

Legislative Wrap-Up 2013



by Mark Hendrickson



by Jaimie Ross

Funding for State and Local Housing Trust Fund Programs

The National Mortgage Settlement Funds (also known as Attorney General/Bank Settlement), which was negotiated by Attorney General Pam Bondi, was used for a variety of housing related purposes, including funding for the state and local housing trust funds.

Senate Bill 1852, the Attorney General Settlement bill, was given final passage on April 30 and signed into law by the Governor on June 4, 2013. From the \$200,080,474

The Senate and House reached agreement on the budget in the first week of May. Unfortunately, they agreed that the state and local housing trust funds would not be used for housing. The Appropriations Act swept all \$204.13 million available for appropriation in the Housing Trust Funds into General Revenue. The good news is that housing programs, including SHIP and SAIL, were funded by the legislature in 2013—they used the Attorney General Bank Settlement Funds to do it.

appropriated, \$160 million is for affordable housing in one form or another. The following is an outline of how that \$160 million will be used.

The State Apartment Incentive Loan Program (SAIL)

\$50 million for SAIL Rent Reduction

This SAIL funding must be used to provide funding to reduce rents on new or existing rental units, with 50% for elderly units and 50% for units serving extremely-low-income residents.

\$10 million for SAIL Construction or Rehabilitation

This SAIL funding must be used for the construction or rehabilitation of units, of which, at least 10%, but not more than 25%, are designed, constructed, and targeted for persons with developmental disabilities as defined in s. 393.063, Florida Statutes.

The State Initiatives Partnership Program (SHIP)

\$40 million for SHIP, (see distribution chart on next page) which is limited to:

- Rehab or modifying owner-occupied homes;
- Assisting purchases of existing homes;
- Providing housing counseling services; and
- Providing lease-purchase assistance.

Implementing other strategies approved by FHFC which are related to assisting households and communities impacted by foreclosures, using existing housing stock.

Each local government must use at least 20% of their allocation from this appropriation to serve persons with special needs as defined in s. 420.0004, Florida Statutes. The first priority

“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. (§393.063, Florida Statutes)

SHIP Program Proposed Allocation*

County / Eligible City	Allocation
Alachua County	\$ 226,684
Gainesville	\$ 228,596
Baker County	\$ 350,000
Bay County	\$ 278,640
Panama City	\$ 74,650
Bradford County	\$ 350,000
Brevard County	\$ 475,584
Cocoa	\$ 26,966
Melbourne	\$ 120,581
Palm Bay	\$ 162,140
Titusville	\$ 68,099
Broward County	\$ 533,116
Coconut Creek	\$ 74,706
Coral Springs	\$ 171,997
Davie	\$ 130,053
Deerfield Beach	\$ 105,730
Ft. Lauderdale	\$ 236,279
Hollywood	\$ 199,546
Lauderhill	\$ 94,065
Margate	\$ 77,188
Miramar	\$ 172,990
Pembroke Pines	\$ 217,664
Plantation	\$ 119,132
Pompano Beach	\$ 143,207
Sunrise	\$ 120,621
Tamarac	\$ 85,626
Calhoun County	\$ 350,000
Charlotte County	\$ 313,600
Punta Gorda	\$ 36,400
Citrus County	\$ 350,000
Clay County	\$ 384,545
Collier County	\$ 533,452
Naples	\$ 33,688
Columbia County	\$ 350,000
DeSoto County	\$ 350,000
Dixie County	\$ 350,000
Duval County	\$ 1,286,005
Escambia County	\$ 434,646
Pensacola	\$ 91,369
Flagler County	\$ 74,620
Palm Coast	\$ 275,380

