the basis of a credit analysis of the
52 applicant. The Legislature recognizes that nonprofit
53 organizations that serve very-low-income elderly tenants may be
54 precluded from taking on additional debt due to their legal and
55 practical inability to increase rents. Therefore, the
56 corporation may provide forgivable loans to nonprofit

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57 organizations, as defined in s. 420.0004(5), that sponsor
58 affordable housing for the elderly if at least 25 percent of the
59 units are dedicated to very-low-income elderly persons and the
60 housing community for which the loan is requested has been
61 providing affordable housing to the elderly for 15 years or
62 more. The corporation shall establish, by rule, the procedure
63 and criteria for receiving, evaluating, and competitively
64 ranking all applications for loans under this paragraph. A loan
65 application must include evidence of the first mortgagee's
66 having reviewed and approved the sponsor's intent to apply for a
67 loan. A nonprofit organization or sponsor may not use the
68 proceeds of the loan to pay for administrative costs, routine
69 maintenance, or new construction.

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