

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: CS/SB 350

INTRODUCER: Community Affairs Committee; and Senators Hutson and Mayfield

SUBJECT: Affordable Housing

DATE: March 6, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	Fav/CS
2.			IS	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 350 authorizes and establishes a number of provisions related to affordable housing. Local governments are authorized to waive or exempt impact fees for affordable housing and would be required to report specified data on any impact fees they charge. The bill also provides a new local permit approval process for affordable housing and revises features of the Community Workforce Housing Innovation Loan Pilot Program. Provisions for local government contributions and local housing incentive strategies related to affordable housing are also outlined.

II. Present Situation:

Local Government Authority

The Florida Constitution grants local governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.¹ Those counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.² Likewise, municipalities have those governmental, corporate, and proprietary powers

¹ FLA. CONST. art. VIII, s. 1(f).

² FLA. CONST. art. VIII, s. 1(g).

that enable them to conduct municipal government, perform their functions and provide services, and exercise any power for municipal purposes, except as otherwise provided by law.³

Unlike counties or municipalities, independent special districts do not possess home rule power. Therefore, the powers possessed by independent special districts are those expressly provided by, or which can be reasonably implied from, the special district's charter or by general law.⁴

Local Government Revenue Sources Based on Home Rule Authority⁵

Pursuant to home rule authority, counties and municipalities may impose proprietary fees,⁶ regulatory fees, and special assessments⁷ to pay the cost of providing a facility or service or regulating an activity. Each fee imposed under a local government's home rule powers should be analyzed in the context of requirements established in Florida case law that are applicable to its validity.

Regulatory fees are home rule revenue sources that may be imposed pursuant to a local government's police powers in the exercise of a sovereign function. Examples of regulatory fees include building permit fees, impact fees, inspection fees, and storm water fees. Two principles guide the application and use of regulatory fees. The fee should not exceed the regulated activity's cost and is generally required to be applied solely to the regulated activity's cost for which the fee is imposed.

Special districts do not possess home rule powers; therefore, special districts may impose only those taxes, assessments, or fees authorized by special or general law.⁸

Impact Fees

As one type of regulatory fee, impact fees are charges imposed by local governments against new development to provide for capital facilities' costs made necessary by such growth.⁹ Examples of capital facilities include the provision of additional water and sewer systems, schools,¹⁰ libraries, parks and recreational facilities. Impact fee calculations vary from jurisdiction to jurisdiction and from fee to fee. Impact fees also vary extensively depending on local costs, capacity needs, resources, and the local government's determination to charge the

³ FLA. CONST. art. VIII, s. 2(b). See also s. 166.021(1), F.S.

⁴ Section 189.031, F.S. See also *State ex rel. City of Gainesville v. St. Johns River Water Mgmt. Dist.*, 408 So. 2d 1067 (Fla. 1st DCA 1982).

⁵ Office of Economic and Demographic Research, The Florida Legislature, *2018 Local Government Financial Handbook*, 9-13, available at <http://edr.state.fl.us/Content/local-government/reports/lgfih18.pdf> (last visited Feb. 26, 2019).

⁶ Examples of proprietary fees include admissions fees, franchise fees, user fees, and utility fees.

⁷ Special assessments are typically used to construct and maintain capital facilities or to fund certain services.

⁸ See ch. 189, F.S. See also State Affairs Committee and Local, Federal & Veterans Affairs Subcommittee, The Florida House of Representatives, *The Local Government Formation Handbook 2018-2020*, 70, available at <http://www.myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?CommitteeId=3025> (last visited Feb. 26, 2019).

⁹ See supra note 5.

¹⁰ *Id.* With respect to a school impact fee, the fee is imposed by the respective board of county commissioners at the request of the school board. The fee amount is usually determined after a study of the actual impact/costs of new residential construction on the school district has been made.

full cost or only part of the cost of the infrastructure improvement through utilization of the impact fee.