County / Eligible City	Allocation
Franklin County	\$ 350,000
Gadsden County	\$ 350,000
Gilchrist County	\$ 350,000
Glades County	\$ 350,000
Gulf County	\$ 350,000
Hamilton County	\$ 350,000
Hardee County	\$ 350,000
Hendry County	\$ 350,000
Hernando County	\$ 358,225
Highlands County	\$ 350,000
Hillsborough County	\$ 1,308,473
Tampa	\$ 489,127
Holmes County	\$ 350,000
Indian River County	\$ 350,000
Jackson County	\$ 350,000
Jefferson County	\$ 350,000
Lafayette County	\$ 350,000
Lake County	\$ 526,015
Lee County	\$ 628,062
Cape Coral	\$ 244,848
Ft. Myers	\$ 102,190
Leon County	\$ 168,640
Tallahassee	\$ 329,410
Levy County	\$ 350,000
Liberty County	\$ 350,000
Madison County	\$ 350,000
Manatee County	\$ 480,594
Bradenton	\$ 86,546
Marion County	\$ 474,079
Ocala	\$ 97,996
Martin County	\$ 350,000
Miami-Dade County	\$ 2,279,857
Hialeah	\$ 313,771
Miami	\$ 572,606
Miami Beach	\$ 124,311
Miami Gardens	\$ 147,906
North Miami	\$ 83,109
Monroe County	\$ 350,000
Nassau County	\$ 350,000
Okaloosa County	\$ 335,753
Ft. Walton Beach	\$ 40,567

County / Eligible City	Allocation
Okeechobee County	\$ 350,000
Orange County	\$ 1,340,435
Orlando	\$ 353,530
Osceola County	\$ 390,093
Kissimmee	\$ 111,247
Palm Beach County	\$ 1,450,757
Boca Raton	\$ 121,784
Boynton Beach	\$ 97,998
Delray Beach	\$ 87,532
West Palm Beach	\$ 144,809
Pasco County	\$ 751,380
Pinellas County	\$ 716,111
Clearwater	\$ 158,624
Largo	\$ 114,502
St. Petersburg	\$ 364,213
Polk County	\$ 729,902
Lakeland	\$ 151,117
Winter Haven	\$ 52,956
Putnam County	\$ 350,000
Santa Rosa County	\$ 350,000
Sarasota County	\$ 550,550
Sarasota	\$ 87,325
Seminole County	\$ 695,450
St. Johns County	\$ 389,480
St. Lucie County	\$ 127,792
Ft. Pierce	\$ 74,449
Port St. Lucie	\$ 299,099
Sumter County	\$ 350,000
Suwannee County	\$ 350,000
Taylor County	\$ 350,000
Union County	\$ 350,000
Volusia County	\$ 555,687
Daytona Beach	\$ 98,178
Deltona	\$ 135,350
Wakulla County	\$ 350,000
Walton County	\$ 350,000
Washington County	\$ 350,000
Florida Total	\$ 39,900,000

*Subject to funding approved by the Florida Legislature

of these special needs funds must be to use them for persons with developmental disabilities as defined in s. 393.063, Florida Statutes, with an emphasis on home modifications, including technological enhancements and devices, which will allow homeowners to remain independent in their own homes and maintain their homeownership.

SHIP administrative costs for this one year appropriation are limited to 3%.

Other Housing Funding

- \$10 million to the Office of the Attorney General, who will contract directly with regional legal aid service providers that will provide legal aid services to low-income and moderate-income homeowners facing foreclosure.
- \$10 million to Department of Children and

Families for capital improvement grants to domestic violence centers.

“Person with special needs” means an adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under §409.1451(5); a survivor of domestic violence as defined in §741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits. (§420.0004, Florida Statutes)

■ \$20 million to Habitat for Humanity (through Department of Economic Opportunity) for the acquisition and rehabilitation of existing housing stock. Habitat for Humanity would administer an RFP to distribute the grant funds to its affiliates. Habitat could use 1% for administrative costs. Habitat can spend another 2% for costs related to providing technical support and assistance to Habitat affiliates to help them use grant funds. Any funds not expended or encumbered by June 30, 2015, and any funds that were deemed encumbered on June 30, 2015, and not expended by September 30, 2015, shall be repaid by Habitat for Humanity of Florida to the Department of Financial Services for deposit into the State Housing Trust Fund. See article on page 9 by Barbara Inman.

