A bill to be entitled

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An act relating to affordable housing; amending s. 125.0104, F.S.; allowing certain counties to use certain tax revenues for workforce, affordable, and employee housing; amending s. 159.807, F.S.; deleting a provision exempting the Florida Housing Finance Corporation from the applicability of certain uses of the state allocation pool; amending s. 196.1978, F.S.; providing that property owned by certain nonprofit entities or Florida-based limited partnerships and used or held for the purpose of providing affordable housing to certain income-qualified persons is exempt from ad valorem taxation; revising legislative intent; providing that such ad valorem tax exemption extends to land owned by an exempt entity and subject to a 99-year ground lease for the purpose of providing affordable housing; providing that such ad valorem tax exemption extends to undeveloped property owned by an exempt entity that has taken affirmative steps to prepare the property for future use as affordable housing; defining the term "affirmative steps"; providing for the rejection of the ad valorem tax exemption under certain circumstances; requiring a property appraiser to reassess the just valuation of the property under certain circumstances; providing the total amount of taxes, non-ad valorem assessments, and interest for the period such exemption was effective become due when exemptions are found to have been obtained improperly or by fraud or misrepresentation; requiring the property appraiser to

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notify the tax collector of certain changes in the use or ownership of the property; amending s. 420.503, F.S.; defining the term "moderate rehabilitation" for purposes of the Florida Housing Finance Corporation Act; amending s. 420.5061, F.S.; removing a provision requiring the Florida Housing Finance Corporation to transfer certain funds to the General Revenue Fund; amending s. 420.507, F.S.; providing the corporation with certain powers relating to developing and administering a grant program; amending s. 420.5087, F.S.; revising purposes for which state apartment incentive loans may be used; amending s. 420.5095, F.S.; providing for the disbursement of certain Community Workforce Housing Innovation Pilot Program funds that were awarded but have been declined or returned; amending s. 420.615, F.S.; revising provisions relating to comprehensive plan amendments; authorizing certain persons to challenge the compliance of an amendment; creating s. 420.628, F.S.; providing legislative findings and intent; requiring certain governmental entities to develop and implement strategies and procedures designed to increase affordable housing opportunities for young adults who are leaving the child welfare system; amending s. 420.9071, F.S.; revising and providing definitions; amending s. 420.9072, F.S.; conforming a cross-reference; amending s. 420.9073, F.S.; revising the frequency with which local housing distributions are to be made by the corporation; authorizing the corporation to withhold funds from the total distribution annually for specified purposes;

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requiring counties and eligible municipalities that receive local housing distributions to expend those funds in a specified manner; amending s. 420.9075, F.S.; requiring that local housing assistance plans address the special housing needs of persons with disabilities; authorizing the corporation to define high-cost counties and eliqible municipalities by rule; authorizing high-cost counties and certain municipalities to assist persons and households meeting specific income requirements; revising requirements to be included in the local housing assistance plan; requiring counties and certain municipalities to include certain initiatives and strategies in the local housing assistance plan; revising criteria that applies to awards made for the purpose of providing eligible housing; authorizing and limiting the percentage of funds from the local housing distribution that may be used for manufactured housing; extending the expiration date of an exemption from certain income requirements in specified areas; authorizing the use of certain funds for preconstruction activities; providing that certain costs are a program expense; authorizing counties and certain municipalities to award grant funds under certain conditions; providing for the repayment of funds by the local housing assistance trust fund; amending s. 420.9076, F.S.; revising appointments to a local affordable housing advisory committee; revising notice requirements for public hearings of the advisory committee; requiring the committee's final report,

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evaluation, and recommendations to be submitted to the corporation; deleting cross-references to conform to changes made by the act; repealing s. 420.9078, F.S., relating to state administration of funds remaining in the Local Government Housing Trust Fund; amending s. 420.9079, F.S.; conforming cross-references; amending s. 1001.43, F.S.; revising district school board powers and duties in relation to use of land for affordable housing in certain areas for certain personnel; providing an effective date.

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

Section 1. Paragraph (m) of subsection (3) of section 125.0104, Florida Statutes, is amended to read:

125.0104 Tourist development tax; procedure for levying; authorized uses; referendum; enforcement.--

- (3) TAXABLE PRIVILEGES; EXEMPTIONS; LEVY; RATE. --
- (m)1. In addition to any other tax which is imposed pursuant to this section, a high tourism impact county may impose an additional 1-percent tax on the exercise of the privilege described in paragraph (a) by extraordinary vote of the governing board of the county. The tax revenues received pursuant to this paragraph shall be used for one or more of the authorized uses pursuant to subsection (5). In addition, any high tourism impact county that is designated as an area of critical state concern pursuant to chapter 380 may also utilize revenues received pursuant to this paragraph for affordable or workforce housing as defined in chapter 420, or for affordable,

