

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

<b>BILL #:</b>	HB 7111	<b>FINAL HOUSE FLOOR ACTION:</b>	
<b>SPONSOR(S):</b>	Appropriations Committee and Hooper	117 Y's	0 N's
<b>COMPANION BILLS:</b>	(SB 1852)	<b>GOVERNOR'S ACTION:</b>	Approved

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**SUMMARY ANALYSIS**

HB 7111 passed the House on April 30, 2013, as SB 1852.

The bill appropriates \$200,080,474 for various housing and foreclosure-related programs and services, contingent upon such funds being deposited into the state treasury from the National Mortgage Settlement.

- Provides \$9.1 million for the Florida Prepaid Tuition Scholarship Program "Take Stock in Children";
- Provides \$5.3 million for the state courts system for technology solutions that expedite foreclosure cases through the judicial process.
- Provides \$16 million for the state courts system for supplemental staffing resources to reduce the backlog of pending foreclosure cases.
- Provides \$9.7 million for the clerks of the court to assist and support the courts in expediting the processing of backlogged foreclosure cases.
- Provides \$10 million for the Office of the Attorney General to contract with regional legal service providers to provide legal aid services.
- Provides \$10 million for the Department of Children and Families for capital improvement grants to domestic violence centers.
- Provides \$20 million for Habitat for Humanity of Florida for the acquisition and rehabilitation of existing housing stock, or reconstruction of housing stock in blighted areas.
- Provides \$50 million for the State Apartment Incentive Loan (SAIL) program, making reduced rent units available for elderly and extremely-low-income tenants.
- Provides an additional \$10 million for the SAIL Program, making 10%-25% of the reduced rent units available for individuals with hearing, visual or developmental disabilities.
- Provides \$40 million for the State Housing Initiative Partnership (SHIP) Program, 20% of which will be allocated to serve persons with special needs.
- Provides \$20 million to the Florida Housing Finance Corporation for a competitive grant program. Half of the funds will be used to provide housing for homeless persons and half will be used to provide housing for special needs persons with first priority for persons with developmental, hearing, visual or mobility disabilities.

The bill has a \$200 million nonrecurring fiscal impact on the General Revenue Fund. However, given the effective date contingency of a \$200 million deposit into the General Revenue Fund, the net effect is zero.

The bill was approved by the Governor on June 4, 2013, ch. 2013-106, L.O.F., and became effective on that date.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### **Present Situation**

##### **National Mortgage Settlement**

The Attorney General entered into a joint-federal-state agreement with the nation's five largest mortgage servicers over foreclosure abuses and unacceptable nationwide mortgage servicing practices. The agreement provides an estimated \$8.4 billion in relief to Florida to address the mortgage foreclosure crisis by providing services to troubled borrowers with loan modifications, borrowers whose loans are underwater, borrowers who have already lost their homes in foreclosures proceeding and for homeowners to avoid preventable foreclosures, to ameliorate the effects of the foreclosure crisis, to enhance law enforcement efforts to prevent and prosecute financial fraud, or unfair or deceptive acts or practices and to compensate the States for costs resulting from the alleged unlawful conduct of the foreclosures.

Florida received a payment of approximately \$334 million. Pursuant to the settlement agreement, each State Attorney General shall designate the uses of the funds. "To the extent practicable, such funds shall be used for the purposes intended to avoid preventable foreclosures, to ameliorate the effects of the foreclosure crisis, to enhance law enforcement efforts to prevent and prosecute financial fraud, or unfair or deceptive acts or practices and to compensate the States for costs resulting from the alleged unlawful conduct of the Defendants. Such permissible purposes for allocation of the funds include, but are not limited to, supplementing the amounts paid to state homeowners under the Borrower Payment Fund, funding for housing counselors, state and local foreclosure assistance hotlines, state and local foreclosure mediation programs, legal assistance, housing remediation and anti-bligh projects, funding for training and staffing of financial fraud or consumer protections enforcement efforts and civil penalties."

