

By the Committee on Community Affairs; and Senator Bennett

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1 A bill to be entitled
2 An act relating to affordable housing; creating s.
3 193.018, F.S.; defining the term "community land trust";
4 providing for the assessment of structural improvements,
5 condominium parcels, or cooperative parcels on land owned
6 by a community land trust and used to provide affordable
7 housing; providing for the conveyance of structural
8 improvements, condominium parcels, or cooperative parcels
9 subject to certain conditions; specifying the criteria to
10 be used in arriving at just valuation of a structural
11 improvement, condominium parcel, or cooperative parcel;
12 specifying the criteria to be used in arriving at just
13 valuation of land owned by a community land trust that is
14 subject to limited uses; amending s. 196.1978, F.S.;
15 providing that property owned by certain nonprofit
16 entities or Florida-based limited partnerships and used or
17 held for the purpose of providing affordable housing to
18 certain income-qualified persons is exempt from ad valorem
19 taxation; revising legislative intent; providing that such
20 ad valorem tax exemption extends to land owned by an
21 exempt entity and subject to a 99-year ground lease for
22 the purpose of providing affordable housing; providing
23 that such ad valorem tax exemption extends to undeveloped
24 property owned by an exempt entity that has taken
25 affirmative steps to prepare the property for future use
26 as affordable housing; defining the term "affirmative
27 steps"; providing for the rejection or rescission of the
28 ad valorem tax exemption under certain circumstances;
29 providing an effective date.

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

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33 Section 1. Section 193.018, Florida Statutes, is created to
34 read:

35 193.018 Land owned by a community land trust used to
36 provide affordable housing; assessment; structural improvements,
37 condominium parcels; cooperative parcels.--

38 (1) As used in this section, the term "community land
39 trust" means a nonprofit entity that is qualified as charitable
40 under s. 501(c)(3) of the Internal Revenue Code and has as one of
41 its purposes the acquisition of land to be held in perpetuity for
42 the primary purpose of providing affordable homeownership.

43 (2) A community land trust may convey structural
44 improvements, condominium parcels, or cooperative parcels,
45 located on specific parcels of land which are identified by a
46 legal description contained in and subject to a ground lease
47 having a term of at least 99 years, for the purpose of providing
48 affordable housing to natural persons or families who meet the
49 extremely low, very-low, low, or moderate income limits specified
50 in s. 420.0004, or the income limits for workforce housing as
51 specified in s. 420.5095(3). A community land trust shall retain
52 a preemptive option to purchase any structural improvements,
53 condominium parcels, or cooperative parcels on the land at a
54 price determined by a formula specified in the ground lease
55 designed to ensure that such structural improvements, condominium
56 parcels, or cooperative parcels remain affordable.

57 (3) In arriving at just valuation under s. 193.011, a
58 structural improvement, condominium parcel, or cooperative parcel

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59 providing affordable housing on land owned by a community land
60 trust, and the land owned by a community land trust that is
61 subject to a 99-year or longer ground lease, shall be assessed
62 using the following criteria:

63 (a) The amount a willing purchaser would pay a willing
64 seller for the land is limited to an amount commensurate with the
65 terms of the ground lease, which restricts the use of the land to
66 the provision of affordable housing in perpetuity.

67 (b) The amount a willing purchaser would pay a willing
68 seller for the resale-restricted improvements, condominium
69 parcel, or cooperative parcel is limited to the amount determined
70 by the formula in the ground lease.

71 (c) If the ground lease and all amendments and supplements
72 thereto, or a memorandum documenting how such lease and
73 amendments or supplements restrict the price at which the
74 improvements, condominium parcel, or cooperative parcel may be
75 sold, is recorded in the official public records of the county in
76 which the leased land is located, the recorded lease and any
77 amendments or supplements, or the recorded memorandum, shall be
78 deemed a land use regulation during the term of the lease as
79 amended or supplemented.

80 Section 2. Section 196.1978, Florida Statutes, is amended
81 to read:

82 196.1978 Affordable housing property exemption.--

83 (1) Property used or held for the purpose of providing to
84 provide affordable housing serving eligible persons as defined by
85 s. 159.603(7) and natural persons or families meeting the
86 extremely low, very-low, low, or moderate persons meeting income
87 limits specified in s. 420.0004 s. 420.0004(8), (10), (11), and

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88 ~~(15)~~, which property is owned entirely by a nonprofit entity that
89 is a corporation not for profit, qualified as charitable under s.
90 501(c) (3) of the Internal Revenue Code, and in compliance with
91 Rev. Proc. 96-32, 1996-1 C.B. 717, or a Florida-based limited
92 partnership, the sole general partner of which is a corporation
93 not for profit which is qualified as charitable under s.

94 501(c) (3) of the Internal Revenue Code and which complies with
95 Rev. Proc. 96-32, 1996-1 C.B. 717, shall be considered property
96 owned by an exempt entity and used for a charitable purpose, and
97 those portions of the affordable housing property which provide
98 housing to natural persons or families classified as extremely
99 low income, very-low income, low-income, or moderate-income under
100 s. 420.0004 ~~individuals with incomes as defined in s.~~

101 ~~420.0004(10) and (15)~~ shall be exempt from ad valorem taxation to
102 the extent authorized in s. 196.196. All property identified in
103 this section shall comply with the criteria for determination of
104 exempt status to be applied by property appraisers on an annual
105 basis as defined in s. 196.195. The Legislature intends that any
106 property owned by a limited liability company or limited
107 partnership which is disregarded as an entity for federal income
108 tax purposes pursuant to Treasury Regulation 301.7701-3(b) (1) (ii)
109 shall be treated as owned by its sole member or sole general
110 partner.

111 (2) (a) The exemption provided in this section shall extend
112 to land that is owned by an exempt entity and that is subject to
113 a 99-year ground lease for the purpose of providing affordable
114 housing.

115 (b) The exemption provided in this section shall also
116 extend to undeveloped property owned by an exempt entity that

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117 takes affirmative steps to prepare the property to provide
118 affordable housing to eligible persons as defined by s.
119 159.603(7) and natural persons or families meeting the extremely
120 low, very-low, low, or moderate income limits specified in s.
121 420.0004. For purposes of this paragraph , the term "affirmative
122 steps" means demonstrating to the property appraiser that
123 activities have been initiated which will ensure future use of
124 the property for affordable housing, including, but not limited
125 to, proposals for property development, preliminary environmental
126 or land use permitting activities, site plans or architectural
127 plans, site preparation, construction or renovation activities,
128 financial plans, or any other activities demonstrating that the
129 property will be used to provide affordable housing. If the
130 property appraiser determines that affirmative steps to ensure
131 the future use of the property for affordable housing have not
132 been taken within 5 years after an exemption is granted under
133 this paragraph, the property appraiser may reject or rescind the
134 exempt status of the property and reassess it based on other
135 uses.

136 Section 3. This act shall take effect July 1, 2008.