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workforce, or employee housing as defined in any adopted comprehensive plan, land development regulation, or local housing assistance plan. Such authority for the use of revenues for workforce, affordable, or employee housing shall extend for 10 years after the date of any de-designation of a location as an area of critical state concern, or for the period of time required under any bond or other financing issued in accordance with or based upon the authority granted pursuant to the provisions of this section. Revenues derived pursuant to this paragraph shall be bondable in accordance with other laws regarding revenue bonding. Should a high tourism impact county designated as an area of critical state concern enact the tax specified in this paragraph, the revenue generated shall be distributed among incorporated and unincorporated areas based upon a percentage equal to the amount of revenue derived by such individual incorporated and unincorporated area. However, nothing in this paragraph shall preclude an interlocal agreement between local governments for the use of funds received pursuant to this paragraph in a manner that addresses the provision of affordable and workforce housing opportunities on a regional basis or in accordance with a multijurisdictional housing strategy, program, or policy.

2. A county is considered to be a high tourism impact county after the Department of Revenue has certified to such county that the sales subject to the tax levied pursuant to this section exceeded \$600 million during the previous calendar year, or were at least 18 percent of the county's total taxable sales under chapter 212 where the sales subject to the tax levied

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pursuant to this section were a minimum of \$200 million, except that no county authorized to levy a convention development tax pursuant to s. 212.0305 shall be considered a high tourism impact county. Once a county qualifies as a high tourism impact county, it shall retain this designation for the period the tax is levied pursuant to this paragraph.

- 3. The provisions of paragraphs (4)(a)-(d) shall not apply to the adoption of the additional tax authorized in this paragraph. The effective date of the levy and imposition of the tax authorized under this paragraph shall be the first day of the second month following approval of the ordinance by the governing board or the first day of any subsequent month as may be specified in the ordinance. A certified copy of such ordinance shall be furnished by the county to the Department of Revenue within 10 days after approval of such ordinance.
- Section 2. Subsection (4) of section 159.807, Florida Statutes, is amended to read:
 - 159.807 State allocation pool. --

- (4) (a) The state allocation pool shall also be used to provide written confirmations for private activity bonds that are to be issued by state agencies after June 1, which bonds, notwithstanding any other provisions of this part, shall receive priority in the use of the pool available at the time the notice of intent to issue such bonds is filed with the division.
- (b) This subsection does not apply to the Florida Housing Finance Corporation:
- 1. Until its allocation pursuant to s. 159.804(3) has been exhausted, is unavailable, or is inadequate to provide an

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allocation pursuant to s. 159.804(3) and any carryforwards of volume limitation from prior years for the same carryforward purpose, as that term is defined in s. 146 of the Code, as the bonds it intends to issue have been completely utilized or have expired.

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2. Prior to July 1 of any year, when housing bonds for which the Florida Housing Finance Corporation has made an assignment of its allocation permitted by s. 159.804(3)(c) have not been issued.

Section 3. Section 196.1978, Florida Statutes, is amended to read:

196.1978 Affordable housing property exemption. --

(1) Property used or held for the purpose of providing to provide affordable housing serving eligible persons as defined by s. 159.603(7) and natural persons or families meeting the extremely-low-income, very-low-income, low-income, or moderateincome persons meeting income limits specified in s. 420.0004 s. 420.0004(8), (10), (11), and (15), which property is owned entirely by a nonprofit entity that is a corporation not for profit, qualified as charitable under s. 501(c)(3) of the Internal Revenue Code and in compliance with Rev. Proc. 96-32, 1996-1 C.B. 717, or a Florida-based limited partnership, the sole general partner of which is a corporation not for profit which is qualified as charitable under s. 501(c)(3) of the Internal Revenue Code and which complies with Rev. Proc. 96-32, 1996-1 C.B. 717, shall be considered property owned by an exempt entity and used for a charitable purpose, and those portions of the affordable housing property which provide housing to natural

persons or families classified as extremely low income, very low income, low income, or moderate income under s. 420.0004

individuals with incomes as defined in s. 420.0004(10) and (15)

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

- (2) (a) The exemption provided in this section shall extend to land that is owned by an exempt entity and that is subject to a 99-year ground lease for the purpose of providing affordable housing.
- (b) The exemption provided in this section shall also extend to undeveloped property owned by an exempt entity that has taken affirmative steps to prepare the property to provide affordable housing to eligible persons as defined by this section. For purposes of this paragraph, the term "affirmative steps" means demonstrating to the property appraiser that activities have been initiated that will ensure future use of the property for affordable housing, including, but not limited to, proposals for property development, preliminary environmental or land use permitting activities, site plans or architectural plans, site preparation, construction or

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renovation activities, financial plans, or any other activities demonstrating that the property will be used to provide affordable housing. If affirmative steps have not been taken within 5 years, the property appraiser may reject the exempt status of the property and reassess it based on other uses.