The Attorney General transferred \$74 million to the state's General Revenue Fund in two installments of \$34 million and \$40 million, and requested the distribution of \$60 million (requested by the responsible agency and approved by the Legislative Budget Commission) as provided below:

- \$5 million to contract with legal aid entities within the seven regions of Florida's Regional Legal Services Delivery System to provide legal aid services;
- \$35 million to the Florida Housing Finance Corporation (FHFC) for down payment assistance;
- \$10 million to the FHFC for housing counseling;
- \$5 million to the State Courts System to help with foreclosure related issues; and
- \$5 million to reimburse the Office of the Attorney General for legal fees.

##### **Florida Prepaid Tuition Scholarship Program**

The Florida Prepaid Tuition Scholarship Program, also known as the Stanley Tate Project STARS Scholarship Program, is administered by the Florida Prepaid Foundation. Currently the State of Florida provides an appropriation each year to match donor pledges to purchase prepaid tuition scholarships. Section 1009.984, Florida Statutes, authorizes the Florida Prepaid Foundation to purchase prepaid tuition scholarships for students certified by the Department of Education who meet minimum economic and school requirements and remain drug free and crime free. Most Project STARS scholarship purchases are for tuition only. Donors may purchase scholarships that include a 2-year dormitory component; however, only 56 dormitory contracts have been purchased to date for STARS scholarship recipients.<sup>1</sup>

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<sup>1</sup> Florida Prepaid. (2011) *2011 Foundation Annual Report*. <http://www.myfloridaprepaid.com/foundation/about-annual-reports.aspx>. Retrieved March 12, 2013.

Donors purchasing advance payment contracts for Project STARS Scholarships include school districts and their foundations, Florida College System institutions and their foundations, Boys and Girls Clubs, and non-profit organizations such as Take Stock in Children (TSIC).<sup>2</sup> The largest private donor is TSIC, which accounts for nearly 85% of Project STARS donations. Donors such as TSIC, provide mentoring throughout the student's K-12 and college education.

The advance payment contract cost to add a 2-year dormitory component for students in the 11th grade is \$11,745.22. Adjusted for inflation, the cost to add a 2-year dormitory component for 10th graders is \$12,123.03.<sup>3</sup> Project STARS scholarships have already been purchased for 507 students in 10th grade and 910 students in 11th grade. To cover the full number of contracts purchased for these students, the total cost would be \$16,834,526.

### **Foreclosure Crisis Impact on the Judicial Branch**

The foreclosure crisis has negatively affected the judicial branch, in terms of both funding and caseload. Florida has the largest share of foreclosure inventory of any state in the nation, with 305,766 properties in some stage of foreclosure or bank-owned as of the end of 2012.<sup>4</sup> Seven of the top 10 highest foreclosure markets in the nation are in Florida, with Palm Bay-Melbourne-Titusville having the highest rate of foreclosure of any metro area in the nation.<sup>5</sup>

The state court system is struggling with a backlog of foreclosure cases. In 2005, before the housing market crash, there were only 57,106 foreclosure filings statewide. By 2009, the number of filings dramatically increased to 399,118. The courts did not have the resources to quickly and efficiently deal with this high volume of cases.

Furthermore, the caseload backlog is not spread evenly across the state. While the statewide average is 11.02% of residential loans in foreclosure, certain areas, particularly those located in South Florida, have a much greater percentage of loans in foreclosure than other circuits. For instance, Miami-Dade has 15.56% of loans in foreclosure compared to only 5.26% in Sumter County.

The 2012 legislature appropriated \$4 million to the State Courts System and \$2 million to the Clerks of the Court in an effort to reduce the number of backlogged foreclosure cases in the system. In January 2013, the Legislative Budget Commission approved \$4,993,500 from the National Mortgage Settlement funds to the State Court System for staffing assistance and technology upgrades to assist in the foreclosure backlog.