In 2017, the most recent year for which the Office of Economic and Demographic Research (EDR) has impact fee data, 35 counties reported impact fee revenues totaling \$629.1 million, 194 cities reported impact fee revenues of \$279.7 million, and 28 school districts reported impact fee revenues of 329.7 million.¹¹

Florida Impact Fee Act

In response to local governments' reliance on impact fees and the growth of impact fee collections, the Legislature adopted the Florida Impact Fee Act in 2006, which requires local governing authorities to satisfy certain requirements when imposing impact fees.¹² The Act was amended in 2009 to impose new restrictive rules on impact fees by requiring local governments to shoulder the burden of proof when an impact fee is challenged in court and prohibiting the judiciary from giving deference to local government impact fee determinations.¹³

Section 163.31801(3), F.S., provides requirements and procedures for the adoption of an impact fee. An impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at minimum:

- Require that the calculation of the impact fee be based on the most recent and localized data;
- Provide for accounting and reporting of impact fee collections and expenditures. If a local government imposes an impact fee to address its infrastructure needs, the entity must account for the revenues and expenditures of such impact fee in a separate accounting fund;
- Limit administrative charges for the collection of impact fees to actual costs; and
- Require that notice be provided at least 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee.

Dual Rational Nexus Test

While s. 163.31801, F.S., outlines many characteristics and limitations of impact fees, case law serves an integral role in the impact fee process in Florida. As developed under case law, an impact fee imposed by a local government should meet the 'dual rational nexus test' in order to withstand legal challenge.¹⁴ A number of court decisions have addressed the dual rational nexus test and challenges to the legality of impact fees.¹⁵

In *Hollywood, Inc. v. Broward County*,¹⁶ the Fourth District Court of Appeal addressed the validity of a county ordinance that required a developer, as a condition of plat approval, to

¹¹ Office of Economic and Demographic Research, The Florida Legislature, *Impact Fees*, available at <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited Feb. 26, 2019).

¹² Section 163.31801, F.S.

¹³ Chapter 2009-49, L.O.F., creates a "preponderance of the evidence" standard of review placing the burden of proof on the local government to show that the imposition or amount of an impact fee meets the requirement of case law and s. 163.31801, F.S.

¹⁴ See supra note 4.

¹⁵ See, e.g., *Contractors & Builders Ass'n v. City of Dunedin*, 329 So.2d 314 (Fla. 1976); *Home Builders and Contractors' Association v. Board of County Commissioners of Palm Beach County*, 446 So.2d 140 (Fla. 4th DCA 1983).

¹⁶ *Hollywood, Inc. v. Broward County*, 431 So.2d 606 (Fla. 4th DCA 1983).

dedicate land or pay a fee for the expansion of the county level park system to accommodate the new residents of the proposed development. The court found that a reasonable dedication or impact fee requirement is permissible if (1) it offsets reasonable needs that are sufficiently attributable to the new development and (2) the fees collected are adequately earmarked for the acquisition of capital assets that will benefit the residents of the new development.¹⁷ In order to show the impact fee meets those requirements, the local government must demonstrate a rational relationship between the need for additional capital facilities and the proposed development. In addition, the local government must show the funds are earmarked for the provision of public facilities to benefit the new residents.¹⁸

In *Volusia County v. Aberdeen at Ormond Beach*, the Florida Supreme Court ruled that when a residential development has no potential to increase school enrollment, public school impact fees may not be imposed.¹⁹ The county in that case had imposed a school impact fee on a deed-restricted community for adults 55 years old and older. In *City of Zephyrhills v. Wood*, the Second District Court of Appeal upheld an impact fee on a recently purchased and renovated building, finding that structural changes had corresponding impacts on the city's water and sewer system.²⁰

As developed under case law, an impact fee must have the following characteristics to be legal:

- The fee is levied on new development, the expansion of existing development, or a change in land use that requires additional capacity for public facilities;
- The fee represents a proportionate share of the cost of public facilities needed to serve new development;
- The fee is earmarked and expended for the benefit of those in the new development who have paid the fee;
- The fee is a one-time charge, although collection may be spread over a period of time;
- The fee is earmarked for capital outlay only and is not expended for operating costs; and
- The fee-payers receive credit for the contributions toward the cost of the increased capacity for public facilities.²¹

Affordable Housing

Affordable housing is generally defined in relation to the annual area median income of the household living in the housing adjusted for family size. Section 420.9071(2), F.S., within the State Housing Initiatives Partnership (SHIP)²² Program defines "affordable" to mean that monthly rents or monthly mortgage payments, including taxes and insurance, do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for:

¹⁷ *Id.* at 611.

¹⁸ *Id.* at 611-12.