- (3) If there is a change in use or ownership of the property that has been granted an exemption such that the property owner is no longer entitled to claim the property as an affordable rental housing property, or if there is a change in the legal or beneficial ownership of the property to an entity not qualified for this exemption, the property appraiser shall reassess to determine the just valuation of the property beginning with the year in which the exemption was granted.
- improperly or by fraud or misrepresentation, the total amount of taxes, non-ad valorem assessments, and interest for the period such exemption was effective becomes due and payable November 1 of the year in which the change in use or ownership occurs or on the date failure to maintain insurance occurs and is delinquent on April 1 of the year following the year in which the change in use or ownership in subsection (2) occurs.
- (5) When the property appraiser discovers that there has been a change in the use or ownership of the property that has been granted this exemption, the property appraiser shall notify the tax collector in writing of the date such change occurs, and the tax collector shall collect any taxes, non-ad valorem assessments, and interest due or delinquent.

Section 4. Present subsections (25) through (41) of section 420.503, Florida Statutes, are redesignated as subsections (26) through (42), respectively, and a new subsection (25) is added to that section to read:

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420.503 Definitions. -- As used in this part, the term:

(25) "Moderate rehabilitation" means repair or restoration of a dwelling unit when the value of such repair or restoration is 40 percent or less of the value of the dwelling but not less than \$10,000 per dwelling unit.

Section 5. Section 420.5061, Florida Statutes, is amended to read:

420.5061 Transfer of agency assets and liabilities. -- The corporation is the legal successor in all respects to the agency, is obligated to the same extent as the agency under any agreements existing on December 31, 1997, and is entitled to any rights and remedies previously afforded the agency by law or contract, including specifically the rights of the agency under chapter 201 and part VI of chapter 159. Effective January 1, 1998, all references under Florida law to the agency are deemed to mean the corporation. The corporation shall transfer to the General Revenue Fund an amount which otherwise would have been deducted as a service charge pursuant to s. 215.20(1) if the Florida Housing Finance Corporation Fund established by s. 420.508(5), the State Apartment Incentive Loan Fund established by s. 420.5087(7), the Florida Homeownership Assistance Fund established by s. 420.5088(4), the HOME Investment Partnership Fund established by s. 420.5089(1), and the Housing Predevelopment Loan Fund established by s. 420.525(1) were each

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trust funds. For purposes of s. 112.313, the corporation is deemed to be a continuation of the agency, and the provisions thereof are deemed to apply as if the same entity remained in place. Any employees of the agency and agency board members covered by s. 112.313(9)(a)6. shall continue to be entitled to the exemption in that subparagraph, notwithstanding being hired by the corporation or appointed as board members of the corporation.

Section 6. Subsection (47) is added to section 420.507, Florida Statutes, to read:

420.507 Powers of the corporation.--The corporation shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers which are in addition to all other powers granted by other provisions of this part:

- (47) To develop and administer the Florida Public Housing

 Authority Preservation Grant Program. In developing and

 administering the program, the corporation may:
- (a) Develop criteria for determining the priority for expending grants to preserve and rehabilitate 30-year and older buildings and units under public housing authority control as defined in chapter 421.
- (b) Adopt rules for the grant program and exercise the powers authorized in this section.

Section 7. Paragraphs (c) and (l) of subsection (6) of section 420.5087, Florida Statutes, are amended to read:

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

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the purpose of providing first, second, or other subordinated mortgage loans or loan guarantees to sponsors, including forprofit, nonprofit, and public entities, to provide housing affordable to very-low-income persons.

- (6) On all state apartment incentive loans, except loans made to housing communities for the elderly to provide for lifesafety, building preservation, health, sanitation, or security-related repairs or improvements, the following provisions shall apply:
- (c) The corporation shall provide by rule for the establishment of a review committee composed of the department and corporation staff and shall establish by rule a scoring system for evaluation and competitive ranking of applications submitted in this program, including, but not limited to, the following criteria:
- 1. Tenant income and demographic targeting objectives of the corporation.
- 2. Targeting objectives of the corporation which will ensure an equitable distribution of loans between rural and urban areas.
- 3. Sponsor's agreement to reserve the units for persons or families who have incomes below 50 percent of the state or local median income, whichever is higher, for a time period to exceed the minimum required by federal law or the provisions of this part.
 - 4. Sponsor's agreement to reserve more than:

a. Twenty percent of the units in the project for persons or families who have incomes that do not exceed 50 percent of the state or local median income, whichever is higher; or

- b. Forty percent of the units in the project for persons or families who have incomes that do not exceed 60 percent of the state or local median income, whichever is higher, without requiring a greater amount of the loans as provided in this section.
 - 5. Provision for tenant counseling.

