



## **CUA-PP-04: AFFORDABLE HOUSING FUNDING FLEXIBILITY (REVISED)**

### **COMMITTEE RECOMMENDATION: INCORPORATE INTO GUIDING PRINCIPLES**

**PROPOSED GUIDING PRINCIPLE: CUA 7** The Florida Association of Counties supports retaining the full amount of dedicated documentary tax revenue to fund state and local affordable housing programs. The Florida Association of Counties further supports increased flexibility to counties participating in the State Housing Initiative Partnership program to maximize the distribution of funds in a manner that more effectively implements each county’s local housing assistance plan, adopted local housing incentive strategies, housing-related priorities, and funding for housing projects; and also achieves greater housing availability and affordability for essential service personnel, very low-income, low-income and moderate-income residents, and residents with special housing needs consistent with each county’s housing market.

**BACKGROUND: The following proposal is recommended to be incorporated into guiding principles amending CUA 7:** The Florida Association of Counties supports retaining the full amount of dedicated documentary tax revenue to fund state and local affordable housing programs. The Florida Association of Counties further supports increased flexibility to counties participating in the State Housing Initiative Partnership program to maximize the distribution of funds in a manner that more effectively implements each county’s local housing assistance plan, adopted local housing incentive strategies, housing-related priorities, and funding for housing projects; and also achieves greater housing availability and affordability for essential service personnel, very low-income, low-income and moderate-income residents, and residents with special housing needs consistent with each county’s housing market.

**ANALYSIS:** Affordable housing needs are evident in every county. Of significant impact is the lack of availability of affordable housing for teachers, law enforcement, health care providers and other public and private sector professionals. The housing need is evident in both urban and rural areas. The Florida Legislature should afford counties that receive SHIP funds greater flexibility in determining how to use allocated dollars to best meet the needs of each community. This should include a review and modification of the criteria in s. 420.9075(5), F.S.

**FISCAL IMPACT:** Indeterminate.

#### **FAC STAFF NOTES:**

- FAC 2022 Policy Conference
  - The Committee adopted the FAC staff recommendation to incorporate into the CUA Guiding Principles funding flexibility for affordable housing in lieu of considering the originally-filed policy proposals CUA-PP-04 (Volusia), CUA-PP-05 (Broward) and CUA-PP-06 (Walton). Specifically, FAC staff proposed amending

Guiding Principle CUA 7, to incorporate the intended aim of the three proposals – that is, providing to counties funding flexibility for affordable housing purposes. The Committee unanimously adopted FAC staff’s recommendation.

- **Relevant Statutes:** Part VIII of Chapter 420, Florida Statutes *State Housing Initiatives Partnership* (sections 420.907 through section 420.9079)
  - The State Housing Initiatives Partnership (SHIP) program is created and governed pursuant to ss. 420.907-420.9079, F.S.
  - [s. 420.9072, F.S.](#), *State Housing Initiatives Partnership Program*. SHIP provides funds to local governments on a population-based formula as an incentive to create local housing partnerships, expand the production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and increase housing related employment. See s. 420.9072, F.S. When SHIP funds are available, they are distributed on an entitlement basis to all 67 counties and 53 Community Development Block Grant (CDBG) entitlement cities in Florida. The guaranteed allocation to each county is \$350,000. However, counties may receive additional allocations as provided in [s. 420.9073\(2\)\(b\), F.S.](#)
  - [s. 420.9071\(2\), F.S.](#) *Definitions and s. 420.9072, F.S.*, *State Housing Initiatives Partnership Program*. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender. See s. 420.9071(2), F.S.; s. 420.9072, F.S.
  - [s. 420.9073\(7\), F.S.](#), *Local housing distributions*. Generally, counties and eligible municipalities must expend SHIP funds as required in s. 420.9073(7), F.S. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. SHIP funds may be used to assist units that meet the standards of chapter 553; SHIP funds may also be used to assist manufactured housing constructed after June 1994 in accordance with the installation standards defined in the rules of the Department of Highway Safety and Motor Vehicles.
  - [Section 420.9075\(5\), F.S.](#), *Local housing assistance plans; partnerships*. This section specifies certain set asides for SHIP funds allocated to counties and eligible municipalities, including requiring that a minimum of 65 percent of SHIP funds be spent on eligible homeownership activities, and that up to 25 percent of available funds may be reserved for rental assistance to very low-income households with at least one adult who is a person with special needs or homeless.



See [s. 420.9072\(7\)\(b\)3, F.S.](#) Additionally, a minimum of 75 percent of available funds must be reserved on eligible construction, rehabilitation, or emergency repair of affordable, eligible housing. See [s. 420.9075\(5\)\(c\), F.S.](#) Current law also requires that units constructed, rehabilitated or assisted with SHIP funds must be occupied by very-low income, low income, or moderate income persons. See s. 420.9075(5)(g)1., F.S.

**SUBMITTING COUNTY AND CONTACT:** FAC Staff, Volusia, Broward, and Walton

**ASSIGNED COMMITTEE:** CUA

**BOARD SUPPORT:** N/A

**UNFUNDED MANDATE:** No

**PROTECTIVE OF HOME RULE:** Yes