

By Representative Gay

1 A bill to be entitled
2 An act relating to affordable housing; amending
3 s. 420.0005, F.S.; providing directions for use
4 of the State Housing Trust Fund; creating s.
5 420.0007, F.S.; directing the Secretary of the
6 Department of Community Affairs to contract
7 with the Florida Housing Finance Corporation to
8 provide affordable housing; amending s.
9 420.501, F.S.; conforming terminology; amending
10 s. 420.502, F.S.; providing legislative
11 findings; amending s. 420.503, F.S.; defining
12 terms; amending s. 420.504, F.S.; renaming the
13 Florida Housing Finance Agency as the Florida
14 Housing Finance Corporation and revising its
15 membership; amending s. 420.505, F.S.;
16 conforming terminology; amending s. 420.506,
17 F.S.; providing employment conditions for the
18 executive director and other employees;
19 creating s. 420.5061, F.S.; providing for the
20 transfer of agency assets and liabilities;
21 amending s. 420.507, F.S.; providing for powers
22 of the corporation; amending s. 420.508, F.S.;
23 revising requirements for loans for
24 multi-family projects; establishing the Florida
25 Housing Corporation Fund; amending s. 420.5087,
26 F.S.; renaming the State Apartment Incentive
27 Loan Trust Fund and transferring amounts to the
28 renamed fund; conforming terminology; amending
29 s. 420.5088, F.S.; renaming the Florida
30 Homeownership Assistance Trust Fund and
31 transferring amounts to the renamed fund;

1 conforming terminology; amending s. 420.5089,
2 F.S.; renaming the HOME Partnership Trust Fund
3 and transferring amounts to the renamed fund;
4 eliminating pilot programs; amending s.
5 420.509, F.S.; providing conditions for the
6 issuance of bonds by the corporation; amending
7 ss. 420.5091, 420.5092, F.S.; conforming
8 terminology; amending s. 420.5099, F.S.;
9 providing for allocation of the low-income
10 housing tax credit; amending s. 420.51, F.S.;
11 conforming terminology; amending s. 420.511,
12 F.S.; directing the corporation to develop a
13 strategic plan and make annual reports;
14 amending s. 420.512, F.S.; providing for
15 standards of conduct and conflicts of interest;
16 amending s. 420.513, F.S.; providing for
17 exemption from taxes; amending s. 420.514,
18 F.S.; conforming terminology; creating s.
19 420.517, F.S.; directing the corporation to
20 coordinate building and job training; amending
21 s. 420.525, F.S.; renaming the Housing
22 Predevelopment Trust Fund and transferring
23 amounts to the renamed fund; amending ss.
24 420.526, 420.527, 420.528, 420.529, F.S.;
25 conforming terminology; amending s. 420.602,
26 F.S.; defining terms; amending s. 420.606,
27 F.S.; providing for training and technical
28 assistance; amending s. 420.9071, F.S.;
29 defining terms for the State Housing
30 Initiatives Partnership Program; amending s.
31 420.9072, F.S.; revising requirements for the

1 State Housing Initiative Partnership Program;
2 amending s. 420.9073, F.S.; raising the
3 guaranteed minimum allocation; amending s.
4 420.9075, F.S.; providing for local housing
5 assistance programs; amending s. 420.9076,
6 F.S.; providing for the adoption of local
7 housing incentive strategies; amending ss.
8 420.9078, 420.9079, F.S.; providing for the
9 administration of and distribution from the
10 Local Government Housing Trust Fund; repealing
11 s. 420.5085, F.S., relating to energy
12 conservation loans; repealing s. 420.5094,
13 F.S., relating to the single-family mortgage
14 revenue bond program; providing an effective
15 date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 420.0005, Florida Statutes, is
20 amended to read:

21 420.0005 State Housing Trust Fund.--There is hereby
22 established in the State Treasury a separate trust fund to be
23 named the "State Housing Trust Fund." There shall be deposited
24 in the fund all moneys appropriated by the Legislature, or
25 moneys received from any other source, for the purpose of this
26 chapter, and all proceeds derived from the use of such moneys.
27 ~~Portions of~~ The fund shall be administered by the ~~Department~~
28 ~~of Community Affairs and the~~ Florida Housing Finance
29 Corporation Agency, as specified in this chapter. Money
30 deposited to the fund must, notwithstanding the provisions of
31 chapter 216, be transferred quarterly in advance, to the

1 extent available, or, if not so available, as soon as received
2 into the State Housing Trust Fund, in lump sum by the
3 Comptroller to the corporation upon certification by the
4 Secretary of the Department of Community Affairs that the
5 corporation is in compliance with the requirements of s.
6 420.0006. Moneys advanced by the Comptroller must be deposited
7 by the corporation into a separate fund established with a
8 qualified public depository meeting the requirements of
9 chapter 280 to be named the "State Housing Fund" and used for
10 the purposes of this chapter.~~Administrative and personnel~~
11 ~~costs incurred in implementing this chapter may be paid from~~
12 ~~the fund, but such costs may not exceed 5 percent of the~~
13 ~~moneys deposited into the fund.~~To this fund shall be credited
14 all loan repayments, penalties, and other fees and charges
15 accruing to the fund under this chapter. It is the intent of
16 this chapter that all loan repayments, penalties, and other
17 fees and charges collected be credited in full to the program
18 account from which the loan originated. Moneys in the trust
19 fund which are not currently needed for the purposes of this
20 chapter shall be deposited with the Treasurer to the credit of
21 the trust fund and may be invested in such manner as is
22 provided for by statute. The interest received on any such
23 investment shall be credited to the fund.

24 Section 2. Section 420.0006, Florida Statutes, is
25 created to read:

26 420.0006 Authority to contract with corporation.--

27 (1) The secretary of the department shall contract,
28 notwithstanding the provisions of part 1 of chapter 287, with
29 the Florida Housing Finance Corporation on a multi-year basis
30 to stimulate, provide, and foster affordable housing in the
31 state. The contract must incorporate the provisions of the

1 corporation's strategic plan and the performance measures
2 required by s. 420.511 to be included therein. The contract
3 must provide that, in the event the corporation fails to
4 comply with any of the performance measures contained in its
5 strategic plan, the secretary and the corporation's board of
6 directors shall jointly appoint a task force to determine the
7 cause of such failure and provide an analysis for the
8 secretary as to whether the failure is due to forces beyond
9 the corporation's control or whether the failure is due to
10 inadequate management of the corporation's resources. Advances
11 must continue to be made pursuant to s. 420.0005 during the
12 pendency of the task force's deliberations. If the failure is
13 due to outside forces, it is not considered a violation of the
14 contract. If the failure is due to inadequate management, the
15 task force shall provide recommendations regarding solutions.
16 The Governor is authorized to resolve any differences of
17 opinion with respect to performance under the contract and to
18 direct that advances continue in the event of a failure under
19 the contract due to inadequate management.

20 (2) The secretary shall provide the Governor, the
21 President of the Senate, and the Speaker of the House of
22 Representatives with a report by February 1 of each year on
23 the contract, including the extent to which the corporation
24 has met the performance measures contained in its strategic
25 plan. The secretary is authorized to include within the
26 department's budget request the corporation's budget request
27 in the form authorized by s. 420.507.

28 Section 3. Section 420.501, Florida Statutes, is
29 amended to read:

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1 420.501 Short title.--This act ~~shall be known and~~ may
2 be cited as the "Florida Housing Finance Corporation Agency
3 Act."

4 Section 4. Subsections (2) and (7) of section 420.502,
5 Florida Statutes, are amended to read:

6 420.502 Legislative findings.--It is hereby found and
7 declared as follows:

8 (2) There exist presently and periodically serious
9 economic dislocations in the construction and building trade
10 industry, resulting in substantial unemployment, business
11 losses, and bankruptcies, and a general deterioration of the
12 economic well-being of Florida residents, and a need to assist
13 and implement welfare-to-work transitioning initiatives to
14 coordinate with state and federal policies.

15 (7) It is necessary to create a state housing finance
16 corporation agency to encourage the investment of private
17 capital in residential housing through the use of public
18 financing to deal with the problem of disintermediation, to
19 stimulate the construction and rehabilitation of residential
20 housing, to facilitate the purchase and sale of existing
21 residential housing, to provide construction and mortgage
22 loans for projects, and to make loans to and purchase mortgage
23 loans from private lending institutions, each on a
24 quantifiable, measurable basis providing sufficient, clear
25 evidence of the corporation's goals and its success in
26 achieving the goals.

27 Section 5. Section 420.503, Florida Statutes, is
28 amended to read:

29 420.503 Definitions.--As used in this part, the term:

30 (1) "Affordable housing debt" means debt issued by or
31 loans made to the corporation agency, counties,

1 municipalities, or other public agencies of this state or
2 not-for-profit corporations or for-profit entities
3 ~~corporations~~ for the purpose of providing affordable housing
4 to residents of the state.