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- 6. Sponsor's agreement to accept rental assistance certificates or vouchers as payment for rent.
- 7. Projects requiring the least amount of a state apartment incentive loan compared to overall project cost except that the share of the loan attributable to units serving extremely-low-income persons shall be excluded from this requirement.
- 8. Local government contributions and local government comprehensive planning and activities that promote affordable housing.
 - 9. Project feasibility.
- 10. Economic viability of the project.
 - 11. Commitment of first mortgage financing.
 - 12. Sponsor's prior experience.
 - 13. Sponsor's ability to proceed with construction.
- 358 14. Projects that directly implement or assist welfare-to-359 work transitioning.
- 15. Projects that reserve units for extremely-low-income persons.

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16. Projects that include green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.

- (1) The proceeds of all loans shall be used for new construction, moderate rehabilitation, or substantial rehabilitation which creates or preserves affordable, safe, and sanitary housing units.
- Section 8. Subsection (17) is added to section 420.5095, Florida Statutes, to read:
- 420.5095 Community Workforce Housing Innovation Pilot Program.--
- (17) (a) Funds appropriated by s. 33, chapter 2006-69, Laws of Florida, that were awarded but have been declined or returned shall be made available for projects that otherwise comply with the provisions of this section and that are created to provide workforce housing for teachers and instructional personnel employed by the school district in the county in which the project is located.
- (b) Projects shall be given priority for funding when the school district provides the property for the project pursuant to s. 1001.43.
- (c) Projects shall be given priority for funding when the public-private partnership includes the school district and a national nonprofit organization to provide financial support, technical assistance, and training for community-based revitalization efforts.

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(d) Projects in counties which had a project selected for funding that declined or returned funds shall be given priority for funding.

- (e) Projects shall be selected for funding by requests for proposals.
- Section 9. Subsection (5) of section 420.615, Florida Statutes, is amended to read:
- 420.615 Affordable housing land donation density bonus incentives.--
- shall adopt a comprehensive plan amendment, pursuant to part II of chapter 163, for the receiving land that incorporates the density bonus. Such amendment shall be deemed by operation of law a small scale amendment, shall be subject only to the requirements of adopted in the manner as required for small scale amendments pursuant to s. 163.3187(1)(c)2. and 3., is not subject to the requirements of s. 163.3184(3)-(11)(3)(6), and is exempt from s. 163.3187(1)(c)1. and the limitation on the frequency of plan amendments as provided in s. 163.3187. An affected person, as defined in s. 163.3184(1), may file a petition for administrative review pursuant to the requirements of s. 163.3187(3) to challenge the compliance of an adopted plan amendment.
- Section 10. Section 420.628, Florida Statutes, is created to read:
- 420.628 Affordable housing for children and young adults leaving foster care; legislative findings and intent.--

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(1) The Legislature finds that there are many young adults who, through no fault of their own, live in foster families, group homes, and institutions and who face numerous barriers to a successful transition to adulthood.

- (2) These youth in foster care are among those who may enter adulthood without the knowledge, skills, attitudes, habits, and relationships that will enable them to be productive members of society.
- (3) The main barriers to safe and affordable housing for youth aging out of the foster care system are cost, lack of availability, the unwillingness of many landlords to rent to them, and their own lack of knowledge about how to be good tenants.
- (4) The Legislature also finds that young adults who emancipate from the child welfare system are at risk of becoming homeless and those who were formerly in foster care are disproportionately represented in the homeless population.

 Without the stability of safe housing, all other services, training, and opportunities may not be effective.
- (5) The Legislature further finds that making affordable housing available for young adults who transition from foster care decreases their chance of homelessness and may increase their ability to live independently in the future.
- (6) The Legislature affirms that young adults transitioning out of foster care are to be considered eligible persons, as defined in ss. 420.503(17) and 420.9071(10), for affordable housing purposes and shall be encouraged to

participate in state, federal, and local affordable housing programs.

- (7) It is therefore the intent of the Legislature to encourage the Florida Housing Finance Corporation, State Housing Initiative Partnership Program agencies, local housing finance agencies, public housing authorities and their agents, developers, and other providers of affordable housing to make affordable housing available to youth transitioning out of foster care whenever and wherever possible.
- (8) The Florida Housing Finance Corporation, State Housing Initiative Partnership Program agencies, local housing finance agencies, and public housing authorities shall coordinate with the Department of Children and Family Services and their agents and community-based care providers who are operating pursuant to s. 409.1671 to develop and implement strategies and procedures designed to increase affordable housing opportunities for young adults who are leaving the child welfare system.

Section 11. Subsections (4), (8), (16), and (25) of section 420.9071, Florida Statutes, are amended, and subsections (29) and (30) are added to that section, to read:

420.9071 Definitions.--As used in ss. 420.907-420.9079, the term:

(4) "Annual gross income" means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income

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tax purposes or as defined by standard practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation. Counties and eligible municipalities shall calculate income by annualizing verified sources of income for the household as the amount of income to be received in a household during the 12 months following the effective date of the determination.

