



# 2017 LEGISLATIVE Wrap-Up

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By: Mark Hendrickson and Jaimie Ross

**Yes, it could have been better... but it could have been much worse, too.** We knew this would be a difficult session for all appropriation issues. Beyond the Sadowski State and Local Housing Trust Fund appropriations reported in this article, there are two notable legislative items from 2017: The affordable housing workgroup and property tax relief for affordable housing. >

**Creation of Affordable Housing Workgroup.**

In SB 2502, which implements the 2017-2018 General Appropriations Act, and provides an Appropriation of \$100,000 for this purpose.

1. There is created a workgroup on affordable housing. The workgroup is assigned to the Florida Housing Finance Corporation for administrative purposes only.
2. The workgroup shall convene no later than September 1, 2017, and shall be composed of the following members:
  - a. The executive director of the Florida Housing Finance Corporation, who shall serve as chair of the workgroup.
  - b. The executive director of the Department of Economic Opportunity or his or her designee.
  - c. Five members appointed by the Governor. =Of the five members, one must be an advocate for the homeless, one must be an advocate of the needs of individuals with disabling conditions and persons with special needs as defined in s.420.0004, Florida Statutes, one must represent the building or development community, and one must be a realtor licensed in this state.
  - d. Two members appointed by the President of the Senate.
  - e. Two members appointed by the Speaker of the House of Representatives.
  - f. The executive director of the Florida Association of Counties or his or her designee.
  - g. The executive director of the Florida League of Cities or his or her designee.
  - h. The chair of the Florida Building Commission, or his

or her designee, who shall serve as an ex officio, nonvoting advisory member of the workgroup.

3. a. The Florida Housing Finance Corporation shall provide administrative and staff support services to the workgroup which relate to its functions.
  - b. Members of the workgroup shall serve without compensation but are entitled to reimbursement for per diem and travel expenses in accordance with s. 112.061, Florida Statutes. Per diem and travel expenses incurred by a member of the workgroup shall be paid from funds budgeted to the state agency or entity that the member represents.
4. a. The workgroup shall develop recommendations for addressing the state’s affordable housing needs. The recommendations shall be presented to and approved by the board of directors of the Florida Housing Finance Corporation. The recommendations shall include, but need not be limited to:
  1. A review of market rate developments.
  2. A review of affordable housing developments.
  3. A review of land use for affordable housing developments.
  4. A review of building codes for affordable housing developments.
  5. A review of the state’s implementation of the low-income housing tax credit.
  6. A review of private and public sector development and construction industries.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
<b>SAIL</b>	\$10,000,000	In Proviso		In Proviso
<b>FHFC</b> Line 2225		\$27,500,000		\$37,000,000 \$28 million from SHTF & \$9 million from LGHTF
<b>SHIP</b> Line 2226	\$34,000,000	\$120,900,000	\$30,000,000	\$100,000,000 (net available for SHIP is \$94.225 million)
<b>TOTAL HOUSING</b>	\$44,000,000	\$162,400,000	\$44,000,000	\$137,000,000
<b>SHTF SWEEP</b>	\$64,000,000	\$50,000,000	\$67,000,000	\$ 59,270,000
<b>LGHTF SWEEP</b>	\$160,000,000	\$80,000,000	\$157,000,000	\$ 95,130,000
<b>TOTAL SWEEP</b>	\$224,000,000	\$130,000,000	\$224,000,000	\$154,400,000
<b>Unallocated SHTF</b>	\$14,540,000	\$1,040,000	\$11,540,000	\$1,270,000
<b>Unallocated LGHTF</b>	\$13,360,000	\$2,460,000	\$16,360,000	\$3,230,000

- 7. A review of the rental market for assisted rental housing.
  - 8. The development of strategies and pathways for low income housing.
- b. The workgroup shall submit a report including its recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018, at which time the workgroup shall terminate.