As of December 2012, the number of pending foreclosure cases in the trial courts was 371,119. The courts have estimated that approximately 680,000 additional foreclosure cases will be filed between FY 2012-13 and FY 2015-16.<sup>6</sup>

### **Legal Aid Services**

Legal aid services provide low-income Floridians pro-bono legal help and assistance for issues ranging from Adoption, Child Custody, Dissolution of Marriage, AIDS/HIV, Domestic Violence, Elder Law, Housing, Individual Rights, Termination of Parental Rights, Public Benefits, Employment, Real Estate,

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<sup>2</sup> Florida Prepaid. (2011) *2011 Foundation Annual Report*. <http://www.myfloridaprepaid.com/foundation/about-annual-reports.aspx>. Retrieved March 12, 2013

<sup>15</sup> Florida Prepaid. (2012) *2012-2013 Plan*

<sup>3</sup> Florida Prepaid. (2012) *2012-2013 Plan Prices & Master Covenant*. <http://www.itppv.com/documents/pdf/prepaid/prepaid-master-covenant.pdf>. Retrieved March 12, 2013.

<sup>4</sup> RealtyTrac, 4th quarter data, presented to the Civil Justice Subcommittee by the Legislature's Office of Demographics and Research on January 24, 2013.

<sup>5</sup> *Id.*

<sup>6</sup> (2013) *Foreclosure Backlog Reduction Initiative*, Office of State Courts Administrator, on file with Appropriations Committee staff.

Wills, Federal Civil, Bankruptcy, Immigration and Criminal Matters. There are numerous independent legal aid providers throughout the seven regions of the state.

In January 2013, the Legislative Budget Commission approved \$5 million from the National Mortgage Settlement funds to the Attorney General to contract with legal aid entities within the seven regions of Florida's Regional Legal Services Delivery System to provide legal aid services.

### **Domestic Violence Center Capital Improvement Grant Program**

The Department of Children and Families (DCF) and the Florida Coalition Against Domestic Violence (FCADV) are responsible for the statewide domestic violence program,<sup>7</sup> with services being provided through certified, community-based domestic violence shelters. Minimum services that must be provided by a shelter include:

- Temporary emergency shelter for more than 24 hours;
- Information and referrals and safety planning;
- Counseling and case management;
- A 24 hour emergency hotline;
- Educational services for community awareness;
- Assessment and appropriate referral of resident children; and
- Training for law enforcement and other professionals.<sup>8</sup>

The 2000 Florida Legislature established the certified domestic violence center capital improvement grant program.<sup>9</sup> Subject to an appropriation, domestic violence centers may apply to DCF for a capital improvement grant to construct, acquire, repair, improve, or upgrade systems, facilities, or equipment. DCF and FCADV are instructed to develop a needs assessment as an instrument to evaluate the domestic violence centers' capital improvement needs. The assessment also serves as a mechanism to rank the needs of those centers requesting a capital improvement grant. The 2012-13 Capital Needs Assessment Survey indicated that 38 of the total 42 centers require expansions, renovations, and repairs.<sup>10</sup> In fiscal years 2001-02 through 2008-09, a total of \$22 million in state funds was provided to 42 domestic violence shelters through the capital improvement grant program.

### **Habitat for Humanity**

Habitat for Humanity (Habitat) is an international, non-governmental, and non-profit organization, which was founded in 1976. Habitat has been devoted to building "simple, decent, and affordable" housing, and has addressed the issues of poverty housing all over the world.<sup>11</sup>

Community-level Habitat offices act in partnership with and on behalf of Habitat for Humanity International. In the United States, these local offices are called Habitat affiliates. Each affiliate office is an independently run, nonprofit organization and coordinates all aspects of Habitat home building in their local area, including fundraising, building site selection, partner family selection and support, house construction, and mortgage servicing. Homes are built using volunteer labor and are sold at no profit.

In Florida there are 58 Habitat affiliates that undertake activities ranging from new home construction, critical home repairs, housing rehabilitation, and neighborhood revitalization. These affiliates have a

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<sup>7</sup> Sections 39.903 and 39.9035, Florida Statutes.

<sup>8</sup> Section 39.905(1)(c), Florida Statutes.

<sup>9</sup> Section 39.9055(2), Florida Statutes.

<sup>10</sup> (2012) *2012-13 Capital Needs Assessment Survey*. Florida Coalition Against Domestic Violence, on file with Appropriations Committee staff.