- (8) "Eligible housing" means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or a predecessor building code adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with mobile home installation standards of the Department of Highway Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.
- regulatory reform or incentive programs to encourage or facilitate affordable housing production, which include at a minimum, assurance that permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects; an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption; and a schedule for implementing the incentive strategies. Local

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housing incentive strategies may also include other regulatory reforms, such as those enumerated in s. 420.9076 or those recommended by the affordable housing advisory committee in its triennial evaluation and adopted by the local governing body.

- (25) "Recaptured funds" means funds that are recouped by a county or eligible municipality in accordance with the recapture provisions of its local housing assistance plan pursuant to s. 420.9075(5)(h)(g) from eligible persons or eligible sponsors, which funds were not used for assistance to an eligible household for an eligible activity, when there is a who default on the terms of a grant award or loan award.
- (29) "Assisted housing" or "assisted housing development" means a rental housing development, including rental housing in a mixed-use development, that received or currently receives funding from any federal or state housing program.
- (30) "Preservation" means actions taken to keep rents in existing assisted housing affordable for extremely-low-income, very-low-income, low-income, and moderate-income households while ensuring that the property stays in good physical and financial condition for an extended period.
- Section 12. Subsection (6) of section 420.9072, Florida Statutes, is amended to read:
- 420.9072 State Housing Initiatives Partnership
 Program.--The State Housing Initiatives Partnership Program is
 created for the purpose of providing funds to counties and
 eligible municipalities as an incentive for the creation of
 local housing partnerships, to expand production of and preserve
 affordable housing, to further the housing element of the local

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government comprehensive plan specific to affordable housing, and to increase housing-related employment.

- (6) The moneys that otherwise would be distributed pursuant to s. 420.9073 to a local government that does not meet the program's requirements for receipts of such distributions shall remain in the Local Government Housing Trust Fund to be administered by the corporation pursuant to s. 420.9078.
- Section 13. Subsections (1) and (2) of section 420.9073, Florida Statutes, are amended, and subsections (5), (6), and (7) are added to that section, to read:

420.9073 Local housing distributions.--

- (1) Distributions calculated in this section shall be disbursed on a <u>quarterly or more frequent</u> monthly basis by the corporation beginning the first day of the month after program approval pursuant to s. 420.9072, subject to availability of <u>funds</u>. Each county's share of the funds to be distributed from the portion of the funds in the Local Government Housing Trust Fund received pursuant to s. 201.15(9) shall be calculated by the corporation for each fiscal year as follows:
- (a) Each county other than a county that has implemented the provisions of chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, shall receive the guaranteed amount for each fiscal year.
- (b) Each county other than a county that has implemented the provisions of chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, may receive an additional share calculated as follows:

1. Multiply each county's percentage of the total state population excluding the population of any county that has implemented the provisions of chapter 83-220, Laws of Florida, as amended by chapters 84-270, 86-152, and 89-252, Laws of Florida, by the total funds to be distributed.

- 2. If the result in subparagraph 1. is less than the guaranteed amount as determined in subsection (3), that county's additional share shall be zero.
- 3. For each county in which the result in subparagraph 1. is greater than the guaranteed amount as determined in subsection (3), the amount calculated in subparagraph 1. shall be reduced by the guaranteed amount. The result for each such county shall be expressed as a percentage of the amounts so determined for all counties. Each such county shall receive an additional share equal to such percentage multiplied by the total funds received by the Local Government Housing Trust Fund pursuant to s. 201.15(9) reduced by the guaranteed amount paid to all counties.
- (2) Effective July 1, 1995, Distributions calculated in this section shall be disbursed on a quarterly or more frequent monthly basis by the corporation beginning the first day of the month after program approval pursuant to s. 420.9072, subject to availability of funds. Each county's share of the funds to be distributed from the portion of the funds in the Local Government Housing Trust Fund received pursuant to s. 201.15(10) shall be calculated by the corporation for each fiscal year as follows:

(a) Each county shall receive the guaranteed amount for each fiscal year.

