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The 2013 Florida Statutes

<u>Title XXX</u> <u>Chapter 420</u> <u>View Entire Chapter</u> SOCIAL WELFARE HOUSING

420.5095 Community Workforce Housing Innovation Pilot Program.—

- (1) The Legislature finds and declares that recent rapid increases in the median purchase price of a home and the cost of rental housing have far outstripped the increases in median income in the state, preventing essential services personnel from living in the communities where they serve and thereby creating the need for innovative solutions for the provision of housing opportunities for essential services personnel.
- (2) The Community Workforce Housing Innovation Pilot Program is created to provide affordable rental and home ownership community workforce housing for essential services personnel affected by the high cost of housing, using regulatory incentives and state and local funds to promote local public-private partnerships and leverage government and private resources.
 - (3) For purposes of this section, the term:
- (a) "Workforce housing" means housing affordable to natural persons or families whose total annual household income does not exceed 140 percent of the area median income, adjusted for household size, or 150 percent of area median income, adjusted for household size, in areas of critical state concern designated under s. 380.05, for which the Legislature has declared its intent to provide affordable housing, and areas that were designated as areas of critical state concern for at least 20 consecutive years prior to removal of the designation.
- (b) "Essential services personnel" means persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to s. 420.9075(3)(a).
- (c) "Public-private partnership" means any form of business entity that includes substantial involvement of at least one county, one municipality, or one public sector entity, such as a school district or other unit of local government in which the project is to be located, and at least one private sector for-profit or not-for-profit business or charitable entity, and may be any form of business entity, including a joint venture or contractual agreement.
- (4) The Florida Housing Finance Corporation is authorized to provide Community Workforce Housing Innovation Pilot Program loans to an applicant for construction or rehabilitation of workforce housing in eligible areas. This funding is intended to be used with other public and private sector resources.
- (5) The corporation shall establish a loan application process by rule which includes selection criteria, an application review process, and a funding process. The corporation shall also establish an application review committee that may include up to three private citizens representing the areas of housing or real estate development, banking, community planning, or other areas related to the development or financing of workforce and affordable housing.

- (a) The selection criteria and application review process must include a procedure for curing errors in the loan applications which do not make a substantial change to the proposed project.
- (b) To achieve the goals of the pilot program, the application review committee may approve or reject loan applications or responses to questions raised during the review of an application due to the insufficiency of information provided.
- (c) The application review committee shall make recommendations concerning program participation and funding to the corporation's board of directors.
- (d) The board of directors shall approve or reject loan applications, determine the tentative loan amount available to each applicant, and rank all approved applications.
- (e) The board of directors shall decide which approved applicants will become program participants and determine the maximum loan amount for each program participant.
- (6) The corporation shall provide incentives for local governments in eligible areas to use local affordable housing funds, such as those from the State Housing Initiatives Partnership Program, to assist in meeting the affordable housing needs of persons eligible under this program. Local governments are authorized to use State Housing Initiative Partnership Program funds for persons or families whose total annual household income does not exceed:
 - (a) One hundred and forty percent of the area median income, adjusted for household size; or
- (b) One hundred and fifty percent of the area median income, adjusted for household size, in areas that were designated as areas of critical state concern for at least 20 consecutive years prior to the removal of the designation and in areas of critical state concern, designated under s. 380.05, for which the Legislature has declared its intent to provide affordable housing.
- (7) Funding shall be targeted to innovative projects in areas where the disparity between the area median income and the median sales price for a single-family home is greatest, and where population growth as a percentage rate of increase is greatest. The corporation may also fund projects in areas where innovative regulatory and financial incentives are made available. The corporation shall fund at least one eligible project in as many counties and regions of the state as is practicable, consistent with program goals.
 - (8) Projects shall receive priority consideration for funding where:
- (a) The local jurisdiction has adopted, or is committed to adopting, appropriate regulatory incentives, or the local jurisdiction or public-private partnership has adopted or is committed to adopting local contributions or financial strategies, or other funding sources to promote the development and ongoing financial viability of such projects. Local incentives include such actions as expediting review of development orders and permits, supporting development near transportation hubs and major employment centers, and adopting land development regulations designed to allow flexibility in densities, use of accessory units, mixed-use developments, and flexible lot configurations. Financial strategies include such actions as promoting employer-assisted housing programs, providing tax increment financing, and providing land.
- (b) Projects are innovative and include new construction or rehabilitation; mixed-income housing; commercial and housing mixed-use elements; innovative design; green building principles; storm-resistant construction; or other elements that reduce long-term costs relating to maintenance, utilities, or insurance and promote homeownership. The program funding may not exceed the costs attributable to the portion of the project that is set aside to provide housing for the targeted population.
- (c) Projects that set aside at least 80 percent of units for workforce housing and at least 50 percent for essential services personnel and for projects that require the least amount of program funding compared to the overall housing costs for the project.