5 (2) "Agency" means the Florida Housing Finance Agency
6 as it exists before January 1, 1998, and thereafter as
7 previously existing under state law ~~created pursuant to this~~
8 ~~part.~~

9 (3) "Authorized investments" means any of the
10 following securities:

11 (a) Investments permitted under s. 215.47 ~~Direct~~
12 ~~obligations of, or obligations guaranteed by, the United~~
13 ~~States of America.~~

14 (b) Investment agreements the issuer of which is rated
15 or the guarantor of which is rated in one of the three highest
16 rating categories by a nationally recognized rating service.
17 ~~Bonds, debentures, notes, or other evidences of indebtedness~~
18 ~~issued by any of the following: Bank for Cooperatives;~~
19 ~~federal intermediate credit banks; federal home loan banks;~~
20 ~~Export-Import Bank of the United States; federal land banks;~~
21 ~~Federal National Mortgage Association; Government National~~
22 ~~Mortgage Association; Federal Financing Bank; Small Business~~
23 ~~Administration; or any other agency or instrumentality of the~~
24 ~~United States of America, created by an Act of Congress,~~
25 ~~substantially similar to the foregoing in its legal~~
26 ~~relationship to the United States of America.~~

27 (c) ~~Public housing bonds issued by public housing~~
28 ~~agencies and fully secured as to the payment of both principal~~
29 ~~and interest by a pledge of annual contributions under an~~
30 ~~annual contributions contract or contracts with the United~~
31 ~~States of America, and temporary notes, preliminary loan~~

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1 ~~notes, or project notes issued by public housing agencies, in~~
2 ~~each case fully secured as to the payment of both principal~~
3 ~~and interest by a requisition or payment agreement with the~~
4 ~~United States of America.~~

5 ~~(d) Interest-bearing time or demand deposits,~~
6 ~~certificates of deposit, or other similar banking arrangements~~
7 ~~with any bank, trust company, national banking association, or~~
8 ~~other depository institution, including any trustee or other~~
9 ~~fiduciary with respect to the bonds of the agency, provided:~~

10 ~~1. The deposits, certificates, and other arrangements~~
11 ~~are insured to the satisfaction of the agency by the Federal~~
12 ~~Deposit Insurance Corporation or the Federal Savings and Loan~~
13 ~~Insurance Corporation;~~

14 ~~2. The depository institution has combined capital and~~
15 ~~surplus of at least \$10 million and the deposits,~~
16 ~~certificates, and other arrangements are fully secured by~~
17 ~~obligations described in paragraphs (a) through (c),~~
18 ~~inclusive, or a combination thereof; or~~

19 ~~3. The depository institution has combined capital and~~
20 ~~surplus of at least \$25 million.~~

21 ~~(e) Contracts for the purchase and sale of obligations~~
22 ~~described in paragraphs (a) and (b), provided that if the~~
23 ~~parties with which the contracts are made are not members of~~
24 ~~the Federal Reserve System or if the parties, including~~
25 ~~members of the Federal Reserve System, are not required to set~~
26 ~~aside and otherwise identify, to the satisfaction of the~~
27 ~~agency, obligations described in paragraph (a) or paragraph~~
28 ~~(b) to such contracts as security or reserve therefor in an~~
29 ~~amount at least equal to the face value of each contract, the~~
30 ~~obligations shall be delivered to and held by a trustee or~~

31

1 ~~other fiduciary with respect to the bonds of the agency during~~
2 ~~the term of the contracts.~~

3 (4) "Bond" means any bond, debenture, note, or other
4 evidence of financial indebtedness issued on behalf of the
5 corporation ~~agency~~ under and pursuant to this act.

6 (5) "Commercial fishing worker" means a laborer who is
7 employed on a seasonal, temporary, or permanent basis in
8 fishing in salt water or fresh water and who derived at least
9 50 percent of his income in the immediately preceding 12
10 months from such employment. The term includes a person who
11 has retired as a laborer due to age, disability, or illness.
12 In order to be considered retired due to age, a person must be
13 50 years of age or older and must have been employed for a
14 minimum of 5 years as a commercial fishing worker. In order
15 to be considered retired due to disability or illness, a
16 person must:

17 (a) Establish medically that he is unable to be
18 employed as a commercial fishing worker due to that disability
19 or illness; and

20 (b) Establish that he was previously employed as a
21 commercial fishing worker.

22 (6) "Community-based organization" means a private
23 corporation organized under chapter 617 to assist in the
24 provision of housing-related services on a not-for-profit
25 basis within a designated area, which may include a
26 municipality, a county, or more than one municipality or
27 county.

28 (7) "Community housing development organization" means
29 a nonprofit organization that has among its purposes the
30 provision of affordable housing for low-income families and
31 moderate-income families, maintains accountability to

1 low-income community residents, has demonstrated the capacity
2 to carry out affordable housing activities, and has a history
3 of serving the local community.

4 (8) "Contract" means the contract between the
5 secretary of the department and the corporation for provision
6 of housing services referenced in s. 420.0006.

7 (9) "Contribution" means a gift, subscription,
8 conveyance, deposit, loan, payment, or distribution of money
9 or anything of value, including contributions in kind having
10 an attributable monetary value in any form, made directly or
11 indirectly for the purpose of influencing an election.

12 (10) "Corporation" means the Florida Housing Finance
13 Corporation.

14 (11) "Covered employee" means those corporation
15 employees designated by rule of the corporation.

16 (12)~~(8)~~ "Department" means the Department of Community
17 Affairs.

18 (13)~~(9)~~ "Development costs" means the sum total of all
19 costs incurred in the development of a project which are
20 approved by the corporation ~~agency~~ as reasonable and
21 necessary. Such costs may include, but are not limited to:

22 (a) The cost of acquiring real property and any
23 buildings thereon, including payments for options, deposits,
24 or contracts to purchase properties.

25 (b) The cost of site preparation, demolition, and
26 development.

27 (c) Any expenses relating to the issuance of the bonds
28 of the corporation ~~agency~~.

29 (d) Fees in connection with the planning, execution,
30 and financing of the project, such as those of architects,
31 engineers, attorneys, accountants, and the corporation ~~agency~~.

1 (e) The cost of studies, surveys, plans, permits,
2 insurance, interest, financing, tax and assessment costs, and
3 other operating and carrying costs during construction,
4 rehabilitation, or reconstruction of the project.

5 (f) The cost of the construction, rehabilitation, and
6 equipping of the project.

7 (g) The cost of land improvements, such as landscaping
8 and offsite improvements, whether such costs are paid in cash,
9 property, or services.

10 (h) Expenses in connection with initial occupancy of
11 the project.

12 (i) A reasonable profit-and-risk fee in addition to
13 job overhead to the general contractor and, if applicable, the
14 sponsor.

15 (j) Allowances established by the corporation ~~agency~~
16 for working capital, contingency reserves, and reserves for
17 any anticipated operating deficits during the first 2 years
18 after completion of the project.

19 (k) The cost of such other items, including relocation
20 costs, indemnity and surety bonds, premiums on insurance, and
21 fees and expenses of trustees, depositories, and paying agents
22 for the corporation's ~~agency's~~ bonds, as the corporation
23 ~~agency~~ shall determine to be reasonable and necessary for the
24 development of the project.

25 (14)~~(10)~~ "Division" means the Division of Bond Finance
26 of the State Board of Administration ~~created by and referred~~
27 ~~to in the State Bond Act.~~

28 (15)~~(11)~~ "Elderly" means persons 62 years of age or
29 older.

30 (16)~~(12)~~ "Eligible housing provider" means a
31 for-profit developer or not-for-profit developer or a

1 community housing development organization having demonstrated
2 the capacity to construct or rehabilitate affordable housing.

3 (17)~~(13)~~ "Eligible persons" means one or more natural
4 persons or a family, irrespective of race, creed, national
5 origin, or sex, determined by the corporation ~~agency~~ pursuant
6 to a rule to be of low, moderate, or middle income. Such
7 determination shall not preclude any person or family earning
8 up to 150 percent of the state or county median family income
9 from participating in programs. Persons 62 years of age or
10 older shall be defined as eligible persons regardless of
11 income. In determining the income standards of eligible
12 persons for its various programs, the corporation ~~agency~~ may
13 take into account the following factors:

14 (a) Requirements mandated by federal law.

15 (b) Variations in circumstances in the different areas
16 of the state.

17 (c) Whether the determination is for rental housing or
18 homeownership purposes.

19 (d) The need for family size adjustments to accomplish
20 the purposes set forth in this act.

21 ~~(14) "Energy audit" means an evaluation of~~
22 ~~energy-saving measures in which the estimates of costs and~~
23 ~~savings are based on an onsite inspection of the residence of~~
24 ~~an eligible customer by an auditor qualified pursuant to s.~~
25 ~~366.82.~~

26 ~~(15) "Energy conservation loan" means a loan made~~
27 ~~pursuant to s. 366.82(3).~~

28 (18)~~(16)~~ "Farmworker" means a laborer who is employed
29 on a seasonal, temporary, or permanent basis in the planting,
30 cultivating, harvesting, or processing of agricultural or
31 aquacultural products and who derived at least 50 percent of

1 his income in the immediately preceding 12 months from such
2 employment. "Farmworker" also includes a person who has
3 retired as a laborer due to age, disability, or illness. In
4 order to be considered retired as a farmworker due to age
5 under this part, a person must be 50 years of age or older and
6 must have been employed for a minimum of 5 years as a
7 farmworker before retirement. In order to be considered
8 retired as a farmworker due to disability or illness, a person
9 must:

10 (a) Establish medically that he is unable to be
11 employed as a farmworker due to that disability or illness.

12 (b) Establish that he was previously employed as a
13 farmworker.

14 (19)(17) "Housing for the elderly" means, for purposes
15 of s. 420.5087(3)(c)2., any nonprofit housing community that
16 is financed by a mortgage loan made or insured by the United
17 States Department of Housing and Urban Development under s.
18 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s.
19 236 of the National Housing Act, as amended, and that is
20 subject to income limitations established by the United States
21 Department of Housing and Urban Development, or any program
22 funded by the Rural Development Agency of the United States
23 Department of Agriculture ~~Farmers Home Administration~~ and
24 subject to income limitations established by the United States
25 Department of Agriculture.

26 (20)(18) "Lending institution" means any bank or trust
27 company, mortgage banker, savings bank, credit union, national
28 banking association, savings and loan association, building
29 and loan association, insurance company, the Florida Housing
30 Development Corporation, or other financial institution or
31 governmental agency authorized to transact business in this

1 state and which customarily provides service or otherwise aids
2 in the financing of mortgages on real property located in the
3 state.

4 (21)~~(19)~~ "Loan," for purposes of the State Apartment
5 Incentive Loan Program and HOME Partnership Program, means any
6 direct loan or loan guaranty issued or backed by such funds.

7 (22)~~(20)~~ "Local government" means a unit of local
8 general-purpose government as defined in s. 218.31(2).