As you can see, there is a robust agenda and a short time line. The Florida Housing Finance Corporation will hold a series of public meetings to carry out this charge. We anticipate that the first meeting will be held in Tallahassee. The second time the Workgroup meets will be on September 13th at the Rosen Centre. This date and venue was chosen specifically to have the benefit of participation by the large group of housing advocates, local government housing administrators, real estate and housing experts who will be at the hotel for the Florida Housing Coalition’s statewide annual conference, as well as providing a central location for the public, in general.

**Real Property Tax Relief for Affordable Rental Housing.**

**In HB 7109, which included a series of tax related matter, there is an amendment to s.196.1978, F.S.**

HB 7109 was the large “tax cut” package in the 2017 legislature. It combined seventeen various tax bills, and gave tax cuts or exemptions to everything from charter schools to tampons. One of its provisions provided a significant tax break to the owners of affordable rental properties that meet certain conditions.

Essentially, this bill gives a 50% reduction in ad valorem property taxes to rental developments that already agreed to affordability periods beyond 15 years, beginning in the 16th year of operation. An example may make this clearer. In 2004, a developer received low income housing tax credits from the Florida Housing Finance Corporation and agreed to set-aside 100% of the units to person making less than 60% of median income until the year 2054. This bill will now grant a 50% reduction in property taxes to that developer beginning in 2020.

**HOUSING APPROPRIATION PROVISIO & BACK OF THE BILL**

ITEM	AMOUNT	LINE ITEM	SOURCE
SAIL	\$113,000,000	Section 85	Guaranty Fund
SAIL	At least 50% of funds in Line 2225	2225	FHFC
SAIL	Requires 5%-10% of units in each SAIL development to serve persons with Special Needs		
Housing for Persons with Developmental Disabilities	\$10,000,000	2225	FHFC
Homeless: Transfer to DCF from LGHTF to fund Challenge Grants	\$5,000,000, of which \$4 million is recurring	2226	SHIP
Workforce Housing	\$40,000,000	2225 and Section 85	FHFC & Guaranty Fund
Affordable Housing Workgroup	\$100,000	2225	FHFC
Catalyst Training & Technical Assistance	\$500,000	2226	SHIP
Homeless Training	\$200,000	2226	SHIP
Florida Supportive Housing Coalition	\$75,000	2226	SHIP