<sup>11</sup> Habitat for Humanity International. "Habitat for Humanity fact sheet". <http://www.habitat.org/how/factsheet.aspx>. Retrieved March 13, 2013.

centralized state support organization called Habitat for Humanity Florida (HFH FL) that provides programs and services designed and developed to meet the needs of Florida's affiliates to help them better accomplish their common goals.

### **State Apartment Incentive Loan (SAIL) Program**

The SAIL program, created in s. 420.5087, Florida Statutes, authorizes the FHFC to underwrite or make loans or loan guarantees to provide affordable housing to very-low-income persons if:

- The project sponsor uses tax-exempt financing for the first mortgage and at least 20 percent of the units are set aside for persons or families who meet the income eligibility requirements of s. 8 of the United States Housing Act of 1937, as amended;
- The project sponsor uses taxable financing for the first mortgage and at least 20 percent of the units are set aside for persons or families who have incomes below 50 percent of the state or local median income, whichever is higher, adjusted to family size; or
- The project sponsor uses federal low-income housing tax credits and the project meets the tenant eligibility requirements of s. 42 of the Internal Revenue code.<sup>12</sup>

According to the FHFC, SAIL funds “serve to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low income individuals and families.”<sup>13</sup> Under current law, SAIL funds must be reserved for the following tenant groups: commercial fishers and farm workers, families, the elderly, and the homeless.<sup>14</sup> Projects that maintain at least 80 percent of their units for commercial fishing workers, farm workers, and the homeless, are eligible to receive loans with interest rates from 0 to 3 percent. All other projects are eligible for loans with interest rates from 1 to 9 percent.<sup>15</sup>

### **State Housing Initiatives Partnership Program**

The FHFC administers the State Housing Initiatives Partnership program (SHIP), which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families.

The SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. The SHIP funds may be used to assist units that meet the building construction standards of ch. 553, F.S. The SHIP funds may also be used to assist manufactured housing constructed after June 1994 in accordance with the installation standards defined in the rules of the Department of Highway Safety and Motor Vehicles.

The SHIP funds are distributed on an entitlement basis to all 67 counties and 53 Community Development Block Grant entitlement cities in Florida. The minimum allocation is \$350,000 and the maximum allocation is over \$8.8 million. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and

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<sup>12</sup> Section 420.5087(2)(a)-(c), Florida Statutes.

<sup>13</sup> The Florida Housing Finance Corporation. [http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/ContentPage.aspx?PAGE=0173](http://apps.floridahousing.org/StandAlone/FHFC_ECM/ContentPage.aspx?PAGE=0173). Retrieved March 12, 2013.

<sup>14</sup> Section 420.5087(3)(a)-(d), Florida Statutes.

<sup>15</sup> Section 420.5087(6)(a), Florida Statutes, *referencing* s. 420.507(22)(a)1. and 3., Florida Statutes.

ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender.

A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households (up to 50 percent of the area median income or AMI); an additional 30 percent may be reserved for low income households (up to 80 percent of the AMI); and the remaining funds may be reserved for moderate-income households (up to 120 percent of the AMI.). It is important to note that no more than 5 percent of SHIP funds may be used for administrative expenses. However, if a local government makes a finding of need by resolution, a local government may use up to 10 percent for administrative expenses. Funding for this program was established by the passage of the 1992 William E. Sadowski Affordable Housing Act. Funds are allocated to local governments each month on a population-based formula. These funds are derived from the collection of documentary stamp tax revenues, which are deposited into the Local Government Housing Trust Fund. Total actual disbursements are dependent upon these documentary stamp collections.

## **Homeless Persons**

### **The Council on Homelessness**

The Council on Homelessness (council) and the State Office on Homelessness (office) were created in 2001 within the Department of Children and Family Services (DCF).<sup>16</sup> The office coordinates state agency responses to homelessness, serves as a single point of contact on homeless issues in the state, and administers state-funded grant programs that support the activities of the 28 local homeless coalitions.<sup>17</sup> The 17-member council is comprised of representatives of state agencies, counties, homeless advocacy organizations, and volunteers.<sup>18</sup> The council's duties include developing policy and advising the office.

