

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 854

INTRODUCER: Senator Brandes

SUBJECT: Task Force on Affordable Housing

DATE: March 13, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Pre-meeting
2.			AP	
3.			RC	

I. Summary:

SB 854 creates a 10-member task force on affordable housing which is assigned to the Florida Housing Finance Corporation (FHFC) for administrative purposes. The task force must develop recommendations for Florida's affordable housing needs.

The recommendations of the task force must include, but are not limited to, a review of market rate developments; affordable housing developments; land use for affordable housing developments; building codes for affordable housing developments; the states' implementation of the low-income housing tax credit; private and public sector development and construction industries; and the rental market for assisted rental housing. The task force must also include recommendations for the development of strategies and pathways for low-income housing.

The task force must submit a report with its recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018. The task force will be dissolved on June 30, 2018, or an earlier date determined by the task force.

II. Present Situation:

Florida Housing Finance Corporation

The 1997 Legislature created the FHFC as a public private entity to replace the Florida Housing Finance Agency, with the purpose of reducing bureaucracy and streamlining administrative processes.¹ FHFC is now a public corporation that is housed within the Department of Economic Opportunity.² The goal of the FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes. To do this, the FHFC uses federal and state resources to finance the development of affordable homes and rental housing and assist

¹ Chapter 97-167, Laws of Fla.

² Section 420.504(1), F.S.

first-time homebuyers through various programs.³ According to FHFC, the corporation seeks to be recognized as an outstanding provider of innovative, measurable, data-driven, and fiscally sustainable solutions that respond to the affordable housing challenges in Florida. The FHFC tries to increase affordable housing opportunities and ensure that its programs are well matched to the needs of it serves. The FHFC works with local governments, nonprofits, elected officials, and others to help spread the importance of affordable housing in Florida's communities.

Multifamily Development

The FHFC has several multifamily development programs (or rental housing programs) including the State Apartment Incentive Loan Program (SAIL), Multifamily Mortgage Revenue Bonds (MMRB), the Florida Affordable Housing Guarantee Program (Guarantee Program), HOME Investment Partnerships, Elderly Housing Community Loan program (EHCL), and the Low Income Housing Tax Credit program.

Special Programs

The FHFC's special programs include the State Housing Initiatives Partnership (SHIP), Predevelopment Loan Program (PLP), Demonstration Loans, Foreclosure Counseling Program (FCP), and the Affordable Housing Catalyst Program (Catalyst).

Homeownership Programs

The FHFC's homeownership programs include Homebuyer Loan programs, Down Payment Assistance programs (DPA), Mortgage Credit Certificates (MCC), and the Homeownership Pool Program (HOP).

Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit is a federal dollar-for-dollar tax credit in the United States for affordable housing investments.⁴ It was created under the Tax Reform Act of 1986 and gives incentives for utilization of private equity in the development of affordable housing aimed at low-income Americans.⁵ The Low-Income Housing Tax Credit gives state and local allocating agencies the equivalent of nearly \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.⁶

III. Effect of Proposed Changes:

The bill creates a task force on affordable housing. The task force is assigned to the Florida Housing Finance Corporation for administrative purposes.

³ Further information on the FHFC's Multifamily Development, Special Programs, and Homeownership programs is available at <http://www.floridahousing.org/AboutUs/> (last visited March 9, 2017).

⁴ Office of Policy Development and Research, U.S. Department of Housing and Urban Development, *Low-Income Housing Tax Credits*, available at <https://www.huduser.gov/portal/datasets/lihtc.html> (last visited March 9, 2017).

⁵ Public Law No: 99-514.

⁶ Office of Policy Development and Research, U.S. Department of Housing and Urban Development, *Low-Income Housing Tax Credits*.

The task force must convene by September 1, 2017, and shall be composed of the following 10 members:

- The executive director of the Florida Housing Finance Corporation;
- The executive director of the Department of Economic Opportunity or his or her designee;
- Two members appointed by the Governor;
- Two members appointed by the President of the Senate;
- Two members appointed by the Speaker of the House of Representatives;
- The executive director of the Florida Association of Counties or his or her designee; and
- The executive directors of the Florida League of Cities or his or her designee.

The executive director of the Florida Housing Finance Corporation shall serve as the chair of the task force.

The FHFC must provide administrative and staff support services to the task force, which relate to its functions.

Members of the task force serve without compensation but are entitled to reimbursement for per diem and travel expenses in accordance with s. 112.061, F.S. The state agency or entity that is represented by the member of the task force shall pay per diem and travel expenses incurred by the member.

The task force must develop recommendations for addressing Florida's affordable housing needs. The task force must present its recommendations to the board of directors of the FHFC for approval. The task force must make the following recommendations at a minimum:

- A review of market rate developments;
- A review of affordable housing developments;
- A review of land use for affordable housing developments;
- A review of building codes for affordable housing developments;
- A review of the states' implementation of the low-income housing tax credit;
- A review of private and public sector development and construction industries; and
- A review of the rental market for assisted rental housing.

The recommendations must also include the development of strategies and pathways for low-income housing.

The task force must submit its report containing those recommendations approved by the FHFC to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018.

The task force is abolished June 30, 2018, or at an earlier date as provided by the task force.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Florida League of Cities and the Florida Association of Counties may have to cover their own per diem and travel expenses if the Legislature does not appropriate funds for that purpose.

C. Government Sector Impact:

The state agencies and entities with members appointed to the task force will pay per diem and travel expenses using existing budgetary resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill does not amend the Florida Statutes. Time-limited provisions such as those found in this act are published only in the Laws of Florida.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
