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1 A bill to be entitled
 2 An act relating to Broward County; creating the
 3 Broward County Affordable Housing Improvement Act;
 4 providing definitions; authorizing the levy of a
 5 discretionary surtax to establish and finance
 6 affordable housing countywide; specifying the cap for
 7 the rate of the surtax; specifying requirements for
 8 reauthorizing the discretionary surtax; specifying the
 9 documents and conditions under which the surtax
 10 applies; specifying the procedures a county must use
 11 before levying the surtax; requiring that surtax
 12 proceeds be deposited in the county's affordable
 13 housing trust fund; specifying authorized and
 14 prohibited uses of surtax proceeds; prohibiting the
 15 rehabilitation of housing owned by certain governments
 16 without a specified vote; requiring the Office of
 17 Program Policy Analysis and Government Accountability
 18 to review the discretionary surtax program at a
 19 specified interval and provide a report to the
 20 Governor and Legislature; providing an effective date.

21
 22 Be It Enacted by the Legislature of the State of Florida:

23
 24 Section 1. Title.-This act may be cited as the "Broward
 25 County Affordable Housing Improvement Act."

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26 Section 2. Definitions.—For purposes of this act, the term:

27 (1) "Adjusted for family size" means adjusted in a manner
 28 that results in an income eligibility level that is lower for
 29 households having fewer than four persons, is higher for
 30 households having more than four persons, than the base income
 31 eligibility determined as provided subsections (9), (10) and
 32 (11) of this act, based upon a formula established by the United
 33 States Department of Housing and Urban Development.

34 (2) "Affordable" means that monthly rents or monthly
 35 mortgage payments including taxes and insurance do not exceed 30
 36 percent of the income which represents the percentage of the
 37 median annual gross income for the households indicated in
 38 subsections (9), (10) and (11).

39 (3) "Affordable Housing" means any real and personal
 40 property located within Broward County which is constructed for
 41 the primary purpose of providing decent, safe, and sanitary
 42 residential units that are designed for home ownership or
 43 rental for very-low income, low-income, and moderate-income
 44 persons and families.

45 (4) "Affordable Housing Trust Fund" or "AHTF" means the
 46 Broward County Affordable Housing Trust Fund approved by
 47 majority vote of the Broward County electors, voting in a
 48 referendum held in the November 2018 general election, and which
 49 is presently codified in Section 11.09 of the Broward County
 50 Charter.

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51 (5) "County," or "County Commission," as used in this act,
 52 means the Board of County Commissioners of Broward County,
 53 Florida.

54 (6) "Homeownership assistance" means assisting very-low
 55 income, low-income and moderate-income families in purchasing a
 56 home as their primary residence, including, but not limited to,
 57 reducing the cost of the home with below-market construction
 58 financing, the amount of down payment and closing costs paid by
 59 the borrower, or the mortgage payment to an affordable amount
 60 for the purchaser or using any other financial assistance
 61 measure set forth in s. 420.5088.

62 (7) "Housing" includes single-family, detached dwellings,
 63 multi-family dwellings, and other residential dwellings.

64 (8) "Housing assistance voucher" means the document used
 65 to access assistance paid by the county from the discretionary
 66 surtax balance in the Affordable Housing Trust Fund to a
 67 prospective purchaser of a single-family residence, which must
 68 be the purchaser's homestead.

69 (9) "Low-income family" means one or more natural persons
 70 or a family with a total anticipated income for the household
 71 that does not exceed 80 percent of the median annual income
 72 adjusted for family size for households within Broward County.
 73 However, with respect to rental units, the low-income
 74 household's annual income at the time of initial occupancy may
 75 not exceed 80 percent of the area's median income adjusted for

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76 family size. While occupying the rental unit, a low-income
 77 household's annual income may increase to an amount not to
 78 exceed 140 percent of 80 percent of the area's median income
 79 adjusted for family size.

80 (10) "Moderate-income family" means one or more natural
 81 persons or a family with a total anticipated income for the
 82 household that does not exceed 140 percent of the median annual
 83 income adjusted for family size for households within Broward
 84 County. However, with respect to rental units, the moderate-
 85 income household's annual income at the time of initial
 86 occupancy may not exceed 40 percent of the area's median income
 87 adjusted for family size. While occupying the rental unit, a
 88 moderate-income household's annual income may increase to an
 89 amount not to exceed 140 percent of 140 percent of the area's
 90 median income adjusted for family size.