The office administers all homelessness prevention grants through lead agencies. The lead agency has the responsibility for continuum of care plans that help communities or regions envision, plan and implement comprehensive and long term solutions to the problem of homelessness in the community. Lead agencies are also authorized applicants for the Challenge Grant and the Homeless Housing Assistance Grant.

### **Emergency Assistance Program**

The Emergency Assistance Program for the homeless is a state grant program to provide support to families, with at least one minor child, who are currently without shelter or face the loss of shelter because of the following:<sup>19</sup>

- Nonpayment of rent or mortgage resulting in eviction or notice of eviction;
- Household disaster, which renders the home uninhabitable; or
- Other emergency situations defined in rule.<sup>20</sup>

Families may receive up to \$400 during one period of 30 consecutive days in any 12 consecutive months.<sup>21</sup> DCF serves approximately 2,000 families a year under this program and utilizes Other Personal Services staff to assess eligibility and process payments.<sup>22</sup>

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<sup>16</sup> Ch. 2001-98, L.O.F

<sup>17</sup> s.420.622(3), F.S.

<sup>18</sup> s.420.622(2), F.S.

<sup>19</sup> s. 414.16, F.S.

<sup>20</sup> s. 414.16(1), F.S.

<sup>21</sup> 65A-33.011, F.A.C.

## Homeless Housing Assistance Grants

The Homeless Housing Assistance Grant Program provides homeless housing assistance grants (up to \$750,000 annually) to lead agencies to acquire, construct, or rehabilitate transitional or permanent housing units for homeless persons.<sup>23</sup> Administrative costs are capped at 5% of the funds awarded.<sup>24</sup>

## Challenge Grant

The Challenge Grant is a state program which includes grants of up to \$500,000 to lead agencies who have developed and implemented a local homeless assistance continuum of care plan to provide services including outreach, emergency shelter, support services, and permanent shelter in the area.<sup>25</sup> This grant program was not funded in Fiscal Year 2012-13.

## Persons with Developmental Disabilities

### Services Provided by the Agency for Persons with Disabilities

According to Florida law, a developmental disability "means a disorder or syndrome that is attributable to retardation, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome that manifests before the age of 18, and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely."<sup>26</sup> In Florida, the Agency for Persons with Disabilities (APD) is the state agency primarily responsible for serving individuals with developmental disabilities.<sup>27</sup> To be eligible for services, a person must live in Florida, be at least three years old, and have a developmental disability that occurred before the age of 18.<sup>28</sup>

The Medicaid waiver program offers waivers to individuals with developmental disabilities.<sup>29</sup> Most APD clients are served from the Medicaid Home and Community Based Services (HCBS) waiver. The waiver programs assist individuals in paying for medically necessary services, such as occupational and physical therapy, nursing, mental health counseling, personal care assistance, transportation, behavior therapy, in-home support, adult dental services, and respite care.<sup>30</sup> Waiver enrollment is limited and subject to funding and availability.<sup>31</sup> In addition, many enrollees are in the process of transitioning into the new ibudget system, which offers more flexibility.<sup>32</sup> As of February 2012, 29,068 individuals were enrolled in the HCBS developmental disabilities waiver program and an additional 22,115 individuals were on the waiting list for the waiver programs.<sup>33</sup> There are also two Developmental Disability service centers in Florida, where clients can receive services.<sup>34</sup> APD serves more than 35,000 clients with developmental disabilities annually.<sup>35</sup>

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<sup>22</sup> DCF Staff Analysis HB 93 (2013). On file with committee staff.

<sup>23</sup> s. 420.622(5), F.S.

<sup>24</sup> s. 420.622(5)(f), F.S.

<sup>25</sup> s. 420.622(4), F.S.

<sup>26</sup> s. 393.063(9), F.S.

<sup>27</sup> s. 393.063(1), F.S.

<sup>28</sup> Florida Agency for Persons with Disabilities, APD Cares brochure. Accessible at <http://apd.myflorida.com/news/brochures>.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> Florida Agency for Persons with Disabilities, Ibudget frequently asked questions, Ibudget Florida. Accessible at <http://apd.myflorida.com/ibudget/basics.htm>.