# DISTRIBUTION ESTIMATES: FY 2017/18

LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE	LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE	LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE
<b>ALACHUA</b>	1,124,526	561,926	<b>GILCHRIST</b>	350,000	350,000	<b>PALM BEACH</b>	5,942,410	4,515,043
Gainesville		562,600	<b>GLADES</b>	350,000	350,000	Boca Raton		376,749
<b>BAKER</b>	350,000	350,000	<b>GULF</b>	350,000	350,000	Boynton Bch		312,571
<b>BAY</b>	776,638	613,777	<b>HAMILTON</b>	350,000	350,000	Delray Beach		273,351
Panama City		162,861	<b>HARDEE</b>	350,000	350,000	West Palm Bch		464,696
<b>BRADFORD</b>	350,000	350,000	<b>HENDRY</b>	350,000	350,000	<b>PASCO</b>	2,135,361	2,135,361
<b>BREVARD</b>	2,441,673	1,349,513	<b>HERNANDO</b>	789,766	789,766	<b>PINELLAS</b>	4,082,643	2,141,346
Cocoa		80,819	<b>HIGHLANDS</b>	457,197	457,197	Clearwater		480,527
Melbourne		345,253	<b>HILLSBOROUGH</b>	5,767,370	4,210,757	Largo		349,066
Palm Bay		468,557	Tampa		1,556,613	St. Petersburg		1,111,704
Titusville		197,531	<b>HOLMES</b>	350,000	350,000	<b>POLK</b>	2,774,242	2,165,296
<b>BROWARD</b>	7,900,628	1,411,053	<b>INDIAN RIVER</b>	654,116	654,116	Lakeland		439,440
Coconut Creek		243,339	<b>JACKSON</b>	350,000	350,000	Winter Haven		169,506
Coral Springs		538,033	<b>JEFFERSON</b>	350,000	350,000	<b>PUTNAM</b>	356,559	356,559
Davie		423,474	<b>LAFAYETTE</b>	350,000	350,000	<b>ST. JOHNS</b>	962,615	962,615
Deerfield Bch		331,036	<b>LAKE</b>	1,404,582	1,404,582	<b>ST. LUCIE</b>	1,273,305	314,124
Ft. Lauderdale		752,930	<b>LEE</b>	2,916,461	1,859,828	Ft. Pierce		184,757
Hollywood		622,569	Cape Coral		730,573	Port St. Lucie		774,424
Lauderhill		301,014	Ft. Myers		326,060	<b>SANTA ROSA</b>	739,445	739,445
Margate		244,129	<b>LEON</b>	1,251,426	426,361	<b>SARASOTA</b>	1,721,836	1,489,733
Miramar		571,215	Tallahassee		825,065	City of Sarasota		232,103
Pembroke Pines		688,935	<b>LEVY</b>	350,000	350,000	<b>SEMINOLE</b>	1,934,069	1,934,069
Plantation		376,070	<b>LIBERTY</b>	350,000	350,000	<b>SUMTER</b>	533,775	533,775
Pompano Bch		457,446	<b>MADISON</b>	350,000	350,000	<b>SUWANNEE</b>	350,000	350,000
Sunrise		386,341	<b>MANATEE</b>	1,544,610	1,312,301	<b>TAYLOR</b>	350,000	350,000
Tamarac		269,411	Bradenton		232,309	<b>UNION</b>	350,000	350,000
Weston		283,633	<b>MARION</b>	1,498,666	1,239,846	<b>VOLUSIA</b>	2,227,253	1,566,427
<b>CALHOUN</b>	350,000	350,000	Ocala		258,820	Daytona Bch		277,961
<b>CHARLOTTE</b>	754,759	673,396	<b>MARTIN</b>	669,431	669,431	Deltona		382,865
Punta Gorda		81,363	<b>MIAMI-DADE</b>	7,286,349	4,701,153	<b>WAKULLA</b>	350,000	350,000
<b>CITRUS</b>	636,610	636,610	Hialeah		629,541	<b>WALTON</b>	350,000	350,000
<b>CLAY</b>	901,351	901,351	Miami		1,230,664	<b>WASHINGTON</b>	350,000	350,000
<b>COLLIER</b>	1,520,545	1,434,786	Miami Beach		250,650	<b>TOTAL</b>	<b>88,975,000</b>	<b>88,975,000</b>
Naples		85,759	Miami Gardens		302,383	Disaster Relief Holdback		5,000,000
<b>COLUMBIA</b>	350,000	350,000	North Miami		171,958	Compliance Monitoring		250,000
<b>DE SOTO</b>	350,000	350,000	<b>MONROE</b>	363,118	363,118	Transfer to DCF for Homeless		5,000,000
<b>DIXIE</b>	350,000	350,000	<b>NASSAU</b>	365,305	365,305	Transfer to DEO for Homeless		200,000
<b>DUVAL</b>	3,946,988	3,946,988	<b>OKALOOSA</b>	851,030	758,949	Catalyst Program		500,000
<b>ESCAMBIA</b>	1,347,696	1,114,275	Ft. Walton Bch		92,081	Florida Supportive Housing Coalition		75,000
Pensacola		233,421	<b>OKEECHOBEE</b>	350,000	350,000	<b>TOTAL ESTIMATED APPROPRIATION</b>		<b>100,000,000</b>
<b>FLAGLER</b>	463,762	98,549	<b>ORANGE</b>	5,458,866	4,300,495			
Palm Coast		365,213	Orlando		1,158,371			
<b>FRANKLIN</b>	350,000	350,000	<b>OSCEOLA</b>	1,398,018	1,101,778			
<b>GADSDEN</b>	350,000	350,000	Kissimmee		296,240			