■ \$10 million to FHFC for a homeless housing competitive grant program. The FHFC shall award funds on a competitive basis to 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, with priority given to extremely-low-income households.

■ \$10 million to FHFC to fund a competitive grant program for housing developments designed, constructed, and targeted for persons with developmental disabilities as defined in s. 393.063, Florida Statutes. Private nonprofit organizations whose primary mission includes serving persons with developmental disabilities as defined in s. 393.063, Florida Statutes, shall be eligible for these grant funds. Housing projects funded with these grants may include community residential

homes as defined in s. 419.001, Florida Statutes, or individual housing units, and may include new construction and renovation of existing housing units. In evaluating proposals for these funds, 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 under this section; 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.

Except as noted in the appropriation to Habitat for Humanity, entities to which funds are appropriated may expend such funds through the 2014-2015 fiscal year. Any funds that are encumbered by June 30, 2015, must be disbursed by September 30, 2015. Any funds that remain undisbursed on September 30, 2015, must be transferred to the State Housing Trust Fund.

Funding for the Homeless

In addition to the funding for the homeless appropriated from the Attorney General Settlement outlined above, the legislature used general revenue funds to provide:

■ \$2 million to the local homeless coalitions throughout the state;

“Community residential home” means a dwelling unit licensed to serve residents who are clients of the Department of Elderly Affairs, the Agency for Persons with Disabilities, the Department of Juvenile Justice, or the Department of Children and Family Services or licensed by the Agency for Health Care Administration which provides a living environment for 7 to 14 unrelated residents who operate as the functional equivalent of a family, including such supervision and care by supportive staff as may be necessary to meet the physical, emotional, and social needs of the residents. (§419.001, Florida Statutes)

- \$500,000 to the National Veterans Support Group; and
- \$500,000 to the Manatee County One Stop Community Resource Center for the Turning Points Homeless Program.

The legislature also included in the budget it passed, another \$1 million for equal distribution to the local housing coalitions throughout the state to be distributed by United Way of Brevard County; \$250,000 for the Transition House Homeless Veterans Program in Osceola County; and \$500,000 for the Okaloosa Walton Homeless Continuum of Care/Opportunity, Inc. But all these were line-item vetoed by the Governor.

The Legislative Budget Commission: Prior to the 2013 Session

A portion of the Attorney General Bank Settlement was appropriated prior to the start of the 2013 legislative session through the Legislative Budget Commission in January 2012.

\$60 million was appropriated as follows:

- \$35 million for down payment assistance;
- \$10 million for housing counseling;
- \$5 million provided to the State Courts to help with foreclosure-related issues;
- \$5 million provided to the Attorney General's Office to help fund legal aid programs; and
- \$5 million provided to the Attorney General's Office to reimburse the office and to continue its efforts to remedy abuses of the foreclosure process.

The \$35 million for down payment assistance was allocated to FHFC for down payment assistance loans, to be made to borrowers who qualify for first-time homebuyer (bond) loans. FHFC is loaning \$7,500 to each borrower. They have also entered into agreements with 10 Local Housing Finance Authorities, which will also utilize the funds in the same manner.

The \$10 million for housing counseling was allocated to FHFC to help prevent homeowners from going into foreclosure; and provide at-risk homeowners with good financial management education to help them better manage their money and assist them with credit problems. Florida Housing will provide funding



There is \$35 million for down payment assistance for first-time homebuyers.

on a fee-for-service basis to HUD-approved Housing Counseling Agencies to carry out foreclosure counseling services and financial management education. This money will augment counseling provided through the National Foreclosure Mitigation Counseling (NFMC) Program.