<sup>33</sup> E-mail correspondence with Agency for Persons with Disabilities. On file with the Healthy Families Subcommittee staff. (February 18, 2013).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

## **Effect of Proposed Changes**

### **Florida Prepaid Tuition Scholarship Program**

The bill provides \$9,117,895 for the Florida Prepaid Tuition Scholarship Program “Take Stock in Children” to purchase two-year dormitory residence advance payment contracts for certain eligible students who are in grades 10 and 11 during the 2012-2013 school year. The appropriation would not be subject to the matching requirements set forth in s. 1009.984(2), Florida Statutes.

### **Foreclosure Crisis Impact on the Judicial Branch**

The bill provides funding to the State Courts System for staffing assistance (\$16 million) and technological upgrades (\$5,262,579) to assist in the foreclosure backlog. The funds provided for staffing assistance will provide additional senior judge days and temporary case management staff in the trial courts. The funds provided for technology upgrades will improve the flow of foreclosure cases through the judicial process. It will enable judges and staff to use electronic documents when disposing of foreclosure cases, produce orders electronically, provide for electronic calendaring, serve orders through an electronic process, and generate case management reports. All technology enhancements to expedite mortgage foreclosure cases must be completed in accordance with the standards set by the Florida Court Technology Commission regarding functionality as outlined in the Case Processing Application Standards.

The bill provides \$9.7 million in funding to the Clerks of the Court to enhance levels of service to assist and support the courts in expediting the foreclosure backlog process. This would include assigning additional personnel, implementation of electronic filing, and upgrading individual office case maintenance systems to better determine the backlog status of cases, expedite the process, track the results, report the disposition of the backlog cases and otherwise improve the process.

### **Legal Aid Services**

The bill provides \$10 million for the Office of the Attorney General to contract with regional legal service providers to provide legal aid services to low-income and moderate-income homeowners facing foreclosure. Administrative costs or fees may not be collected or used by the Office of the Attorney General, any association, or any foundation for providing such services.

### **Domestic Violence Center Capital Improvement Grant Program**

The bill provides \$10 million for the Department of Children and Families for capital improvement grants to certified domestic violence centers in accordance with s. 39.9055, Florida Statutes. The Florida Coalition Against Domestic Violence will serve as the lead entity to create a competitive request for proposals with the primary focus of increasing bed space and expanding capacity of emergency shelter services.

### **Habitat for Humanity**

The bill provides funding for the Department of Economic Opportunity (DEO) to grant \$20 million to HFH FL for the acquisition and rehabilitation of existing housing stock, and reconstruct existing stock in blighted areas, to provide affordable housing to low-income residents. HFH FL will be required to form a volunteer committee of at least 6 staff from any of the Florida Habitat affiliates, and establish a request for proposal process in order to evaluate acquisition, rehabilitation, and reconstruction projects submitted from the Florida Habitat affiliates.

Funding for the projects will be on a cost reimbursement basis and no single Florida Habitat affiliate may receive more than 10 percent of the funds provided unless waived under specific circumstances.



HFH FL will be required to submit quarterly progress reports to DEO on their activities, as well as an annual financial audit on the usage of funds. HFH FL will have two years to encumber funds, and any funds not spent shall be repaid to the Department of Financial Services.

### **State Apartment Incentive Loan Program**

SB 1852 provides \$50 million to fund the State Apartment Incentive Loan (SAIL) Program created under s. 420.5087, Florida Statutes. \$25 million of the funds are reserved for rental units for the elderly as defined in s. 420.0004, Florida Statutes, and \$25 million are reserved for rental units for extremely-low-income persons as defined in s. 420.0004, Florida Statutes.

The bill provides an additional \$10 million to fund the State Apartment Incentive Loan (SAIL) Program. Each SAIL development provided funds under this section shall include up to 25 percent, but not less than 10 percent, of their units designed, constructed and targeted for individuals with developmental disabilities as defined in s. 393.063, Florida Statutes. All developments shall be required to enter into agreements with the local Center for Independent Living, Agency for Persons with Disabilities, or other such agency approved by the Florida Housing Finance Corporation, for the purpose of coordinating services and housing for individuals with disabilities.

