

SB 1456 Affordable Housing in Areas Designated as Areas of Critical State Concern

SB 1456 contains four separate provisions aimed at addressing the workforce housing needs in the Florida Keys.

- 1. The bill clarifies that the City of Key West is included in the 24-hurricane evacuation model and that mobile homes are included in the 48-evacuation model.***

Explanation:

The State recently completed its decennial hurricane evacuation modeling exercise. The bill makes two basic technical clarifications regarding to the modeling criteria: 1) the inclusion of the City of Key West in the modeling (24 hours) and 2) keeping mobile home residents in Phase 1 (48 hours) due to the fragility of that type of housing.

- 2. The bill allows for a one-time use of Tourist Development Tax surplus funds for tourism-sector workforce housing.***

Explanation:

This provision will authorize the use of TDT surplus funds for tourist-based workforce housing. The specific language proposes the transfer of surplus to the Tourist Impact tax (TIMP) fund prior to use. Monroe County is the only county that can levy a TIMP tax; therefore, the provision is limited to Monroe County only. The provision also includes a specific end date for surplus capture, ensuring that the authorization will permit only a one-time transfer, which is capped at \$35M. The funding use is specified for workforce housing for tourism-related workers.

- 3. The bill provides for a temporary (5 year) exemption from SHIP program's mandatory distribution across income categories. Monroe County is experiencing problems qualifying people in the two lower categories. The exemption will allow 100% of the funds to help more families in the moderate-income category if they cannot be used in the other two categories.***

Explanation:

Statute requires that SHIP funds to counties be distributed across very low-, low- and moderate-income categories. The County receives approx. \$800K in SHIP funds annually, which we use to help qualified people purchase homes. However, during times of acute escalations in housing costs, we are severely challenged to qualify people in the very low and low incomes for home purchase. Incomes are too low to qualify for mortgages, even with SHIP assistance and even for affordable homes. This was also a problem in 2008 and Monroe County received a similar exemption for five years. We are seeking that same exemption, for another five years. Without the exemption we risk having to forfeit the distribution mandated for very low and low income (a total of 60% of our funding). The exemption will allow 100% of the funds to help more families in the moderate-income category if they cannot be used in the other two categories.

- 4. The bill amends the Monroe County Land Authority powers related to qualifying buyers from homeownership and ensuring perpetually-protected affordable housing.***

Explanation:

This provision clarifies that for affordable home ownership projects using Land Authority funds the Land Authority will income-qualify buyers for homeownership only at the time of purchase (rather than annually, a process contemplated for and more suited to rental units). This will enable the Land Authority to fund the new affordable housing project in the Keys. The provision also includes language to ensure that the units are perpetually deed-restricted as affordable and protect the longevity of the public investment.