¹⁹ *Volusia County v. Aberdeen at Ormond Beach*, 760 So.2d 126, 134 (Fla. 2000).

²⁰ *City of Zephyrhills v. Wood*, 831 So.2d 223, 225 (Fla. 2d DCA 2002).

²¹ Committee on Community Affairs, The Florida Senate, *Impact Fees*, 4 (Issue Brief 2010-310) (Sept. 2009), available at http://archive.flsenate.gov/data/Publications/2010/Senate/reports/interim_reports/pdf/2010-310ca.pdf (last visited Feb. 26, 2019).

²² See ss. 420.907-420.9089, F.S. Administered by Florida Housing Finance Corporation, the SHIP Program provides funds to all 67 counties and Florida's larger cities on a population based formula to finance and preserve affordable housing for very low, low, and moderate income families based on locally adopted housing plans.

- Very-low-income households, i.e., total annual gross household income does not exceed 50 percent of the median annual income for the area;²³
- Low-income households, i.e., total annual gross household income does not exceed 80 percent of the median annual income for the area;²⁴
- Moderate-income households, i.e., total annual gross household income does not exceed 120 percent of the median annual income for the area.²⁵

With respect to rental units, a household's annual income at initial occupancy may not exceed the three threshold percentages above. While occupying the unit, the household's annual income may increase to an amount not to exceed 140 percent.²⁶

SHIP Program - Affordable Housing Incentive Strategies related to Impact Fees

Administered by the Florida Housing Finance Corporation, the SHIP Program provides funds to all 67 counties and Florida's larger cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing plans.²⁷ Funds are expended per each local government's adopted Local Housing Assistance Plan which details the housing strategies they will use.²⁸ Local governments must appoint members to an Affordable Housing Advisory Committee (AHAC) to review and recommend strategies to reduce barriers to and incentivize the development of affordable housing.²⁹ Section 420.9076(4)(b), F.S., requires AHACs to provide their local governing bodies with an affordable housing strategy recommendation on the modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

Pursuant to s. 420.531, F.S., the Affordable Housing Catalyst Program (Catalyst) provides community-based organizations and state and local governments with technical assistance to meet affordable housing needs.³⁰ A 2017 Catalyst-funded guidebook reviews commonly implemented local government strategies to incentivize affordable housing within the SHIP program including the strategy linked to impact fee modifications, waivers, or reimbursement.³¹

In the guidebook, among the issues local governments are advised to consider related to the impact fee strategy is "assurance that any waiver or modification of impact fees will result in greater affordability to the consumer, not greater profitability to the developer."³² In addition, the

²³ Section 420.9071(28), F.S.

²⁴ Section 420.9071(19), F.S.

²⁵ Section 420.9071(20), F.S.

²⁶ See ss. 420.9071(19), (20), and (28), F.S.

²⁷ See ss. 420.907-420.9089, F.S.

²⁸ Section 420.9075, F.S.

²⁹ Section 420.9076, F.S.

³⁰ Florida Housing Finance Corporation operates and administers Catalyst. Presently, Florida Housing contracts with the Florida Housing Coalition to provide training and technical assistance.

³¹ See Florida Housing Coalition, *Affordable Housing Incentive Strategies: A Guidebook for Affordable Housing Advisory Committee Members and Local Government Staff*, 27-31, available at <http://www.flhousing.org/wp-content/uploads/2012/03/AHAC-Guidebook-2017.pdf> (last visited Feb. 27, 2019).

³² *Id.* at 31.

guidebook states that “some legal advisors take the position that waiving impact fees is not permissible. In these cases, it is possible for the fee to be paid, but by other sources.”³³

2017 Affordable Housing Workgroup - Findings on Impact Fees

Chapter 2017-071, Laws of Florida, created a statewide Affordable Housing Workgroup (workgroup).³⁴ The legislation charged the 14-member body with developing recommendations to address the state’s affordable housing needs and to develop strategies and pathways for low-income housing in the state.³⁵ In its final report, the workgroup characterized its investigation and deliberations of impact fees with the following:

“One way impact fees often intersect with affordable housing is through the granting of fee waivers or deferrals. These waivers or deferrals essentially represent a local government’s commitment to subsidize and thereby incentivize the production of affordable housing. Though common, waivers for affordable housing are not ubiquitous. Like all issues related to impact fees, decisions to grant waivers for affordable housing are jurisdiction-specific and subject to local circumstances, vetting (including legal interpretation) and control.”³⁶

The workgroup’s final report also included the following paired finding and recommendation related to impact fees:³⁷

Finding: The workgroup’s review and discussion of impact fee processes across the state confirmed the location-specific character of fees as provided for through home rule powers. In areas where impact fees are waived in some manner for affordable housing, the waivers can act as catalysts for affordable housing by mitigating development costs.