9 (23)~~(21)~~ "Local partnership" means a formally
10 constituted group, including representatives of local
11 government, lenders, developers, nonprofit organizations,
12 realtors, social service providers, and other entities in the
13 community which are involved with the development of
14 affordable housing.

15 (24) "Members" means the members of the board of
16 directors of the corporation.

17 (25)~~(22)~~ "Mortgage" means:

18 (a) A mortgage, mortgage deed, deed of trust, or other
19 instrument:

20 1. Creating a lien, subject only to such title
21 exceptions as may be acceptable to the corporation ~~agency~~, on
22 a fee interest in real property located within the state or on
23 a leasehold on such a fee interest which has a remaining term
24 at the time of computation that exceeds the maturity date of
25 the mortgage loan by a number of years determined by the
26 corporation ~~agency~~ to be sufficient to protect its interests;
27 and

28 2. Secured, insured, or guaranteed in such manner as
29 the corporation ~~agency~~ determines will protect its interests
30 and those of the bondholders, ~~provided the bonds issued to~~
31 ~~fund or finance such instrument are rated by a nationally~~

1 ~~recognized rating service in any one of the three highest~~
2 ~~classifications, which rating services and classifications are~~
3 ~~determined pursuant to rules adopted by the State Board of~~
4 ~~Administration under s. 215.84(3), unless the bonds are~~
5 ~~privately placed through a negotiated sale as authorized in s.~~
6 ~~420.509(7)(a); or~~

7 (b) A pledge of stock in a cooperative association and
8 a security interest in the related lease.

9 (26)~~(23)~~ "Mortgage loan" means a financial obligation
10 secured by a mortgage.

11 (27)~~(24)~~ "Nonparticipating local jurisdiction" means a
12 locality which is not a participating local jurisdiction.

13 (28) "Officers" means the chairman, vice-chairman, and
14 secretary of the board of directors of the corporation.

15 (29)~~(25)~~ "Participating local jurisdiction" means a
16 locality which has accrued at least \$750,000 in HOME funds
17 through the federal formula allocation process or which has
18 supplemented its formula allocation by processes approved by
19 the Federal Government to equal \$750,000.

20 (30)~~(26)~~ "Pledged revenues" means revenues to be
21 derived from the financing of residential housing, mortgages,
22 or loan payments and any other revenues or assets that may be
23 legally available to pay the principal of, redemption premium,
24 if any, and interest on the bonds derived from sources other
25 than ad valorem taxation, including revenues from other
26 sources or any combination thereof; however, in no event shall
27 the full faith and credit of the state be pledged to secure
28 such revenue bonds.

29 (31) "Prohibited business solicitation communication"
30 means a private written or verbal communication between a
31 member, officer, or covered employee of the corporation and a

1 service provider regarding the merits of the service provider
2 and whether the corporation should retain the services of the
3 service provider. The term does not include:
4 (a) A verbal communication made on the record during a
5 public meeting;
6 (b) A written communication provided to each member
7 and officer of the corporation and made part of the record at
8 a public meeting;
9 (c) A written proposal or statement of qualifications
10 submitted to the corporation in response to a corporation
11 advertisement seeking proposals or statements of
12 qualifications as part of a competitive selection process.
13 (d) A verbal or written communication related to the
14 contractual responsibilities of a service provider who was
15 selected to provide services or who was included in a pool of
16 service providers eligible to provide services as a result of
17 a competitive selection process, so long as the communications
18 do not relate to solicitation of business.
19 (e) A verbal or written communication related to a
20 proposed method of financing or proposed projects, so long as
21 the communications do not relate to solicitation of business.
22 (32)(27) "Project" means any work or improvement
23 located or to be located in the state, including real
24 property, buildings, and any other real and personal property,
25 designed and intended for the primary purpose of providing
26 decent, safe, and sanitary residential housing for eligible
27 persons or ~~four or more~~ families, whether new construction,
28 the acquisition of existing residential housing, or the
29 remodeling, improvement, rehabilitation, or reconstruction of
30 existing housing, together with such related nonhousing
31

1 facilities as the corporation ~~agency~~ determines to be
2 necessary, convenient, or desirable.

3 ~~(33)(28)~~ "Real property" means all lands, including
4 improvements and fixtures thereon and property of any nature
5 appurtenant thereto or used in connection therewith, and every
6 estate, interest, and right, legal or equitable, therein,
7 including terms of years and liens by way of judgment,
8 mortgage, or otherwise and the indebtedness secured by such
9 liens.

10 ~~(34)(29)~~ "Residential housing" means one or more new
11 or existing residential dwelling units located or to be
12 located in the state, including any buildings, land,
13 improvements, equipment, facilities, or other real or personal
14 properties which are necessary in connection therewith,
15 including, but not limited to, related facilities for streets,
16 sewers, and utilities.

17 (35) "Service provider," except as otherwise defined
18 in s. 420.512(5), means a law firm, investment bank, certified
19 public accounting firm, auditor, trustee bank, credit
20 underwriter, homeowner loan servicer, or any other provider of
21 services to the corporation which offers to perform or
22 performs services to the corporation or other provider for
23 fees in excess of \$25,000 in the aggregate during any fiscal
24 year. The term includes the agents, officers, principals, and
25 professional employees of the service provider.

26 (36) "Services" means the professional services
27 normally provided by the service provider. The team includes,
28 but is not limited to, the services of bond and special
29 counsel, auditor, accountant, trustee bank, and master
30 servicer.

31

1 ~~(37)(30)~~ "Sponsor" means any individual, association,
2 corporation, joint venture, partnership, trust, local
3 government, or other legal entity or any combination thereof
4 which:

5 (a) Has been approved by the corporation ~~agency~~ as
6 qualified to own, construct, acquire, rehabilitate,
7 reconstruct, operate, lease, manage, or maintain a project;
8 and

9 (b) Except for a local government, has agreed to
10 subject itself to the regulatory powers of the corporation
11 ~~agency~~.

12 ~~(38)(31)~~ "State" means the State of Florida.

13 ~~(39)(32)~~ "State Board of Administration" means the
14 State Board of Administration created by and referred to in s.
15 9, Art. XII of the State Constitution.

16 ~~(33)~~ "State Bond Act" means ~~ss. 215.57-215.83, as the~~
17 ~~same may be amended from time to time.~~

18 ~~(40)(34)~~ "State Housing Trust Fund" means the trust
19 fund established pursuant to s. 420.0005.

20 ~~(41)(35)~~ "Substantial rehabilitation" means repair or
21 restoration of a dwelling unit where the value of such repair
22 or restoration exceeds 40 percent of the value of the
23 dwelling.

24 Section 6. Section 420.504, Florida Statutes, 1996
25 Supplement, is amended to read:

26 420.504 Public corporation ~~Agency~~; creation,
27 membership, terms, expenses.--

28 (1) There is created within the Department of
29 Community Affairs a public corporation and ~~a state agency and~~
30 ~~instrumentality, which shall be~~ a public body corporate and
31 politic, to be known as the "Florida Housing Finance

1 Corporation Agency." It is declared to be the intent of and
2 constitutional construction by the Legislature that the
3 Florida Housing Finance Corporation constitutes an
4 entrepreneurial public corporation organized to provide and
5 promote the public welfare by administering the governmental
6 function of financing or refinancing housing and related
7 facilities in Florida and that the corporation is not a
8 department of the executive branch of state government within
9 the scope and meaning of s. 6, Art. IV of the State
10 Constitution, but is functionally related to the Department of
11 Community Affairs in which it is placed. The executive
12 function of state government to be performed by the secretary
13 of the department in the conduct of the business of the
14 Florida Housing Finance Corporation must be performed pursuant
15 to an annual contract to monitor and set performance standards
16 for the implementation of the strategic plan for the provision
17 of housing approved for the corporation as provided in s.
18 402.0006.

19 (2) The corporation is constituted as a public
20 instrumentality, and the exercise by the corporation of the
21 power conferred by this act is considered to be the
22 performance of an essential public function. The corporation
23 is subject to chapter 119, subject to exceptions applicable to
24 the corporation, and to the provisions of chapter 286. The
25 corporation is not governed by chapter 607, but by the
26 provisions of this part. If for any reason the establishment
27 of the corporation is deemed in violation of law, the
28 provisions is severable and the remainder of this act remains
29 in full force and effect.

30 (3) The corporation is a separate budget entity and is
31 not subject to control, supervision, or direction by the

1 Department of Community Affairs in any manner, including but
2 not limited to personnel, purchasing, transactions involving
3 real or personal property, and budgetary matters. The
4 corporation agency shall consist of a board of directors
5 composed of the Secretary of Community Affairs as an ex
6 officio and voting member and eight members appointed by the
7 Governor subject to confirmation by the Senate from the
8 following:

9 (a) One citizen actively engaged in the residential
10 home building industry.

11 (b) One citizen actively engaged in the banking or
12 mortgage banking industry.

13 (c) One citizen who is a representative of those areas
14 of labor engaged in home building.

15 (d) One citizen with experience in housing development
16 who is an advocate for low-income persons.

17 (e) One citizen actively engaged in the commercial
18 building industry.

19 (f)(e) Three ~~Four~~ citizens of the state who are not
20 principally employed as members or representatives of any of
21 the groups specified in paragraphs (a) through (e) ~~(d)~~.

22
23 The changes in membership categories required by this act
24 shall be effective when the term of one citizen member expires
25 in 1998 ~~on November 13, 1988~~.

26 (4)(2)(a) Members of the corporation agency shall be
27 appointed for terms of 4 years, except that any vacancy shall
28 be filled for the unexpired term.

29 (b) Subject to removal or reinstatement of the member
30 by the Senate, the Governor may suspend a member for cause,
31

1 including, but not limited to, failure to attend at least 3
2 meetings of the board during any 12-month period.

3 ~~(5)(3)~~ The chairman and a vice chairman shall be
4 elected annually by the members thereof. Any additional
5 officers, who need not be members, as may be deemed necessary
6 by the members of the corporation ~~agency~~ may be designated and
7 elected by the members thereof.