### **State Housing Initiatives Partnership Program**

The bill provides \$40 million to the Department of Economic Opportunity for transfer to the Florida Housing Finance Corporation (FHFC) to fund the State Housing Initiative Partnership program (SHIP). The FHFC shall allocate the funding to all eligible counties and cities. Except as otherwise specified in the bill, local governments must use this funding according to the SHIP statute and rules, and within the parameters of their adopted Local Housing Assistance Plans (LHAPs).

The bill requires that the funds must be targeted for one or more of the following strategies:

- Rehabilitating/modifying owner-occupied houses (including blighted homes and/or neighborhoods);
- Assisting with purchases of existing housing (with or without rehabilitation);
- Providing housing counseling services;
- Providing lease-purchase assistance; and
- Implementing strategies approved by the FHFC that are related to assisting households and communities impacted by foreclosures, using existing housing stock.

From the funding provided in the bill, each local government must use a minimum of 20 percent of their allocation to serve “persons with special needs” as defined in s. 420.0004(13), F.S. Before this portion of the allocation is released by the FHFC, a local government must submit an existing or new LHAP strategy to the FHFC for approval to ensure that it meets these specifications. First priority for use of these special needs funds must be for persons with developmental, hearing, visual or mobility disabilities, with an emphasis on home modifications, including technological enhancements and devices that will allow homeowners to remain independent in their own homes and maintain their homeownership.

Local governments may not use more than 3 percent of their allocations for administrative costs.

### **Homeless Persons**

The bill provides \$20 million to the FHFC for a competitive grant program. Half of the funds will be used by private nonprofit organizations to purchase and renovate existing houses and to construct small specialty housing of 15 units or fewer for homeless individuals or families, and half will be used by organizations to provide housing for special needs persons with first priority for persons with developmental, hearing, visual or mobility disabilities.

In evaluating proposals for funds for housing for persons with developmental disabilities, the FHFC shall consider: the extent to which funds from local and other sources will be used by the applicant to leverage the grant funds provided; employment opportunities and supports that will be available to residents of the proposed housing; a plan for residents to effectively and efficiently access community-based services, resources, and amenities; and partnerships with other supportive services agencies.

### **Term of Appropriation**

Except as otherwise provided for the Habitat for Humanity funds, entities provided funds would be allowed to use them through FY 2014-15 without reversion at the end of FY 2013-14. Any funds that are encumbered by June 30, 2015, must be disbursed by September 30, 2015. On September 30, 2015, any funds that remain undisbursed would be transferred to the State Housing Trust Fund.

### **Effective Date of the Bill**

The bill will take effect upon the deposit of \$200,080,474 into the General Revenue Fund from the escrow account created as a result of the consent judgment entered into by the Attorney General on April 4, 2012, in the case of United States of America, et al. v. Bank of America Corp., et al., No. 12-0361-RMC, in the United States District Court for the District of Columbia.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

Indeterminate. Documentary Stamp Tax collections may see an increase as homes are rehabilitated and sold, and as foreclosed properties move through the legal process quicker for resale.

#### **2. Expenditures:**

The bill appropriates \$200,080,474 on a non-recurring basis from the General Revenue Fund. These funds were part of the National Mortgage Settlement entered into by the Attorney General in April 2012.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

Indeterminate. There may be an increase in property taxes collected as homes are purchased or rehabilitated for use as primary residences.

#### **2. Expenditures:**

None.

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The HFH FL and developers will be positively impacted.

Homeowners and renters will benefit from the programs funded by the bill. Funds will provide for home modifications and renovations, and more homes and low-cost rental units being made available for low

income, elderly, and special needs persons. Homeowners facing foreclosure will also receive legal aid services and counseling under the provisions of the bill. In addition, funds provided to the state courts will assist persons facing foreclosure with the timely processing of their cases in court.

**D. FISCAL COMMENTS:**

The bill has a \$200 million nonrecurring fiscal impact on the General Revenue Fund. However, given the effective date contingency of a \$200 million deposit into the General Revenue Fund, the net effect is zero.