- (b) Each county may receive an additional share calculated as follows:
- 1. Multiply each county's percentage of the total state population, by the total funds to be distributed.
- 2. If the result in subparagraph 1. is less than the guaranteed amount as determined in subsection (3), that county's additional share shall be zero.
- 3. For each county in which the result in subparagraph 1. is greater than the guaranteed amount, the amount calculated in subparagraph 1. shall be reduced by the guaranteed amount. The result for each such county shall be expressed as a percentage of the amounts so determined for all counties. Each such county shall receive an additional share equal to this percentage multiplied by the total funds received by the Local Government Housing Trust Fund pursuant to s. 201.15(10) as reduced by the guaranteed amount paid to all counties.
- (5) Notwithstanding subsections (1)-(4), the corporation is authorized to withhold up to \$5 million from the total distribution each fiscal year to provide additional funding to counties and eligible municipalities in which a state of emergency has been declared by the Governor pursuant to chapter 252. Any portion of such funds not distributed under this subsection by the end of the fiscal year shall be distributed as provided in this section.
- (6) Notwithstanding subsections (1)-(4), the corporation is authorized to withhold up to \$5 million from the total

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distribution each fiscal year to provide funding to counties and eligible municipalities to purchase properties subject to a

State Housing Initiative Partnership Program lien and on which foreclosure proceedings have been initiated by any mortgagee.

Each county and eligible municipality that receives funds under this subsection shall repay such funds to the corporation not later than the expenditure deadline for the fiscal year in which the funds were awarded. Amounts not repaid shall be withheld from the subsequent year's distribution. Any portion of such funds not distributed under this subsection by the end of the fiscal year shall be distributed as provided in this section.

(7) A county or eligible municipality that receives local housing distributions pursuant to this section shall expend those funds in accordance with the provisions of ss. 420.907-420.9079, corporation rule, and its local housing assistance plan.

Section 14. Subsections (1), (3), (5), and (8), paragraphs (a) and (h) of subsection (10), and paragraph (b) of subsection (13) of section 420.9075, Florida Statutes, are amended, and subsection (14) is added to that section, to read:

420.9075 Local housing assistance plans; partnerships.--

(1)(a) Each county or eligible municipality participating in the State Housing Initiatives Partnership Program shall develop and implement a local housing assistance plan created to make affordable residential units available to persons of very low income, low income, or moderate income and to persons who have special housing needs, including, but not limited to, homeless people, the elderly, and migrant farmworkers, and

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municipalities as defined by rule of the corporation may include strategies to assist persons and households having annual incomes of not more than 140 percent of area median income. The plans are intended to increase the availability of affordable residential units by combining local resources and cost-saving measures into a local housing partnership and using private and public funds to reduce the cost of housing.

- (b) Local housing assistance plans may allocate funds to:
- 1. Implement local housing assistance strategies for the provision of affordable housing.
- 2. Supplement funds available to the corporation to provide enhanced funding of state housing programs within the county or the eligible municipality.
- 3. Provide the local matching share of federal affordable housing grants or programs.
- 4. Fund emergency repairs, including, but not limited to, repairs performed by existing service providers under weatherization assistance programs under ss. 409.509-409.5093.
- 5. Further the housing element of the local government comprehensive plan adopted pursuant to s. 163.3184, specific to affordable housing.
- (3)(a) Each local housing assistance plan shall include a definition of essential service personnel for the county or eligible municipality, including, but not limited to, teachers and educators, other school district, community college, and university employees, police and fire personnel, health care

personnel, skilled building trades personnel, and other job categories.

- (b) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that emphasizes the recruitment and retention of essential service personnel. The local government is encouraged to involve public and private sector employers. Compliance with the eligibility criteria established under this strategy shall be verified by the county or eligible municipality.
- (c) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums.
- (d) Each county and each eligible municipality shall describe initiatives in the local housing assistance plan to encourage or require innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.
- (e) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that provides program funds for the preservation of assisted housing.
- (5) The following criteria apply to awards made to eligible sponsors or eligible persons for the purpose of providing eligible housing:

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(a) At least 65 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for home ownership for eligible persons.

- (b) At least 75 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing.
- (c) Not more than 15 percent of the funds made available in each county and eligible municipality from the local housing distribution may be used for manufactured housing.
- (d) (e) The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs or as otherwise established by the United States Department of the Treasury.
- (e)(d)1. All units constructed, rehabilitated, or otherwise assisted with the funds provided from the local housing assistance trust fund must be occupied by very-low-income persons, low-income persons, and moderate-income persons except as otherwise provided in this section.
- 2. At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve very-low-income persons and at least an additional 30 percent of

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the funds deposited into the local housing assistance trust fund must be reserved for awards to low-income persons or eligible sponsors who will serve low-income persons. This subparagraph does not apply to a county or an eligible municipality that includes, or has included within the previous 5 years, an area of critical state concern designated or ratified by the Legislature for which the Legislature has declared its intent to provide affordable housing. The exemption created by this act expires on July 1, 2013 2008.

- (f)(e) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (g)(f) Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.
- (h)(g) Loans or grants for eligible owner-occupied housing constructed, rehabilitated, or otherwise assisted from proceeds provided from the local housing assistance trust fund shall be

subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan.