8 ~~(6)(4)~~ A member of the board of directors of the
9 corporation ~~agency~~ shall receive no compensation for his
10 services but shall be entitled to the necessary expenses,
11 including per diem and travel expenses, incurred in the
12 discharge of his duties, as provided by law.

13 ~~(7)(5)~~ Each member of the board of directors of the
14 corporation ~~agency~~ shall file full and public disclosure of
15 financial interests at the times and places and in the same
16 manner required of elected constitutional officers under s. 8,
17 Art. II of the State Constitution and any law implementing s.
18 8, Art. II of the State Constitution.

19 ~~(8)~~ A member of the board of directors of the
20 corporation is not personally liable for monetary damages to
21 any person for any statement, vote, decision, or failure to
22 take an action regarding organizational management or policy
23 by that member, unless:

24 (a) The member breached or failed to perform his
25 duties as a member; and

26 (b) The member's breach of, or failure to perform, his
27 duties constitutes:

28 1. A violation of criminal law, unless the member had
29 reasonable cause to believe his or her conduct was lawful or
30 had no reasonable cause to believe his or her conduct was
31 unlawful. A judgment or other final adjudication against a

1 member in any criminal proceeding for violation of the
2 criminal law estops that member from contesting the fact that
3 his or her breach, or failure to perform, constitutes a
4 violation of the criminal law, but does not estop the member
5 from establishing that he or she had reasonable cause to
6 believe that his or her conduct was lawful or had no
7 reasonable cause to believe that his or her conduct was
8 unlawful;

9 2. A transaction from which the member derived an
10 improper personal benefit, either directly or indirectly; or

11 3. Recklessness or an act or omission that was
12 committed in bad faith or with malicious purpose or in a
13 manner exhibiting wanton and willful disregard of human
14 rights, safety, or property.

15 (2) For purposes of this section, the term
16 "recklessness" means the acting, or omission to act, in
17 conscious disregard of a risk:

18 (a) Known, or so obvious that it should have been
19 known, to the member; and

20 (b) Known to the member, or so obvious that it should
21 have been known, to be so great as to make it highly probable
22 that harm would follow from the action or omission.

23 Section 7. Section 420.505, Florida Statutes, is
24 amended to read:

25 420.505 Meetings; quorum; voting.--The powers of the
26 corporation ~~agency~~ shall be vested in the its members of its
27 board of directors in office from time to time. Five members
28 of the board ~~agency~~ shall constitute a quorum for the purpose
29 of conducting its business and exercising its powers and for
30 all other purposes. Action may be taken by the board ~~agency~~
31 upon an affirmative vote of a majority of the members present,

1 provided that no action shall be taken by an affirmative vote
2 of less than four members.

3 Section 8. Section 420.506, Florida Statutes, is
4 amended to read:

5 420.506 Executive director; agents and employees.--The
6 appointment and removal of an executive director shall be by
7 the Secretary of Community Affairs, with the advice and
8 consent of the corporation's board of directors ~~agency~~. The
9 executive director shall ~~subsequently~~ employ legal and
10 technical experts and such other agents and employees,
11 permanent and temporary, as the corporation ~~agency~~ may
12 require. The board is authorized, notwithstanding the
13 provisions of s. 216.262, to develop and implement rules
14 regarding the employment of employees of the corporation
15 including legal counsel. The corporation may hire any
16 individual who, as of the effective date of this act, is
17 employed by the agency. At the employee's option, the employee
18 is entitled to retain his or her status as a participant in
19 the Florida Retirement System, but is not otherwise deemed a
20 state employee. Alternatively, the corporation is authorized
21 to enter into a lease agreement with the Department of
22 Management Services, wherein an employee shall retain his or
23 her status as a state employee without regard to the foregoing
24 but shall work under the direct supervision of the
25 corporation, and shall retain the right to participate in the
26 Florida Retirement system. The board of directors of the
27 corporation is entitled to establish travel procedures and
28 guidelines for employees of the corporation. The executive
29 director's office and the corporation's files and records must
30 be located in Leon County.~~The provisions of the state~~
31 ~~personnel law contained in chapter 110 shall apply, except~~

1 ~~that no more than 10 policymaking employees of the agency as~~
2 ~~determined from time to time by the agency may be exempted.~~

3 Section 9. Section 420.5061, Florida Statutes, is
4 created to read:

5 420.5061 Transfer of agency assets and
6 liabilities.--Effective January 1, 1998, all assets and
7 liabilities, rights and obligations, including any outstanding
8 contractual obligations, of the agency shall be transferred to
9 the corporation as legal successor in all respects to the
10 agency. The corporation shall thereupon become obligated to
11 the same extent as the agency under any existing agreements
12 and be entitled to any rights and remedies previously afforded
13 the agency by law or contract, including specifically the
14 rights of the agency under chapter 201 and chapter 159, part
15 VI. Effective January 1, 1998, all references under Florida
16 law to the agency are deemed to mean the corporation. For
17 purposes of s. 112.313, the corporation is deemed to be a
18 continuation of the agency, and the provisions thereof are
19 deemed to apply as if the same entity remained in place. Any
20 employees of the agency and agency board members covered by s.
21 112.313(9)(a)6., shall continue to be entitled to the
22 exemption in that subparagraph, notwithstanding being hired by
23 the corporation or appointed as board members of the
24 corporation.

25 Section 10. Section 420.507, Florida Statutes, is
26 amended to read:

27 420.507 Powers of the corporation ~~agency~~.--The
28 corporation ~~agency~~ shall have all the powers necessary or
29 convenient to carry out and effectuate the purposes and
30 provisions of this part, including the following powers which
31

1 are in addition to all other powers granted by other
2 provisions of this part:

3 (1) To sue and be sued, to have a seal, to alter the
4 same at pleasure and to authorize the use of a facsimile
5 thereof, and to make and execute contracts and other
6 instruments necessary or convenient to the exercise of the
7 powers of the corporation ~~agency~~.

8 (2) To undertake and carry out studies and analyses of
9 housing needs within the state and ways of meeting those
10 needs.

11 (3) To participate in federal housing assistance and
12 federal community development, insurance, and guarantee
13 programs and to agree and comply with any conditions attached
14 to federal financial assistance, including, without
15 limitation, the waiver of exemption from federal income
16 taxation on interest payable on its bonds, unless expressly
17 prohibited by this act.

18 (4) To provide for the collection and payment of fees
19 and charges, regardless of method of payment, in connection
20 with its loans, commitments, and servicing, including, but not
21 limited to, reimbursement of costs of financing by the
22 corporation ~~agency~~, service charges and insurance premiums as
23 the corporation ~~agency~~ shall determine to be reasonable and as
24 shall be approved by the corporation ~~agency~~. The fees and
25 charges may be paid directly by the borrower to the insurer,
26 lender, or servicing agent or may be deducted from the
27 interest collected by such insurer, lender, or servicing
28 agent.

29 (5) To acquire real and personal property or any
30 interest therein when such acquisition is necessary or
31 appropriate to protect any loan or to participate in any

1 program in which the corporation ~~agency~~ has an interest; to
2 sell, transfer, and convey any such property to a buyer
3 without regard to the provisions of chapters 253 and 270; and,
4 in the event that such sale, transfer, or conveyance cannot be
5 effected with reasonable promptness or at a reasonable price,
6 to lease such property for occupancy ~~by eligible persons~~.

7 (6) To borrow money through the issuance of bonds or
8 from the Federal Home Loan Bank or Rural Housing Services of
9 the United States Department of Agriculture for the purposes
10 provided in this part, to provide for and secure the payment
11 thereof, and to provide for the rights of the holders thereof.

12 (7) To purchase bonds of the corporation ~~agency~~ out of
13 any funds or moneys of the corporation ~~agency~~ available
14 therefor and to hold, cancel, or resell such bonds.

15 (8) To invest any funds held in reserves or sinking
16 funds, or any funds not required for immediate disbursement,
17 in such investments as may be authorized for trust funds under
18 s. 215.47 and in any authorized investments, provided such
19 investments will be made on behalf of the corporation ~~agency~~
20 by the State Board of Administration or by another trustee
21 appointed for that purpose.

22 (9) To set standards for residential housing financed
23 by the corporation ~~agency~~ under this chapter and to provide
24 for inspections to determine compliance with those standards.

25 (10) To contract for and to accept gifts, grants,
26 loans, or other aid from the United States Government or any
27 person or corporation.

28 (11) To insure and procure insurance against any loss
29 in connection with any bonds of the corporation ~~agency~~ and the
30 corporation's ~~agency's~~ operations or property, including
31 without limitation:

- 1 (a) The repayment of any loans to mortgage lenders or
2 mortgage loans.
- 3 (b) Any project.
- 4 (c) Any bonds of the corporation ~~agency~~, in such
5 amounts and from such insurers, including the Federal
6 Government, as it may deem necessary or desirable, and to pay
7 any premiums therefor.
- 8 (12) To make rules necessary to carry out the purposes
9 of this part and to exercise any power granted in this part
10 pursuant to the provisions of chapter 120.
- 11 (13) To engage the services of private consultants on
12 a contract basis for rendering professional and technical
13 assistance and advice.
- 14 (14) To make additional conditions respecting the
15 grant of loans or mortgage loans pursuant to this part,
16 including, without limitation, the regulation of eligible
17 persons and the admission of tenants and other occupants or
18 users of projects and residential housing, and to enter into
19 regulatory and other agreements and contracts under the
20 provisions of this part.
- 21 (15) To institute any action or proceeding against any
22 eligible person or sponsor receiving a loan or owning any
23 residential housing financed under the provisions of this part
24 in any court of competent jurisdiction to enforce the
25 provisions of this part or the terms and provisions of any
26 agreement or contract between the corporation ~~agency~~ and such
27 person and, in connection with any such action or proceeding,
28 to apply for and accept the appointment, by a court of
29 competent jurisdiction, of a receiver to take over, manage,
30 operate, and maintain such residential housing.
- 31

1 (16) To procure or require the procurement of a policy
2 or policies of group life insurance or disability insurance,
3 or both, to insure repayment of mortgage loans for residential
4 housing in the event of the death or disability of the
5 eligible person or persons liable therefor, and to pay any
6 premiums therefor.