91 (11) "Very-low income family" means one or more natural
 92 persons or a family with a total anticipated income for the
 93 household that does not exceed 50 percent of the median annual
 94 income adjusted for family size for households within Broward
 95 County. However, with respect to rental units, the very-low
 96 income household's annual income at the time of initial
 97 occupancy may not exceed 50 percent of the area's median income
 98 adjusted for family size. While occupying the rental unit, a
 99 low-income household's annual income may increase to an amount
 100 not to exceed 140 percent of 50 percent of the area's median

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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101 income adjusted for family size.

102 Section 3. County affordable housing discretionary surtax
 103 on documents; adoption; application of revenue.-

104 (1) Pursuant to s. 201.031, the county may levy a
 105 discretionary surtax on documents for the purpose of
 106 establishing and financing affordable housing countywide.

107 (2) The rate of the surtax may not exceed the rate of 45
 108 cents for each \$100 or fractional part thereof of the
 109 consideration therefor. The surtax shall apply only to those
 110 documents taxable under s. 201.02, except a surtax may not be
 111 levied on any document in which the interest granted, assigned,
 112 transferred, or conveyed involves only a single-family
 113 residence. A single-family residence may be a condominium unit,
 114 a unit held through stock ownership or membership representing a
 115 proprietary interest in a corporation owning a fee or a
 116 leasehold initially in excess of 98 years, or a detached
 117 dwelling.

118 (3) The board of county commissioners may initially levy
 119 the discretionary surtax authorized in this section only upon a
 120 super-majority vote of its entire membership. This initial levy
 121 of the surtax shall expire on January 1, 2031, unless the County
 122 Commission places a question to reauthorize the levy of the
 123 surtax before the county's electors in a referendum to be held
 124 at the general election of November 2030. If a majority of the
 125 electors voting in the referendum reauthorize the surtax, the

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126 County Commission shall place a question to reauthorize the
 127 surtax every 12 years following the approval of the prior
 128 reauthorization.

129 (4) Subject to subsection (3), the county shall enact an
 130 ordinance which establishes the policies and procedures
 131 governing the levy of the surtax, use of surtax proceeds,
 132 eligibility standards, and housing assistance voucher programs
 133 available to very-low income, low-income and moderate-income
 134 families residing within the county. The surtax ordinance must
 135 be proposed at a regular meeting of the County Commission at
 136 least 2 weeks before the public hearing at which the ordinance
 137 will be formally enacted. The ordinance is not effective unless
 138 it is approved by a super-majority vote of the total membership
 139 of the County Commission. The ordinance may not take effect
 140 until 90 days after formal enactment or such other date
 141 prescribed by the County Commission, whichever is later.

142 (5) The county shall deposit all proceeds from the
 143 discretionary surtax in the Affordable Housing Trust Fund. The
 144 county shall create separate accounts within the Affordable
 145 Housing Trust Fund to avoid commingling the proceeds generated
 146 from implementation of this act and other revenues deposited by
 147 the county for affordable housing. Investment earnings from the
 148 proceeds deposited into AHTF pursuant to this act, if any, must
 149 be retained and used for affordable housing.

150 (6) (a) The county shall use the proceeds solely to increase

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151 and improve the supply of affordable housing to eligible
 152 households, including but not limited to, the acquisition of
 153 property and property rights, costs of construction including
 154 costs associated with planning, administration, design, building
 155 or installation, and any other costs necessary to finance the
 156 construction, rehabilitation, or purchase of housing for very-
 157 low income, low-income and moderate-income families, to pay the
 158 necessary costs of collection and enforcement of the surtax, the
 159 reimbursement of the county for any costs advanced from other
 160 funding sources, and to fund any local matching contributions
 161 required pursuant to federal law. The county's expenditure of
 162 surtax proceeds shall, to the extent practical, be consistent
 163 with the affordable housing incentives strategies developed and
 164 recommended to the county by the Broward County Affordable
 165 Housing Advisory Committee pursuant to s. 420.9076.