**ADDITIONAL HOMELESS FUNDING**

Item	Amount & Use	Line Item	Source	Agency
Challenge Grants	\$5,000,000	342	Grants & Donations TF —comes from SHIP	DCF
Federal Emergency Shelter Grant Program	\$6,203,876	343	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants	\$3,840,000	344	GR	DCF
Homeless Housing Assistance Grants Proviso	\$100,000 from line 344 for Love & Action in Hope (LAHIA) Homeless Shelter Kitchen Repair - <i>Martin County (HB 2177)</i>	344		DCF
Homeless Housing Assistance Grants Proviso	\$100,000 from line 344 for The Transition House - Residential Recovery for Homeless Veterans - <i>Funds for services to clients, Osceola County (HB 4335)</i>	344		DCF
Homeless Housing Assistance Grants Proviso	\$140,800 from line item 344 for Citrus Health Network Safe Haven\ for Homeless Youth - <i>Funds for services to Clients, Miami Dade County (HB 4123)</i>	344		DCF
Homeless Housing Assistance Grants Proviso	\$500,000 from line 344 for Comprehensive Emergency Services Center— (CESC) Homeless Services & Residential Support - <i>Funds for Admin &amp; Client Services Leon County (HB 3253)</i>	344		DCF
Tampa-Hillsborough Community Housing Solutions Center (HB 2917)	\$250,000 - Tampa-Hillsborough Housing Initiative - <i>Funds for facility acquisition, rehab, and/or construction, Hillsborough County</i>	2224M	GR	DEO
City of Ft. Lauderdale Rapid Rehousing Program (HB 2337)	\$400,000 - <i>Funds to City for rental assistance &amp; case management, Broward County</i>	2224M	GR	DEO