7 (17) To renegotiate any mortgage loan or any purchase
8 agreement with a borrower ~~or loan to a lending institution~~ in
9 default; to waive any default or consent to the modification
10 of the terms of any mortgage loan or any purchase agreement
11 ~~with or loan to a lending institution~~; and to commence,
12 prosecute, and enforce a judgment in any action or proceeding
13 to protect or enforce any right conferred upon it by law,
14 mortgage loan, loan agreement or purchase agreement ~~with a~~
15 ~~lending institution~~, contract, or other agreement, including
16 without limitation foreclosure of the security interest on the
17 property securing such a mortgage loan ~~or loan to a lending~~
18 ~~institution~~; provided that any such action or proceeding shall
19 be brought in the name of the entity servicing the mortgage
20 loan on behalf of the corporation ~~agency~~ and not in the name
21 of the corporation ~~agency~~, and in connection with any such
22 proceeding, to bid for and purchase the property or acquire or
23 take possession thereof and, in such event, complete,
24 administer, pay the principal of and interest on any
25 obligations incurred in connection with the property and
26 dispose of and otherwise deal with the property in such manner
27 as the corporation ~~agency~~ may deem advisable to protect its
28 interests therein.

29 (18) To make and execute contracts for the
30 administration, servicing, or collection of any mortgage loan
31 or loan agreement or purchase agreement with a mortgage lender

1 or servicing agent for the duration of the loan or agreement
2 and pay the reasonable value of services rendered to the
3 corporation ~~agency~~ pursuant to such contracts. The fees and
4 charges for such services may be paid directly by the borrower
5 to the lender or servicing agent or may be deducted from the
6 interest collected by such lender or servicing agent.

7 (19) To fix, revise from time to time, charge, and
8 collect fees and other charges in connection with the making
9 of mortgage loans ~~and loans to mortgage lenders~~, the
10 purchasing of mortgage loans, and any other services rendered
11 by the corporation ~~agency~~.

12 (20) To make and execute agreements, contracts, and
13 other instruments necessary or convenient in the exercise of
14 the powers and functions of the corporation ~~agency~~ under this
15 part, including contracts with any person, firm, corporation,
16 local government, or other entity; and all local governments
17 established under the laws of the state are hereby authorized
18 to enter into and do all things necessary to perform such
19 contracts and otherwise cooperate with the corporation ~~agency~~
20 to facilitate the accomplishment of the purposes of this part.

21 (21) Review all reverse mortgage provisions proposed
22 to be used by an individual lender or a consortium to
23 determine that such provisions are consistent with the
24 purposes and intent of this act. If the corporation ~~agency~~
25 finds that the provisions are consistent, it shall approve
26 those provisions. If the corporation ~~agency~~ finds that the
27 provisions are inconsistent, it shall state its objections and
28 give the parties an opportunity to amend the provisions to
29 overcome such objections. In approving these provisions, the
30 corporation ~~agency~~ must determine:
31

1 (a) That the mortgagee is either licensed pursuant to
2 ss. 494.006-494.0077 or specifically exempt from ss.
3 494.006-494.0077.

4 (b) That the mortgagee has sufficient resources to
5 finance such mortgages.

6 (22) To develop and administer the State Apartment
7 Incentive Loan Program. In developing and administering that
8 program, the corporation ~~agency~~ may:

9 (a) Make first, second, and other subordinated
10 mortgage loans including variable or fixed rate loans subject
11 to contingent interest. The corporation ~~agency~~ shall make
12 loans exceeding 25 percent of project cost available only to
13 nonprofit organizations and public bodies which are able to
14 secure grants, donations of land, or contributions from other
15 sources and to projects meeting the criteria of subparagraph
16 1. Mortgage loans shall be made available at the following
17 rates of interest:

18 1. Zero to 3 percent interest for sponsors of projects
19 that maintain an 80 percent occupancy of residents qualifying
20 as farmworkers as defined in s. 420.306(7) over the life of
21 the loan.

22 2. Three to 9 percent interest for sponsors of
23 projects targeted at populations other than farmworkers.

24 (b) Geographically and demographically target the
25 utilization of loans.

26 (c) Underwrite credit, and reject projects which do
27 not meet the established standards of the corporation ~~agency~~.

28 (d) Negotiate with governing bodies within the state
29 after a loan has been awarded to obtain local government
30 contributions.

31

1 (e) Inspect any records of a sponsor at any time
2 during the life of the loan or the agreed period for
3 maintaining the provisions of s. 420.5087.

4 (f) Establish, by rule, the procedure for evaluating,
5 scoring, and competitively ranking all applications based on
6 the criteria set forth in s. 420.5087(6)(c); determining
7 actual loan amounts; making and servicing loans; and
8 exercising the powers authorized in this subsection.

9 (g) Establish a loan loss insurance reserve to be used
10 to protect the outstanding program investment in case of a
11 default, deed in lieu of foreclosure, or foreclosure of a
12 program loan.

13 (23) To develop and administer the Florida
14 Homeownership Assistance Program. In developing and
15 administering the program, the corporation ~~agency~~ may:

16 (a)1. Make subordinated loans to eligible borrowers
17 for down payments or closing costs related to the purchase of
18 the borrower's primary residence.

19 2. Make permanent loans to eligible borrowers related
20 to the purchase of the borrower's primary residence.

21 3. Make subordinated loans to nonprofit sponsors or
22 developers of housing for construction financing of housing to
23 be offered for sale to eligible borrowers as a primary
24 residence at an affordable price.

25 (b) Establish a loan loss insurance reserve to
26 supplement existing sources of mortgage insurance with
27 appropriated funds.

28 (c) Geographically and demographically target the
29 utilization of loans.

30 (d) Defer repayment of loans for the term of the first
31 mortgage.

1 (e) Establish flexible terms for loans with an
2 interest rate not to exceed 3 percent per annum and which are
3 nonamortizing for the term of the first mortgage.

4 (f) Require repayment of loans upon sale, transfer,
5 refinancing, or rental of secured property.

6 (g) Accelerate a loan for monetary default, for
7 failure to provide the benefits of the loans to eligible
8 borrowers, or for violation of any other restriction placed
9 upon the loan.

10 (h) Adopt rules for the program and exercise the
11 powers authorized in this subsection.

12 (24) To do any and all things necessary or convenient
13 to carry out the purposes of, and exercise the powers given
14 and granted in, this part.

15 (25) To develop and administer the Florida Affordable
16 Housing Guarantee Program. In developing and administering
17 the program, the corporation ~~agency~~ may:

18 (a) Develop criteria for determining the priority for
19 expending the moneys in the State Housing Trust Fund.

20 (b) Select affordable housing debt to be guaranteed or
21 additionally secured by amounts on deposit in the Affordable
22 Housing Guarantee ~~Trust~~ Fund.

23 (c) Adopt rules for the program and exercise the
24 powers authorized in this subsection.

25 (26) To develop and administer the Predevelopment Loan
26 Program. In developing and administering the program, the
27 corporation ~~agency~~ may make loans and grants as provided in
28 ss. 420.521-420.529.

29 (27) Notwithstanding the provisions of part I of
30 chapter 287, to establish guidelines for and to implement the
31

1 purchase and procurement of materials for use by the
2 corporation.

3 (28) To expend amounts advanced from the State Housing
4 Trust Fund for the purposes of this part.

5 (29) To own real and personal property for the
6 purposes of this part and to sell the property without regard
7 to the provisions of chapters 253 and 270.

8 (30) To prepare and submit to the secretary of the
9 department a budget request for purposes of the corporation,
10 which request shall, notwithstanding the provisions of chapter
11 216, contain a lump sum request for operational expenditures
12 and separate lump sum requests for other authorized
13 corporation programs, each of which shall be classified as a
14 special category appropriation. The request shall not be
15 required to contain information on the number of employees,
16 salaries, or any classification thereof, and the approved
17 operating budget therefore need not comply with s.
18 216.181(7)-(9).

19 (31) Notwithstanding the provisions of s. 216.301, to
20 retain any unused operational expenditure appropriation for
21 other lawful purposes of the corporation.

22 Section 11. Section 420.508, Florida Statutes, 1996
23 Supplement, is amended to read:

24 420.508 Special powers; multi-family projects
25 ~~mortgages and loans to lenders.~~--The corporation agency shall
26 have the special power to:

27 ~~(1)(a) Purchase or take assignments of, and enter into~~
28 ~~commitments to purchase or to take assignments of, mortgage~~
29 ~~loans and promissory notes accompanying such mortgage loans~~
30 ~~(including participations therein) from lending institutions~~
31 ~~acting as a principal or as an agent of the agency; provided,~~

1 ~~at or before the time of any such purchase or assignment, each~~
2 ~~lending institution shall represent and warrant to, and~~
3 ~~covenant with, the agency with respect to each mortgage loan~~
4 ~~to be so purchased or assigned or in which the agency is to~~
5 ~~purchase a participation that:~~

6 ~~1. The unpaid principal balance of the mortgage loan~~
7 ~~and the interest rate thereon have been accurately stated to~~
8 ~~the agency;~~

9 ~~2. The amount of the unpaid principal balance is~~
10 ~~justly due and owing;~~

11 ~~3. The lending institution has no notice of the~~
12 ~~existence of any counterclaim, offset, or defense asserted by~~
13 ~~the mortgagor or his successor in interest;~~

14 ~~4. The mortgage loan is evidenced by a duly executed~~
15 ~~promissory note and a duly executed mortgage which has been~~
16 ~~properly recorded with the appropriate public official;~~

17 ~~5. The mortgage constitutes a valid first lien on the~~
18 ~~real property described to the authority, subject only to such~~
19 ~~title exceptions as are specifically described to the agency~~
20 ~~and as are acceptable to the agency;~~