Non-Appropriations Housing Legislation

“Non-Profit” Ad Valorem Property Tax Exemption Section 196.1978, Florida Statutes.

The legislature enacted a provision in 2009 that extended the property tax exemption for nonprofit organizations to Florida-based limited partnerships having a sole general partner that was a nonprofit corporation. This was promoted as a way for legitimate nonprofits to retain the type of property tax exemption that they would have if they owned the property without the for-profit limited partnership vehicle required when using federal Housing Credits. But almost immediately, the provision was used by for-profit developers as a way to remove existing properties from the tax rolls by transforming the ownership interest in a way that would make a property otherwise ineligible for property tax exemption off the local tax rolls. Local government estimates for applications made for tax exemption under the 2009 law were calculated at over \$11 million dollars.

House Bill 437 repealed this provision and made this repeal retroactive. House Bill 437 signed into law by the Governor on May 30, 2013. Ch. 2013-83 LAWS OF FLORIDA

Statutory Changes for FHFC

House Bill 437 made various technical changes to the FHFC and made substantial changes to the SAIL program, including:

- Allowing FHFC to allocate SAIL funds by RFP.
- To award up to 10 percent of its annual allocation of low-income housing tax credits, nontaxable revenue bonds, and State Apartment Incentive Loan Program funds appropriated by the legislature and available to allocate by request for proposals or other competitive solicitation.
- To reserve up to 5 percent of each allocation funding for high priority affordable housing projects, such as housing to support economic development and job-creation initiatives, housing for veterans and their families, and other special needs populations in communities throughout the state as determined by FHFC on an annual basis.



- FHFC shall reserve an additional 5 percent of each allocation for affordable housing projects that target persons who have a disabling condition, as defined in s. 420.0004, and their families.
- These allocations must prioritize projects or initiatives piloting or demonstrating cost-effective best practices that meet the housing needs and preferences of such persons. Any tax credits or funds not allocated because of a lack of eligible projects targeting persons who have a disabling condition shall be distributed by FHFC for high-priority housing projects.
- FHFC must adopt rules prescribing a priority to fund affordable housing projects in the Florida Keys Area of Critical State Concern and the City of Key West Area of Critical State Concern.

Ch. 2013-83 LAWS OF FLORIDA

That's a Wrap on the 2013 Session—Now It's Time to Gear Up for 2014



The Florida Housing Coalition is one of the 25 statewide organizations that comprise the Sadowski Housing Coalition. It is the mission of the Sadowski Housing Coalition to ensure that Florida's dedicated revenue for affordable housing is used to fund the state and local housing trust fund programs, such as SAIL and SHIP.

The legislative process for appropriations begins long before the start of session. The summer months and the beginning of fall are the time to talk with your legislators and their staff in the district offices. Even though the session technically starts March 4, 2014, legislators will begin committee meetings for the 2014 session the week of September 23rd.

The Florida Housing Coalition will have a workshop on the legislative process at the 2013 Conference on September 10th. We hope to see you there. [HNN](#)

MARK HENDRICKSON, is the President of The Hendrickson Company, which specializes in assisting clients in all areas of affordable housing, including finance and related legislative issues. Clients include for-profit and non-profit developers, the Florida Association of Local Housing Finance Authorities, and three County HFAs. Hendrickson served as the Executive Director of the Florida Housing Finance Agency from 1981 to 1994. During his tenure, the landmark Sadowski Affordable Housing Act was enacted, and he was responsible for the oversight of all state-administered affordable housing programs.

JAIMIE ROSS, Attorney at Law, is the Affordable Housing Director at 1000 Friends of Florida and the president of the Florida Housing Coalition. She initiated the Sadowski Housing Coalition in 1991 and continues to facilitate the Sadowski Housing Coalition today. She is part of the state support team for legal service attorneys throughout Florida working under the Florida Bar Foundation grant to preserve affordable housing.