- (i) (h) The total amount of monthly mortgage payments or the amount of monthly rent charged by the eligible sponsor or her or his designee must be made affordable.
- (j)(i) The maximum sales price or value per unit and the maximum award per unit for eligible housing benefiting from awards made pursuant to this section must be established in the local housing assistance plan.
- (k)(j) The benefit of assistance provided through the State Housing Initiatives Partnership Program must accrue to eligible persons occupying eligible housing. This provision shall not be construed to prohibit use of the local housing distribution funds for a mixed income rental development.
- (1) (k) Funds from the local housing distribution not used to meet the criteria established in paragraph (a) or paragraph (b) or not used for the administration of a local housing assistance plan must be used for housing production and finance activities, including, but not limited to, financing preconstruction activities or the purchase of existing units, providing rental housing, and providing home ownership training to prospective home buyers and owners of homes assisted through the local housing assistance plan.
- $\underline{1.}$ Notwithstanding the provisions of paragraphs (a) and (b), program income as defined in s. 420.9071(24) may also be used to fund activities described in this paragraph.
- 2. When preconstruction due diligence activities conducted as part of a preservation strategy show that preservation of the

units is not feasible and will not result in the production of an eligible unit, such costs shall be deemed a program expense rather than an administrative expense if such program expenses do not exceed 3 percent of the annual local housing distribution.

- 3. If both an award under the local housing assistance plan and federal low-income housing tax credits are used to assist a project and there is a conflict between the criteria prescribed in this subsection and the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, the county or eligible municipality may resolve the conflict by giving precedence to the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, in lieu of following the criteria prescribed in this subsection with the exception of paragraphs (a) and (e) (d) of this subsection.
- 4. Each county and each eligible municipality may award funds as a grant for construction, rehabilitation, or repair as part of disaster recovery or emergency repairs or to remedy accessibility or health and safety deficiencies. Any other grants must be approved as part of the local housing assistance plan.
- (8) Pursuant to s. 420.531, the corporation shall provide training and technical assistance to local governments regarding the creation of partnerships, the design of local housing assistance strategies, the implementation of local housing incentive strategies, and the provision of support services.
- (10) Each county or eligible municipality shall submit to the corporation by September 15 of each year a report of its

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affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's or eligible municipality's chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation. The report must include, but is not limited to:

- (a) The number of households served by income category, age, family size, and race, and data regarding any special needs populations such as farmworkers, homeless persons, persons with disabilities, and the elderly. Counties shall report this information separately for households served in the unincorporated area and each municipality within the county.
- (h) Such other data or affordable housing accomplishments considered significant by the reporting county or eligible municipality or by the corporation.

(13)

(b) If, as a result of its review of the annual report, the corporation determines that a county or eligible municipality has failed to implement a local housing incentive strategy, or, if applicable, a local housing incentive plan, it shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected county or eligible municipality.

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1. The notice must specify a date of termination of the funding if the affected county or eligible municipality does not implement the plan or strategy and provide for a local response. A county or eligible municipality shall respond to the corporation within 30 days after receipt of the notice of termination.

- 2. The corporation shall consider the local response that extenuating circumstances precluded implementation and grant an extension to the timeframe for implementation. Such an extension shall be made in the form of an extension agreement that provides a timeframe for implementation. The chief elected official of a county or eligible municipality or his or her designee shall have the authority to enter into the agreement on behalf of the local government.
- 3. If the county or the eligible municipality has not implemented the incentive strategy or entered into an extension agreement by the termination date specified in the notice, the local housing distribution share terminates, and any uncommitted local housing distribution funds held by the affected county or eligible municipality in its local housing assistance trust fund shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer pursuant to s. 420.9078.
- 4.a. If the affected local government fails to meet the timeframes specified in the agreement, the corporation shall terminate funds. The corporation shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected local government.

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The notice shall specify the termination date, and any uncommitted funds held by the affected local government shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer pursuant to s. 420.9078.

- b. If the corporation terminates funds to a county, but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement maintains compliance with program requirements, the corporation shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in s. 420.9072.
- c. Any county or eligible municipality whose local distribution share has been terminated may subsequently elect to receive directly its local distribution share by adopting the ordinance, resolution, and local housing assistance plan in the manner and according to the procedures provided in ss. 420.907-420.9079.
- eligible municipality has expended program funds for an ineligible activity, the corporation shall require such funds to be repaid to the local housing assistance trust fund. Such repayment may not be made with funds from State Housing Initiatives Partnership Program funds.
- Section 15. Paragraph (h) of subsection (2), subsections (5) and (6), and paragraph (a) of subsection (7) of section 420.9076, Florida Statutes, are amended to read:
- 420.9076 Adoption of affordable housing incentive strategies; committees.--

(2) The governing board of a county or municipality shall appoint the members of the affordable housing advisory committee by resolution. Pursuant to the terms of any interlocal agreement, a county and municipality may create and jointly appoint an advisory committee to prepare a joint plan. The ordinance adopted pursuant to s. 420.9072 which creates the advisory committee or the resolution appointing the advisory committee members must provide for 11 committee members and their terms. The committee must include:

(h) One citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local planning agency is comprised of the county or municipality commission, the commission may appoint a designee who is knowledgeable in the local planning process.