21 ~~6. The mortgagor is not in default in the payment of~~
22 ~~any installment of principal or interest, escrow funds, real~~
23 ~~property taxes, or otherwise in the performance of his~~
24 ~~obligations under the mortgage documents;~~

25 ~~7. The improvements to the mortgaged real property are~~
26 ~~covered by a valid and subsisting policy of insurance issued~~
27 ~~by a company authorized to issue such policies in the state~~
28 ~~and providing fire and extended coverage in such amounts as~~
29 ~~the agency may prescribe by rule;~~

30 ~~8. The mortgage loan meets the prevailing investment~~
31 ~~quality standards for such mortgage loans in the state; and~~

1 ~~9. Either:~~

2 ~~a. The mortgage loan was originated after such date as~~
3 ~~the agency shall have specified, for the purpose of selling or~~
4 ~~assigning such mortgage loan or a participation therein to the~~
5 ~~agency, and was made to an eligible person to finance the~~
6 ~~construction, purchase, or refinancing of residential housing~~
7 ~~for occupancy by one to four families, all of whom are~~
8 ~~eligible persons and one of whom is the mortgagor; or~~

9 ~~b. An amount at least equal to the aggregate proceeds~~
10 ~~received by the lending institution upon the sale or~~
11 ~~assignment will be invested by the lending institution in new~~
12 ~~mortgage loans originated after such date as the agency shall~~
13 ~~specify and will be made to eligible persons to finance the~~
14 ~~construction, purchase, or refinancing of residential housing~~
15 ~~for occupancy by one to four families, all of whom are~~
16 ~~eligible persons and one of whom is the mortgagor.~~

17 ~~(b) Provide, as a condition of any such purchase,~~
18 ~~that:~~

19 ~~1. Each lending institution shall submit evidence~~
20 ~~satisfactory to the agency of the making of the new mortgage~~
21 ~~loans to eligible persons and, in connection therewith, shall~~
22 ~~permit the agency, through its members, employees, and agents,~~
23 ~~to inspect the books and records of the lending institution;~~
24 ~~and~~

25 ~~2. Each lending institution shall be liable to the~~
26 ~~agency for any damage suffered by the agency by reason of the~~
27 ~~untruth of any representation or the breach of any warranty or~~
28 ~~covenant and, in the event that any representation shall prove~~
29 ~~to be untrue when made or in the event of any breach of~~
30 ~~warranty or covenant, the lending institution shall, at the~~
31 ~~option of the agency, repurchase the mortgage loan for the~~

1 original purchase price adjusted for amounts subsequently paid
2 thereon, as the agency may determine.

3 ~~(c) Make and enter into contracts and agreements with~~
4 ~~lending institutions for the servicing and processing of~~
5 ~~mortgage loans purchased by the agency pursuant to this~~
6 ~~section.~~

7 ~~(d) Sell, at public or private sale, with or without~~
8 ~~public biddings, any mortgage or other obligation held by the~~
9 ~~agency.~~

10 ~~(2)(a) Make loans to lending institutions and purchase~~
11 ~~from lending institutions obligations issued by such lending~~
12 ~~institutions and secured by mortgages on residential housing~~
13 ~~or projects, upon such terms and conditions as the agency may~~
14 ~~determine, which at a minimum shall include a requirement that~~
15 ~~an amount at least equal to the proceeds thereof be invested~~
16 ~~in new mortgage loans originated after such date as the agency~~
17 ~~shall specify and be made to eligible persons to finance the~~
18 ~~construction, purchase, or refinancing of residential housing~~
19 ~~for occupancy by one to four families, all of whom are~~
20 ~~eligible persons and one of whom is the mortgagor, or be made~~
21 ~~to sponsors to finance the construction, purchase, or~~
22 ~~refinancing of projects for tenancy by eligible persons;~~
23 ~~however, under no circumstances shall any loan or mortgage be~~
24 ~~made for a term which is longer than the term of the bond,~~
25 ~~debenture, or note, the proceeds from which have funded the~~
26 ~~mortgage or loan.~~

27 ~~(b) Require that loans to, or obligations purchased~~
28 ~~from, lending institutions shall be additionally secured as to~~
29 ~~payment of both principal and interest by a pledge of and lien~~
30 ~~upon collateral security in such amounts and consisting of~~
31 ~~such obligations, securities, and mortgage loans as the State~~

540-164-97

1 ~~Board of Administration shall by resolution determine to be~~
2 ~~necessary to assure the payment of such loans or securities~~
3 ~~purchased and the interest thereon as the same become due;~~
4 ~~provided that in no event shall the fair market value of the~~
5 ~~collateral security be less than 100 percent of the principal~~
6 ~~amount of the outstanding loan or obligation, as determined at~~
7 ~~such time or times, but no less frequently than annually, as~~
8 ~~the State Board of Administration shall specify. The State~~
9 ~~Board of Administration may require in the case of any or all~~
10 ~~lending institutions that any required collateral security be~~
11 ~~lodged with a bank or trust company, located either within or~~
12 ~~outside the state, designated by the agency as custodian~~
13 ~~therefor. In the absence of such a requirement, a lending~~
14 ~~institution shall, if collateral is to be provided for the~~
15 ~~loan or obligation purchased, upon receipt of the proceeds~~
16 ~~from the agency, enter into an agreement with the agency~~
17 ~~containing such provisions as the State Board of~~
18 ~~Administration shall deem necessary to adequately identify and~~
19 ~~maintain such collateral and service the same and shall~~
20 ~~provide that the lending institution shall hold the collateral~~
21 ~~as an agent for the agency and shall be held accountable as~~
22 ~~the trustee of an express trust for the application and~~
23 ~~disposition thereof and the income therefrom solely to the~~
24 ~~uses and purposes in accordance with the provisions of the~~
25 ~~agreement. A copy of each agreement and any revisions or~~
26 ~~supplements thereto shall be filed with the Secretary of State~~
27 ~~and no further filing or other action under chapter 679,~~
28 ~~entitled the Uniform Commercial Code Secured Transactions, or~~
29 ~~any other law of the state shall be required to perfect the~~
30 ~~security interest of the agency in the collateral or any~~
31 ~~additions thereto or substitutions therefor. The lien and~~

1 ~~trust so created for the benefit of the agency shall be~~
2 ~~binding from and after the time made as against all parties~~
3 ~~having claims of any kind in tort, contract, or otherwise~~
4 ~~against the lending institution. No loan to a lending~~
5 ~~institution shall be made and no obligation issued by a~~
6 ~~lending institution shall be purchased unless the institution~~
7 ~~shall have certified to the agency that the payment of~~
8 ~~principal and interest due on the collateral security which~~
9 ~~shall secure such loan or obligation shall be sufficient to~~
10 ~~amortize principal and pay interest on the loan or obligation~~
11 ~~secured by the collateral. The agency or the State Board of~~
12 ~~Administration may also establish such additional requirements~~
13 ~~as shall be deemed necessary with respect to the pledging,~~
14 ~~assigning, setting aside, or holding of the collateral~~
15 ~~security, the making of substitutions therefor or additions~~
16 ~~thereto, and the disposition of income and receipts therefrom.~~

17 ~~(c) Collect, enforce the collection of, and foreclose~~
18 ~~on any collateral security securing a loan made to, or an~~
19 ~~obligation purchased from, a lending institution and acquire~~
20 ~~or take possession of such collateral and sell the same at~~
21 ~~public or private sale, with or without public bidding, and~~
22 ~~otherwise deal with such collateral as may be necessary to~~
23 ~~protect the interest of the agency therein, all subject to any~~
24 ~~agreement with the bondholders.~~

25 ~~(d) Provide, as a condition of any such loan or~~
26 ~~purchase, that:~~

27 ~~1. Each lending institution submit evidence~~
28 ~~satisfactory to the agency of the making of the new mortgage~~
29 ~~loans to eligible persons or to sponsors to finance projects~~
30 ~~for tenancy by eligible persons and, in connection therewith,~~
31 ~~permit the agency, through its members, employees, and agents,~~

1 to inspect the books and records of such lending institution;
2 and

3 ~~2. Each lending institution be liable to the agency~~
4 ~~for any damages suffered by the agency by reason of the~~
5 ~~untruth of any representation or the breach of any warranty or~~
6 ~~covenant made in connection with any such loan or purchase.~~

7 ~~(e) Adopt, modify, or repeal any additional conditions~~
8 ~~governing the making of loans to, or purchasing of obligations~~
9 ~~from, lending institutions and the application of the proceeds~~
10 ~~thereof.~~

11 (1)~~(3)~~~~(a)~~ Make and participate in the making of, and
12 contract to make or participate in the making of, mortgage
13 loans for permanent or construction financing to sponsors for
14 the purposes of financing development costs of projects,
15 provided each mortgage loan for a project made by the
16 corporation ~~agency~~ shall:

17 (a)~~1.~~ Be evidenced by a properly executed note or
18 other evidence of indebtedness and be secured by a properly
19 recorded mortgage;

20 (b)~~2.~~ Provide for ~~regular~~ amortization to pay the
21 mortgage loan in full not later than the expiration of the
22 useful life of the property financed with the proceeds of the
23 mortgage loan as determined by the corporation ~~agency~~, and in
24 any event not later than 45 years from the date of the
25 mortgage loan;

26 (c)~~3.~~ Not exceed such percentage of the development
27 costs as the corporation ~~agency~~ may determine pursuant to rule
28 and, in any event, not more than 95 percent of the development
29 costs;

30 (d)~~4.~~ If the mortgage loan is to provide financing for
31 the construction of a project, have each advance thereof

1 secured, insured, or guaranteed in such manner as the
2 corporation agency determines will protect its interests and
3 those of the bondholders, ~~provided the bonds issued to fund or~~
4 ~~finance such loan are rated by a nationally recognized rating~~
5 ~~service in any one of the three highest classifications, which~~
6 ~~rating services and classifications are determined pursuant to~~
7 ~~rules adopted by the State Board of Administration under s.~~
8 ~~215.84(3), unless the bonds are privately placed through a~~
9 ~~negotiated sale as authorized in s. 409.509(7)(a); however,~~
10 ~~under no circumstances shall any loan or mortgage be made for~~
11 ~~a term which is longer than the term of the bond, debenture,~~
12 ~~or note, the proceeds from which have funded the mortgage or~~
13 ~~loan;~~

14 (e)5. Have the initial review, approval, and
15 origination process accomplished by a lending institution in
16 accordance with such procedure as the corporation agency may
17 prescribe, which lending institution shall be paid such fees
18 and charges for its services as the corporation agency may
19 determine; and

20 (f)6. Be serviced by such lending institution or other
21 private entity engaged in the business of servicing mortgage
22 loans in the state as the corporation agency shall approve in
23 accordance with such procedures as the corporation agency may
24 prescribe, which servicer shall be paid such fees and charges
25 for its services as the corporation agency may determine.