Recommendation: The workgroup recommends that local governments assessing impact fees either waive fees outright for affordable housing or establish local dedicated funds to make such affordable housing waivers possible.

Local Government Annual Financial Audit Reports

Sections 218.32 and 218.39, F.S., provide requirements for local governments regarding submissions of annual financial reports and audits. Local governments must

³³ *Id.* at 32.

³⁴ Legislation creating the workgroup designated Florida Housing Finance Corporation as the administering entity. Workgroup meeting agendas, research materials and other information is available at <https://www.floridahousing.org/about-florida-housing/workgroup-on-affordable-housing> (last visited Feb. 26, 2019)

³⁵ Chapter 2017-071, s. 46, Laws of Fla.

³⁶ Affordable Housing Workgroup, *Final Report 2017*, 25-26, available at http://www.floridahousing.org/docs/default-source/aboutflorida/august2017/ahwg-report_2017-web-print.pdf?sfvrsn=2 (last visited Feb. 26, 2019). As part of the workgroup’s research, Florida Housing staff informally surveyed all SHIP program administrators regarding impact fee calculations and waivers in their locales. Over 80 local governments responded and nearly 30 percent cited mechanisms to waive fees in part or whole for affordable housing. The appendix of the final report provides all responses received.

³⁷ *Id.* at 6.

submit an annual financial report to the Department of Financial Services (DFS) covering their operations for the preceding fiscal year.³⁸ Each local governmental entity's website must provide a link to the DFS website to view the entity's submitted financial report.³⁹ If the local government does not have an official website, the county government's website must provide the required link.⁴⁰

Building Permit Approval Processes

Local governments may enforce requirements to obtain building or development permits, including processing applications and granting building permits.⁴¹ A development permit pertains to any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land.⁴² A certificate of occupancy is required before a building or structure may be used or occupied.⁴³ The certificate is issued by the appropriate local building official after completion of all work and a final inspection of the building or structure shows no violations of the Florida Building Code or other applicable laws.⁴⁴

Counties, municipalities, and most special districts are not required to comply with the notice and procedural requirements of ch. 120, F.S., the Administrative Procedure Act.⁴⁵ For certain types of building permit applications,⁴⁶ the local government must meet certain deadlines:

- Within 10 days of the application being submitted, the local government must inform the applicant in writing of what information is needed to complete the application, if any.
- If no written notice of deficiency is provided, the application is deemed properly completed and accepted.
- Within 45 days of receiving a completed application, the local government must notify the applicant if additional information is needed to determine whether the application is sufficient.
- Within 120 days after receiving a completed application, the local government must approve, approve with conditions, or deny the application.⁴⁷

³⁸ It is possible that smaller municipalities (those with annual revenues or total expenditures and expenses between \$100,000 and \$250,000) may go three years between financial audit submissions. *See* Section 218.39(1)(g), F.S.

³⁹ Section 218.32(1)(g), F.S.

⁴⁰ *Id.*

⁴¹ Sections 553.79 and 553.792, F.S.

⁴² Section 163.3164(16), F.S.

⁴³ Section 111.1, Florida Building Code – Building (6th ed. 2017), at <https://codes.iccsafe.org/public/document/FBC2017/chapter-1-scope-and-administration> (last visited March 7, 2019).

⁴⁴ Section 111.2, Florida Building Code – Building (6th ed. 2017). *See also* Broward County Amendments to the 5th Edition (2014) Florida Building Code (Effective June 30, 2015, with amendments through March 2017), s. 110, “Inspections,” p. 1.38, at <http://www.broward.org/CodeAppeals/AboutUs/Documents/ch%201-5thEdition%20-PAssed%2003-09-2017.pdf> (last visited March 7, 2019).

⁴⁵ *See* s. 120.52(1), F.S.