- (9) Notwithstanding s. 163.3184(4)(b)-(d), any local government comprehensive plan amendment to implement a Community Workforce Housing Innovation Pilot Program project found consistent with this section shall be expedited as provided in this subsection. At least 30 days prior to adopting a plan amendment under this subsection, the local government shall notify the state land planning agency of its intent to adopt such an amendment, and the notice shall include its evaluation related to site suitability and availability of facilities and services. The public notice of the hearing required by s. 163.3184(11)(b)2. shall include a statement that the local government intends to use the expedited adoption process authorized by this subsection. Such amendments shall require only a single public hearing before the governing board, which shall be an adoption hearing as described in s. 163.3184(4) (e). Any further proceedings shall be governed by s. 163.3184(5)-(13).
- (10) The processing of approvals of development orders or development permits, as defined in s. 163.3164, for innovative community workforce housing projects shall be expedited.
- (11) The corporation shall award loans with interest rates set at 1 to 3 percent, which may be made forgivable when long-term affordability is provided and when at least 80 percent of the units are set aside for workforce housing and at least 50 percent of the units are set aside for essential services personnel.
 - (12) All eligible applications shall:
- (a) For home ownership, limit the sales price of a detached unit, townhome, or condominium unit to not more than 90 percent of the median sales price for that type of unit in that county, or the statewide median sales price for that type of unit, whichever is higher, and require that all eligible purchasers of home ownership units occupy the homes as their primary residence.
- (b) For rental units, restrict rents for all workforce housing serving those with incomes at or below 120 percent of area median income at the appropriate income level using the restricted rents for the federal low-income housing tax credit program and, for workforce housing units serving those with incomes above 120 percent of area median income, restrict rents to those established by the corporation, not to exceed 30 percent of the maximum household income adjusted to unit size.
- (c) Demonstrate that the applicant is a public-private partnership in an agreement, contract, partnership agreement, memorandum of understanding, or other written instrument signed by all the project partners.
- (d) Have grants, donations of land, or contributions from the public-private partnership or other sources collectively totaling at least 10 percent of the total development cost or \$2 million, whichever is less. Such grants, donations of land, or contributions must be evidenced by a letter of commitment, agreement, contract, deed, memorandum of understanding, or other written instrument at the time of application. Grants, donations of land, or contributions in excess of 10 percent of the development cost shall increase the application score.
- (e) Demonstrate how the applicant will use the regulatory incentives and financial strategies outlined in subsection (8) from the local jurisdiction in which the proposed project is to be located. The corporation may consult with the Department of Economic Opportunity in evaluating the use of regulatory incentives by applicants.
- (f) Demonstrate that the applicant possesses title to or site control of land and evidences availability of required infrastructure.
 - (g) Demonstrate the applicant's affordable housing development and management experience.
- (h) Provide any research or facts available supporting the demand and need for rental or home ownership workforce housing for eligible persons in the market in which the project is proposed.

- (13) Projects may include manufactured housing constructed after June 1994 and installed in accordance with mobile home installation standards of the Department of Highway Safety and Motor Vehicles.
- (14) The corporation may adopt rules pursuant to ss. $\underline{120.536}(1)$ and $\underline{120.54}$ to implement this section.
- (15) The corporation may use a maximum of 2 percent of the annual program appropriation for administration and compliance monitoring.
- (16) The corporation shall review the success of the Community Workforce Housing Innovation Pilot Program to ascertain whether the projects financed by the program are useful in meeting the housing needs of eligible areas and shall include its findings in the annual report required under s. <u>420.511(3)</u>. History.—ss. 47, 53, ch. 2006-26; s. 27, ch. 2006-69; s. 15, ch. 2007-198; s. 116, ch. 2008-4; s. 64, ch. 2011-139; s. 332, ch. 2011-142.

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