26 (2)(b) Make the following determinations, which must
27 be made before the corporation agency may make a mortgage loan
28 ~~to a sponsor~~ for a project:

29 (a)1. That a significant number of low-income,
30 moderate-income, or middle-income persons in the local
31 government in which the project is to be located, or in an

1 area reasonably accessible thereto, are subject to hardship in
2 finding adequate, safe, and sanitary housing;

3 (b)2- That private enterprise, unaided, is not
4 meeting, and cannot reasonably be expected to meet, the need
5 for such housing; and

6 (c)3- That the need for such housing will be
7 alleviated by providing the project.

8 (3)(c) Adopt and from time to time modify or repeal
9 rules for governing the making of and participation in loans
10 to sponsors for projects to implement the powers authorized,
11 and to achieve the purposes set forth, in this part.

12 (4) Sell, transfer, or otherwise encumber any loan
13 made pursuant to this part.

14 (5) Establish with a qualified depository meeting the
15 requirements of chapter 280, a separate fund to be known as
16 the "Florida Housing Finance Corporation Fund," to be
17 administered by the corporation in accordance with the
18 purposes of this chapter. All fees collected by the
19 corporation directly from the Federal Government for
20 administration of the United States Department of Housing and
21 Urban Development s. 8 housing program, all annual
22 administrative fees collected by trustees for bond programs
23 and remitted to the corporation, all expense fees related to
24 costs of bond issuance collected by trustees and remitted to
25 the corporation, and all tax credit program fees must be
26 deposited into the fund. The fund shall be utilized for the
27 purposes of the corporation, including payment of
28 administrative expenses. Effective January 1, 1998, all
29 amounts held in the Housing Finance Agency Trust Fund
30 established pursuant to state law must be transferred to the
31 corporation for deposit in the Florida Housing Finance

1 Corporation Fund, whereupon the Housing Finance Agency Trust
2 Fund must be closed.

3 Section 12. Section 420.5087, Florida Statutes, is
4 amended to read:

5 420.5087 State Apartment Incentive Loan
6 Program.--There is hereby created the State Apartment
7 Incentive Loan Program for the purpose of providing first,
8 second, or other subordinated mortgage loans or loan
9 guarantees to sponsors, including for-profit, nonprofit, and
10 public entities, to provide housing affordable to
11 very-low-income persons.

12 (1) Program funds shall be distributed over successive
13 3-year periods in a manner that meets the need and demand for
14 very-low-income housing throughout the state. That need and
15 demand must be determined by using the most recent statewide
16 low-income rental housing market studies available at the
17 beginning of each 3-year period. However, at least 10 percent
18 of the program funds distributed during a 3-year period must
19 be allocated to each of the following categories of counties,
20 as determined by using the population statistics published in
21 the most recent edition of the Florida Statistical Abstract:

22 (a) Counties that have a population of more than
23 500,000 people;

24 (b) Counties that have a population between 100,000
25 and 500,000 people; and

26 (c) Counties that have a population of 100,000 or
27 less.

28
29 Any increase in funding required to reach the 10-percent
30 minimum shall be taken from the county category that has the
31 largest allocation.

1 (2) The corporation ~~agency~~ shall have the power to
2 underwrite and make state apartment incentive loans or loan
3 guarantees to sponsors, provided:

4 (a) The sponsor uses tax-exempt financing for the
5 first mortgage and at least 20 percent of the units in the
6 project are set aside for persons or families who have incomes
7 which meet the income eligibility requirements of s. 8 of the
8 United States Housing Act of 1937, as amended;

9 (b) The sponsor uses taxable financing for the first
10 mortgage and at least 20 percent of the units in the project
11 are set aside for persons or families who have incomes below
12 50 percent of the state or local median income, whichever is
13 higher, which shall be adjusted by the corporation ~~agency~~ for
14 family size; or

15 (c) The sponsor uses the federal low-income housing
16 tax credit, and the project meets the tenant income
17 eligibility requirements of s. 42 of the Internal Revenue Code
18 of 1986, as amended.

19
20 This subsection does not prohibit a tenant from qualifying
21 under the income eligibility criteria of paragraph (a),
22 paragraph (b), or paragraph (c) due to the tenant's
23 participation in a job training program approved by the
24 corporation ~~agency~~. Compliance with the provisions of this
25 subsection must be contractually provided for the term of the
26 loan or 12 years, whichever is longer; however, this
27 subsection does not apply to loans made to housing communities
28 for the elderly to provide for lifesafety, building
29 preservation, health, sanitation, or security-related repairs
30 or improvements. Such loans shall be subject to tenant income
31 criteria established by corporation ~~agency~~ rule.

1 (3) During the first 6 months of loan or loan
2 guarantee availability, program funds shall be reserved for
3 use by sponsors who provide the housing set-aside required in
4 subsection (2) for tenants in the three tenant groups
5 designated in this subsection. The reservation of funds to
6 each of these groups shall be determined using the most recent
7 statewide very-low-income rental housing market study
8 available at the time of publication of each notice of fund
9 availability required by paragraph (6)(b). The reservation of
10 funds within each notice of fund availability to the three
11 tenant groups designated in this subsection may not be less
12 than 10 percent of the funds available at that time. Any
13 increase in funding required to reach the 10-percent minimum
14 shall be taken from the tenant group that has the largest
15 reservation. The three tenant groups are:

- 16 (a) Commercial fishing workers and farmworkers;
17 (b) Families; and
18 (c)1. Elderly persons.

19 2. Ten percent of the amount reserved pursuant to
20 subparagraph 1. shall be reserved to provide loans to sponsors
21 of housing for the elderly, as defined in s. 420.503, for the
22 purpose of making building preservation, health, or sanitation
23 repairs or improvements which are required by federal, state,
24 or local regulation or code, or lifesafety or security-related
25 repairs or improvements to such housing. A loan for a
26 lifesafety, building preservation, health, sanitation, or
27 security-related repair or improvement may not exceed \$200,000
28 per housing community for the elderly. In order to receive
29 the loan, the sponsor of the housing community for the elderly
30 must make a commitment to match at least 15 percent of the
31 loan amount to pay the cost of such repair or improvement.

1 The corporation ~~agency~~ shall establish the rate of interest on
2 the loan, which may not exceed 3 percent, and the term of the
3 loan, which may not exceed 15 years. The term of the loan
4 shall be established on the basis of a credit analysis of the
5 applicant. The corporation ~~agency~~ shall establish, by rule,
6 the procedure and criteria for receiving, evaluating, and
7 competitively ranking all applications for loans under this
8 subparagraph. A loan application must include evidence of the
9 first mortgagee's having reviewed and approved the sponsor's
10 intent to apply for a loan. A nonprofit organization or
11 sponsor may not use the proceeds of a loan received pursuant
12 to this subparagraph to pay for administrative costs, routine
13 maintenance, or new construction.

14 (4) Loans shall be in an amount not to exceed the
15 lesser of 25 percent of the total project cost or the minimum
16 amount required to make the project economically feasible;
17 however, loans exceeding 25 percent of project cost may be
18 made as provided in s. 420.507.

19 (5) The amount of the mortgage provided under this
20 program combined with any other mortgage in a superior
21 position shall be less than the value of the project without
22 the housing set-aside required by subsection (2).

23 (6) On all state apartment incentive loans, except
24 loans made to housing communities for the elderly to provide
25 for lifesafety, building preservation, health, sanitation, or
26 security-related repairs or improvements, the following
27 provisions shall apply:

28 (a) The corporation ~~agency~~ shall establish two
29 interest rates in accordance with s. 420.507(22)(a)1. and 2.

30 (b) The corporation ~~agency~~ shall publish a notice of
31 fund availability in a publication of general circulation

1 throughout the state. Such notice shall be published at least
2 60 days prior to the application deadline and shall provide
3 notice of the temporary reservations of funds established in
4 subsection (3).

5 (c) ~~In consultation with the department,~~The
6 corporation agency shall provide by rule for the establishment
7 of a review committee composed of the department and
8 corporation agency staff and shall establish by rule a scoring
9 system for evaluation and competitive ranking of applications
10 submitted in this program, including, but not limited to, the
11 following criteria:

12 1. Tenant income and demographic targeting objectives
13 of the corporation agency.

14 2. Targeting objectives of the corporation agency
15 which will ensure an equitable distribution of loans between
16 rural and urban areas.

17 3. Sponsor's agreement to reserve the units for
18 persons or families who have incomes below 50 percent of the
19 state or local median income, whichever is higher, for a time
20 period to exceed the minimum required by federal law or the
21 provisions of this part.

22 4. Sponsor's agreement to reserve more than:

23 a. Twenty percent of the units in the project for
24 persons or families who have incomes that do not exceed 50
25 percent of the state or local median income, whichever is
26 higher; or

27 b. Forty percent of the units in the project for
28 persons or families who have incomes that do not exceed 60
29 percent of the state or local median income, whichever is
30 higher, without requiring a greater amount of the loans as
31 provided in this section.