⁴⁶ The list includes permits for the following types of construction: accessory structure, alarm, nonresidential buildings less than 25,000 square feet, electric, irrigation, landscaping, mechanical, plumbing, residential units other than a single family unit, multifamily residential not exceeding 50 units, roofing, signs, site-plan approvals and subdivision plats not requiring public hearings or public notice, and lot grading and site alteration associated with the application. *See* s. 553.792(2), F.S.

⁴⁷ Section 553.792(1), F.S.

State Apartment Incentive Loan Program Local Government Contribution

The State Apartment Incentive Loan (SAIL) Program provides low-interest loans on a competitive basis to affordable housing developers each year. This money often serves to bridge the gap between the primary financing and the total cost of the development. SAIL dollars are available to individuals, public entities, nonprofit organizations, or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low income individuals and families.⁴⁸

Florida Housing administers the SAIL program and is required to establish a review committee for the competitive evaluation and selection of applications submitted. The evaluation criteria include local government contributions and local government comprehensive planning and activities that promote affordable housing.⁴⁹

Community Workforce Housing Innovation Pilot Program

Established by ch. 2006-69, Laws of Florida, the Community Workforce Housing Innovation Pilot Program (CWHIP) was created for the purpose of providing affordable rental and home ownership community workforce housing for essential services personnel with medium incomes in high-cost and high-growth counties. Designed to use regulatory incentives and state and local funds to promote local public-private partnerships and to leverage government and private sources, Florida Housing administered the program in 2006 and 2007.⁵⁰

CWHIP targeted households earning higher incomes than traditionally served through other affordable housing programs to create homeowner or rental housing for persons such as teachers, firefighters, healthcare providers and others as defined by local governments. Households earning up to 140 percent of AMI could be served through the program with that provision rising up to 150 percent of AMI in the Florida Keys.⁵¹

CWHIP provided priority funding consideration to projects in counties where the disparity between the AMI and the median sales price for a single family home was greatest. Priority funding consideration was specified where:

- The local jurisdiction established local incentives such as expedited reviews of development orders and permits and supported development near transportation hubs;
- Financial strategies like tax increment financing were utilized; and
- Projects set aside at least 80% of units for workforce housing and at least 50% for essential services personnel.

⁴⁸ Florida Housing Finance Corporation, *State Apartment Incentive Loan, Background*, available at <http://www.floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan> (last visited March 6, 2018).

⁴⁹ Section 420.5087(6)(c), F.S.

⁵⁰ Section 420.5095(2), F.S.

⁵¹ Section 420.5095(3)(a), F.S.

CWHIP loans were awarded with a 1 to 3% interest rate and could be forgiven where long-term affordability was provided and where at least 80% of the units are set aside for workforce housing and at least 50% of the units are set aside for essential services.⁵²

Florida Housing administered two rounds of funding for CWHIP: \$50 million in October of 2006 and \$62.4 million in December of 2007.⁵³

Local Housing Incentive Strategies

Section 420.9071, F.S., defines “local housing incentive strategies” to mean local regulatory reform or incentive programs to encourage or facilitate affordable housing production, which include at a minimum, assurance that permits for affordable housing projects are expedited to a greater degree than other projects. Local housing incentive strategies are included in SHIP Program local housing assistance plans and must be included in various other reports as required in the SHIP program provisions in part VII, ch. 420, F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 163.31801, F.S., to authorize a local government to provide a waiver or exception to an impact fee for housing defined as affordable. The local government does not have to use other revenues to offset such an action. The section also requires local governments, in addition to items reported in the annual financial reports under s. 218.32, F.S., to report the following information pertaining to impact fees imposed:

- The specific purpose of each impact fee, including the specific infrastructure need to be met, such as transportation, parks, water, sewer, and schools;
- The impact fee schedule policy, describing the method of calculating impact fees, such as flat fee, tiered scale based on number of bedrooms, and tiered scale based on square footage;
- The amount assessed for each purpose and type of dwelling;
- The total amount of impact fees charged by type of dwelling; and
- Each exception and waiver provided for affordable housing developments.

Section 2 creates s. 420.0007, F.S. to establish a new process for local government permit approval for affordable housing. A local government has 15 days after receiving an application for a development permit, construction permit, or certificate of occupancy for affordable housing to examine the application, notify the applicant of any apparent errors or omissions, and request any additional information the local government is authorized by law to require.