**OTHER MEMBER PROJECTS**

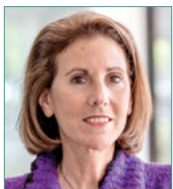
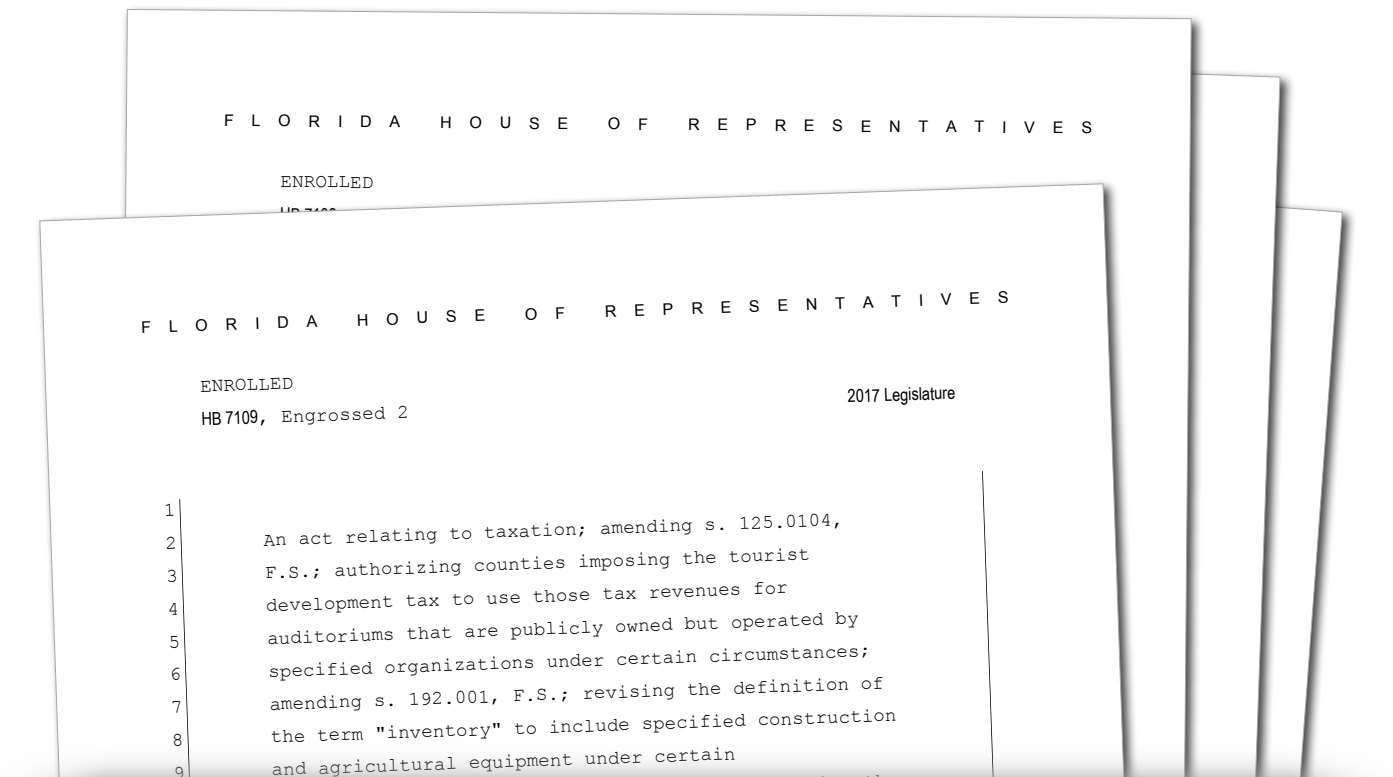
Item	Amount & Use	Line Item	Source	Agency
Neighborworks Florida Collaborative: Senate Proviso	\$450,000 - VETOED	2224M	GR	DEO
Building Homes for Heroes (HB 2571)	\$1,000,000 Building or renovating homes for veterans Statewide	2224M	GR	DEO

There is no requirement that any of the benefits of the tax reduction be reflected in lower rents for the residents. A developer is being given tax relief to do something that they already promised, and are legally obligated, to do.

In theory, this will reduce development expenses and make it easier for the developer to maintain the economic viability of the development over time, or to recapitalize and rehabilitate the development (lower property taxes means lower expenses which permits greater debt at recapitalization).

To be eligible for the reduction, the property must:

- Have 70 or more units that serve persons of extremely low, very low, or low income, as defined on s. 420.0004, F.S. This definition takes the eligibility up to 80% of area median income.
- Have an agreement with the Florida Housing Finance Corporation that is recorded in the official records (such as a LURA or EUA) codifying that the development serve the required income levels. **HNN**



JAIMIE ROSS

**Jaimie A. Ross** is the President & CEO of the Florida Housing Coalition. She initiated the Sadowski Coalition in 1991 and continues to facilitate the Sadowski Coalition today. Ms. Ross served as the Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit smart growth organization, from 1991-2015. Prior to her tenure at 1000 Friends of Florida, Ross was a land use and real property lawyer representing for profit and nonprofit developers and financial institutions with a law firm in Orlando. Ross is the past Chair of the Affordable Housing Committee of the Real Property Probate & Trust Law Section of the Florida Bar.



MARK HENDRICKSON

**Mark Hendrickson**, president of The Hendrickson Company, is a past Chair and serves as an Executive Committee member for the Florida Housing Coalition. He served as Executive Director of the Florida Housing Finance Agency from its inception in 1981 to 1994. As its first Chief Executive Officer, he led the way in creation of the Sadowski Act. The Hendrickson Company specializes in assisting clients in all areas of affordable housing, including finance and related legislative issues. His clients include for-profit and non-profit developers, the Florida Association of Local Housing Finance Authorities, and four County HFA's.