- If a county or eligible municipality whether due to its small size, the presence of a conflict of interest by prospective appointees, or other reasonable factor, is unable to appoint a citizen actively engaged in these activities in connection with affordable housing, a citizen engaged in the activity without regard to affordable housing may be appointed. Local governments that receive the minimum allocation under the State Housing Initiatives Partnership Program may elect to appoint an affordable housing advisory committee with fewer than 11 representatives if they are unable to find representatives who meet the criteria of paragraphs (a)-(k).
- (5) The approval by the advisory committee of its local housing incentive strategies recommendations and its review of

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local government implementation of previously recommended strategies must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing. Notice of the time, date, and place of the public hearing of the advisory committee to adopt its evaluation and final local housing incentive strategies recommendations must be published in a newspaper of general paid circulation in the county. The notice must contain a short and concise summary of the evaluation and local housing incentives strategies recommendations to be considered by the advisory committee. The notice must state the public place where a copy of the evaluation and tentative advisory committee recommendations can be obtained by interested persons. The final report, evaluation, and recommendations shall be submitted to the corporation.

- evaluation and local housing incentive strategies
 recommendations from the advisory committee, the governing body
 of the appointing local government shall adopt an amendment to
 its local housing assistance plan to incorporate the local
 housing incentive strategies it will implement within its
 jurisdiction. The amendment must include, at a minimum, the
 local housing incentive strategies required under s.
 420.9071(16). The local government must consider the strategies
 specified in paragraphs (4)(a)-(k) as recommended by the
 advisory committee.
- (7) The governing board of the county or the eligible municipality shall notify the corporation by certified mail of its adoption of an amendment of its local housing assistance

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plan to incorporate local housing incentive strategies. The notice must include a copy of the approved amended plan.

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- If the corporation fails to receive timely the approved amended local housing assistance plan to incorporate local housing incentive strategies, a notice of termination of its share of the local housing distribution shall be sent by certified mail by the corporation to the affected county or eligible municipality. The notice of termination must specify a date of termination of the funding if the affected county or eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies. If the county or the eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies by the termination date specified in the notice of termination, the local distribution share terminates; and any uncommitted local distribution funds held by the affected county or eliqible municipality in its local housing assistance trust fund shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer the local government housing program pursuant to s. 420.9078.
- Section 16. <u>Section 420.9078</u>, Florida Statutes, is repealed.
- Section 17. Section 420.9079, Florida Statutes, is amended to read:
 - 420.9079 Local Government Housing Trust Fund. --
- (1) There is created in the State Treasury the Local Government Housing Trust Fund, which shall be administered by

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the corporation on behalf of the department according to the provisions of ss. $\underline{420.907-420.9076}$ $\underline{420.907-420.9078}$ and this section. There shall be deposited into the fund a portion of the documentary stamp tax revenues as provided in s. 201.15, moneys received from any other source for the purposes of ss. $\underline{420.907-420.907}$ and this section, and all proceeds derived from the investment of such moneys. Moneys in the fund that are not currently needed for the purposes of the programs administered pursuant to ss. $\underline{420.907-420.9076}$ $\underline{420.907-420.9078}$ and this section shall be deposited to the credit of the fund and may be invested as provided by law. The interest received on any such investment shall be credited to the fund.

(2) The corporation shall administer the fund exclusively for the purpose of implementing the programs described in ss. 420.907-420.9076 420.907-420.9078 and this section. With the exception of monitoring the activities of counties and eligible municipalities to determine local compliance with program requirements, the corporation shall not receive appropriations from the fund for administrative or personnel costs. For the purpose of implementing the compliance monitoring provisions of s. 420.9075(9), the corporation may request a maximum of one-quarter of 1 percent of the annual appropriation per state fiscal year. When such funding is appropriated, the corporation shall deduct the amount appropriated prior to calculating the local housing distribution pursuant to ss. 420.9072 and 420.9073.

Section 18. Subsection (12) of section 1001.43, Florida Statutes, is amended to read:

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1001.43 Supplemental powers and duties of district school board.--The district school board may exercise the following supplemental powers and duties as authorized by this code or State Board of Education rule.

(12) AFFORDABLE HOUSING.--A district school board may use portions of school sites purchased within the guidelines of the State Requirements for Educational Facilities, land deemed not usable for educational purposes because of location or other factors, or land declared as surplus by the board to provide sites for affordable housing for teachers and other district personnel and, in areas of critical state concern, for other essential services personnel as defined by local affordable housing eligibility requirements, independently or in conjunction with other agencies as described in subsection (5).

Section 19. This act shall take effect July 1, 2008.