The local government may require any additional required information to be submitted within 10 days after the date it gives notice to the applicant. The local government must grant a request for an extension of time for submitting the additional information for good cause.

⁵² Section 5095(11), F.S.

⁵³ See Florida Housing Finance Corporation, *2007 Annual Report* and *2008 Annual Report*, available at <http://www.floridahousing.org/docs/default-source/data-docs-and-reports/annual-reports/2007AnnualReport.pdf> and http://www.floridahousing.org/docs/default-source/data-docs-and-reports/annual-reports/2008AnnualReport_CDfile.pdf (last visited March 6, 2019).

If a local government does not timely request additional information, it may not deny the development permit, construction permit, or certificate of occupancy for affordable housing if the applicant fails to correct an error or omission or to supply additional information.

An application is complete when the local government has received all of the requested information and the correction of any error or omission as necessary or when the time for notification has expired.

The local government must approve or deny an application for a development permit, construction permit, or certificate of occupancy for affordable housing within 60 days after receipt of a completed application, unless a shorter period of time for local government is provided by law. If the local government does not approve or deny within the time period, the application is considered approved, and the local government must issue the development permit, construction permit, or certificate of occupancy.

An applicant for a development permit, construction permit, or certificate of occupancy seeking to receive a permit by default must notify the local government in writing of its intent to rely upon the default approval. However, the applicant may not take any action based upon the default development permit, construction permit, or certificate of occupancy until the applicant receives notification or a receipt acknowledging that the local government received the notice. The applicant must retain the notification or receipt.

Section 3 amends provisions of the SAIL Program in s. 420.5087, F.S., to require the evaluation of additional components related to local government contributions, including policies that promote access to public transportation, reduce the need for on-site parking where appropriate, and expedite permits for affordable housing projects.

Section 4 amends s. 420.5095, F.S., to transition the “pilot” features of a workforce housing program into the Community Workforce Housing Loan Program, administered by Florida Housing. Workforce housing is defined as housing affordable to persons of families whose total annual income does not exceed 80 percent of the area median income or 120 percent of the area median income, adjusted for household size in specified areas of critical concern. Florida Housing shall establish a loan application process pursuant to SAIL Program provisions under s. 420.5087, F.S., and award loans at a 1 percent interest rate for a term not to exceed 15 years. Projects must be given priority if they set aside not more than 50 percent of units for workforce housing.

Section 5 amends s. 420.9071, F.S., to revise the definition of “local housing incentive strategies” to include expediting permits for affordable housing projects as provided in Section 2 of the bill.

Section 6 reenacts s. 193.018, F.S., relating to land owned by a community trust used to provide affordable housing, to incorporate the amendment made to s. 420.5095, F.S., in the bill.

Section 7 provides an effective date of July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Committee has not yet determined the impact of CS/SB 350.

B. Private Sector Impact:

The possible waiver or exemption of impact fees for housing defined as affordable may act as an incentive for additional private sector development of various types of affordable housing. Similarly, the loans possible through the Community Workforce Housing Loan Program may incentivize development of additional affordable workforce housing. The expedited permitting process for affordable housing could lead to quicker construction of such developments.

C. Government Sector Impact:

Local governments would experience tighter time frames by which to process and approve affordable housing permits.

VI. Technical Deficiencies:

The sponsor may want to provide clarity on lines 46-61 regarding whether or not the newly required data on impact fee charges are to be reported within the local government annual financial reports under s. 218.32, F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 163.31801, 420.5087, 420.5095, and 420.9071.

This bill creates section 420.0007 of the Florida Statutes.

This bill reenacts section 193.018 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

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

CS by Community Affairs on March 5, 2019:

- Changes the bill title to an act relating to affordable housing.
- Authorizes local governments to provide a waiver or exception to an impact fee for housing defined as affordable. The local government does not have to use other revenues to offset such an action.
- Requires local governments to report specified information on imposed impact fees.
- Establishes a new process for local government permit approval for affordable housing in ch. 420, F.S.
- Repurposes the Community Workforce Housing Loan Program by revising the program's qualifying resident AMI levels and its project loan interest rate structures and priority considerations.
- Revises the definition of "local housing incentive strategies" to include expediting permits for affordable housing projects.

B. Amendments:

None.