166 (b) At least 50 percent of the funds must be used to
 167 provide housing assistance for the benefit of very-low income
 168 and low-income families. The county shall by ordinance divide
 169 the proceeds set-aside in this paragraph to assist the housing
 170 needs of very-low income and low-income households. At least 10
 171 percent of the surtax proceeds must be used to provide housing
 172 assistance for income-eligible, qualified individuals with
 173 disabilities. Authorized uses of the proceeds include:

- 174 1. Providing funds for first and second mortgages;
- 175 2. Acquiring property to form housing cooperatives; and

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176 3. Acquiring land for a residential housing project, in
 177 which at least 30 percent of the units are affordable to very-
 178 low income, low-income and moderate income families, if the land
 179 is owned by a local government or a special district that enters
 180 into an agreement with the county to provide such housing. The
 181 local government or special district may enter into a ground
 182 lease with a person or entity for nominal or other consideration
 183 for the construction of the residential housing project on land
 184 acquired pursuant to this paragraph.

185 (c) No more than 50 percent of the revenues collected each
 186 year under this section may be used to help finance new
 187 construction. The proceeds of the surtax may not be used for
 188 rent subsidies or grants.

189 (d) No more than 10 percent of surtax revenues collected
 190 under this section by the Department of Revenue and remitted to
 191 Broward county in any fiscal year may be used for reasonable
 192 administrative costs, including reasonable consultant and legal
 193 expenses related to the establishment and administration of
 194 affordable housing programs, administration of the AHTF, and
 195 reasonable expenses for administering the process of
 196 calculating, collecting, and accounting for any deferred County
 197 fees as authorized by county ordinance.

198 (e) Except where federal and state laws and regulations, or
 199 the Broward County Code of Ordinances mandate to the contrary,
 200 surtax revenues deposited in the Affordable Housing Trust Fund

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201 and used to construct, acquire, rehabilitate, or subsidize
 202 affordable housing, or assist other governmental agencies,
 203 private organizations, or individuals in the construction,
 204 acquisition, rehabilitation, reimbursement of county advanced
 205 funds, location or subsidy of affordable housing shall, whenever
 206 feasible, be disbursed in a manner to assure that the housing
 207 supply created with the Trust Fund revenues is accessible to a
 208 range of families whose incomes do not exceed the U.S.

209 Department of Housing and Urban Development's published
 210 standards for moderate income households, adjusted for family
 211 size.

212 (7) Notwithstanding subsection (6), of the discretionary
 213 surtax revenues collected by the Department of Revenue remaining
 214 after any deduction for administrative costs as provided in
 215 paragraph (6) (d), no less than 35 percent shall be used to
 216 provide homeownership assistance for very-low income, low-income
 217 and moderate-income families, and no less than 35 percent shall
 218 be used for construction, rehabilitation, and purchase of rental
 219 housing units. The remaining amount may be allocated to provide
 220 for homeownership assistance or rental housing units, at the
 221 discretion of the county.

222 (8) Any funds allocated for homeownership assistance or
 223 rental housing units that are not committed at the end of the
 224 fiscal year shall be reallocated in subsequent years consistent
 225 with this subsection, in that no less than 35 percent shall be

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226 | reallocated to provide homeownership assistance for very-low
 227 | income, low-income and moderate-income families, and no less
 228 | than 35 percent shall be reallocated for construction,
 229 | rehabilitation, and purchase of rental housing units. The
 230 | remaining amount of uncommitted funds may be reallocated at the
 231 | discretion of the county within any of the categories
 232 | established in this section.

233 | (9) Rehabilitation of housing owned by a recipient
 234 | government may be authorized only after a determination approved
 235 | by a majority vote of the total membership of the County
 236 | Commission that no other sources of funds are available.

237 | Section 4. Program review and report.-By January 1, 2025,
 238 | and every 5 years thereafter, the Office of Program Policy
 239 | Analysis and Government Accountability shall review the
 240 | discretionary surtax program operated by Broward County pursuant
 241 | to this act and shall provide a report to the Governor, the
 242 | President of the Senate, and the Speaker of the House of
 243 | Representatives.

244 | Section 5. This act shall take effect October 1, 2020.