- 1 5. Provision for tenant counseling.
- 2 6. Sponsor's agreement to accept rental assistance
- 3 certificates or vouchers as payment for rent; however, when
- 4 certificates or vouchers are accepted as payment for rent on
- 5 units set aside pursuant to subsection (2), the benefit must
- 6 be divided between the corporation agency and the sponsor, as
- 7 provided by corporation agency rule.
- 8 7. Projects requiring the least amount of a state
- 9 apartment incentive loan compared to overall project cost.
- 10 8. Local government contributions and local government
- 11 comprehensive planning and activities that promote affordable
- 12 housing.
- 13 9. Project feasibility.
- 14 10. Economic viability of the project.
- 15 11. Commitment of first mortgage financing.
- 16 12. Sponsor's prior experience.
- 17 13. Sponsor's ability to proceed with construction.
- 18 14. Projects that directly implement or assist
- 19 welfare-to-work transitioning.
- 20 (d) The corporation agency may reject any and all
- 21 applications.
- 22 (e) The corporation agency may approve and reject
- 23 applications for the purpose of achieving geographic
- 24 targeting.
- 25 (f) The review committee established by corporation
- 26 agency rule pursuant to this subsection shall make
- 27 recommendations to the board of directors of the corporation
- 28 ~~Housing Finance Agency Board~~ regarding program participation
- 29 under the State Apartment Incentive Loan Program. The
- 30 corporation agency board shall make the final ranking and the
- 31 decisions regarding which applicants shall become program

1 participants based on the scores received in the competitive
2 ranking, further review of applications, and the
3 recommendations of the review committee. The corporation
4 ~~agency~~ board shall approve or reject applications for loans
5 and shall determine the tentative loan amount available to
6 each applicant selected for participation in the program. The
7 actual loan amount shall be determined pursuant to rule
8 adopted pursuant to s. 420.507(22)(f).

9 (g) The loan term shall be for a period of not more
10 than 15 years; however, if both a program loan and federal
11 low-income housing tax credits are to be used to assist a
12 project, the corporation ~~agency~~ may set the loan term for a
13 period commensurate with the investment requirements
14 associated with the tax credit syndication. The term of the
15 loan may also exceed 15 years if necessary to conform to
16 requirements of the Federal National Mortgage Association.
17 The corporation ~~agency~~ may renegotiate and extend the loan in
18 order to extend the availability of housing for the targeted
19 population. The term of a loan may not extend beyond the
20 period for which the sponsor agrees to provide the housing
21 set-aside required by subsection (2).

22 (h) The loan shall be subject to sale, transfer, or
23 refinancing. However, all requirements and conditions of the
24 loan shall remain following sale, transfer, or refinancing.

25 (i) The discrimination provisions of s. 420.516 shall
26 apply to all loans.

27 (j) The corporation ~~agency~~ may require units dedicated
28 for the elderly.

29 (k) Rent controls shall not be allowed on any project
30 except as required in conjunction with the issuance of
31 tax-exempt bonds or federal low-income housing tax credits.

1 (1) The proceeds of all loans shall be used for new
2 construction or substantial rehabilitation which creates
3 affordable, safe, and sanitary housing units.

4 (m) Sponsors shall annually certify the adjusted gross
5 income of all persons or families qualified under subsection
6 (2) at the time of initial occupancy, who are residing in a
7 project funded by this program. All persons or families
8 qualified under subsection (2) may continue to qualify under
9 subsection (2) in a project funded by this program if the
10 adjusted gross income of those persons or families at the time
11 of annual recertification meets the requirements established
12 in s. 142(d)(3)(B) of the Internal Revenue Code of 1986, as
13 amended. If the annual recertification of persons or families
14 qualifying under subsection (2) results in noncompliance with
15 income occupancy requirements, the next available unit must be
16 rented to a person or family qualifying under subsection (2)
17 in order to ensure continuing compliance of the project.

18 (n) Upon submission and approval of a marketing plan
19 which demonstrates a good faith effort of a sponsor to rent a
20 unit or units to persons or families reserved under subsection
21 (3) and qualified under subsection (2), the sponsor may rent
22 such unit or units to any person or family qualified under
23 subsection (2) notwithstanding the reservation.

24 (o) Sponsors may participate in federal mortgage
25 insurance programs and must abide by the requirements of those
26 programs. If a conflict occurs between the requirements of
27 federal mortgage insurance programs and the requirements of
28 this section, the requirements of federal mortgage insurance
29 programs shall take precedence.

30 (7) There is authorized to be established by the
31 corporation with a qualified public depository meeting the

1 requirements of chapter 280 established in the State Treasury
2 a separate ~~trust~~ fund to be named the "State Apartment
3 Incentive Loan ~~Trust~~ Fund," which shall be administered by the
4 corporation agency according to the provisions of this
5 program. Any amounts held in the State Apartment Incentive
6 Loan Trust Fund for such purpose as of January 1, 1998, must
7 be transferred to the corporation for deposit in the State
8 Apartment Incentive Loan Fund and the State Apartment
9 Incentive Loan Trust Fund must be closed. There shall be
10 deposited into the fund moneys from the State Housing Trust
11 Fund as created by s. 420.0005, or moneys received from any
12 other source, for the purpose of this program and all proceeds
13 derived from the use of such moneys. In addition, all loan
14 repayments, proceeds from the sale of any property, and any
15 other proceeds that would otherwise accrue pursuant to the
16 activities conducted under the provisions of the State
17 Apartment Incentive Loan Program shall be deposited in the
18 fund and shall not revert to the General Revenue Fund. If a
19 loan commitment for program funds is entered into during the
20 state fiscal year for which the program funds were
21 appropriated, the funds shall continue to be made available
22 for use during the entire construction period, even if it
23 extends beyond the fiscal year in which the loan commitment
24 was entered. ~~The budget amendment process created in s.~~
25 ~~216.181 shall be used to make funds available throughout the~~
26 ~~construction period.~~

27 (8) If a default on a loan occurs, the corporation
28 ~~agency~~ may foreclose on any mortgage or security interest or
29 commence any legal action to protect the interest of the
30 corporation agency or the fund and recover the amount of the
31 unpaid principal, accrued interest, and fees on behalf of the

1 fund. The corporation ~~agency~~ may acquire real and personal
2 property or any interest therein when that acquisition is
3 necessary or appropriate to protect any loan; to sell,
4 transfer, and convey any such property to a buyer without
5 regard to the provisions of chapters 253 and 270; and, if that
6 sale, transfer, or conveyance cannot be effected within a
7 reasonable time, to lease such property for occupancy by
8 eligible persons. All sums recovered from the sale, transfer,
9 conveyance, or lease of such property shall be deposited into
10 the State Apartment Incentive Loan ~~Trust~~ Fund. ~~The budget~~
11 ~~amendment process created in s. 216.181 shall be used to make~~
12 ~~funds available for the loan loss insurance reserve authorized~~
13 ~~in s. 420.507.~~

14 Section 13. Section 420.5088, Florida Statutes, is
15 amended to read:

16 420.5088 Florida Homeownership Assistance
17 Program.--There is created the Florida Homeownership
18 Assistance Program for the purpose of assisting low-income
19 persons in purchasing a home by reducing the cost of the home
20 with below-market construction financing, by reducing the
21 amount of down payment and closing costs paid by the borrower
22 to a maximum of 5 percent of the purchase price, or by
23 reducing the monthly payment to an affordable amount for the
24 purchaser. Loans shall be made available at an interest rate
25 that does not exceed 3 percent. The balance of any loan is due
26 at closing if the property is sold or transferred.

27 (1) For loans made available pursuant to s.
28 420.507(23)(a)1. or 2.:

29 (a) The corporation ~~agency~~ may underwrite and make
30 those mortgage loans through the program to persons or
31 families who are eligible to participate in the corporation's

1 ~~agency's~~ single-family mortgage revenue bond programs and who
2 have incomes that do not exceed 80 percent of the state or
3 local median income, whichever is greater, adjusted for family
4 size. If the corporation ~~agency~~ determines that there is
5 insufficient demand for such loans by persons or families who
6 are eligible to participate in the corporation's ~~agency's~~
7 single-family mortgage revenue bond programs, the corporation
8 ~~agency~~ may make such mortgage loans to other persons or
9 families who have incomes that do not exceed 80 percent of the
10 state or local median income, whichever amount is greater.

11 (b) Loans shall be made available for the term of the
12 first mortgage.

13 (c) Loans are limited to the lesser of 25 percent of
14 the purchase price of the home or the amount necessary to
15 enable the purchaser to meet credit underwriting criteria.

16 (2) For loans made pursuant to s. 420.507(23)(a)3.:

17 (a) Availability is limited to nonprofit sponsors or
18 developers who are selected for program participation pursuant
19 to this subsection.

20 (b) Preference must be given to community development
21 corporations as defined in s. 290.033 and to community-based
22 organizations as defined in s. 420.503.

23 (c) Priority must be given to projects that have
24 received state assistance in funding project predevelopment
25 costs.

26 (d) The benefits of making such loans shall be
27 contractually provided to the persons or families purchasing
28 homes financed under this subsection.

29 (e) At least 30 percent of the units in a project
30 financed pursuant to this subsection must be sold to persons
31 or families who have incomes that do not exceed 80 percent of

1 the state or local median income, whichever amount is greater,
2 adjusted for family size; and at least another 30 percent of
3 the units in a project financed pursuant to this subsection
4 must be sold to persons or families who have incomes that do
5 not exceed 50 percent of the state or local median income,
6 whichever amount is greater, adjusted for family size.

7 (f) The maximum loan amount may not exceed 33 percent
8 of the total project cost.

9 (g) A person who purchases a home in a project
10 financed under this subsection is eligible for a loan
11 authorized by s. 420.507(23)(a)1. or 2. in an aggregate amount
12 not exceeding the construction loan made pursuant to this
13 subsection. The home purchaser must meet all the requirements
14 for loan recipients established pursuant to the applicable
15 loan program.

16 (h) The corporation ~~agency~~ shall provide, by rule, for
17 the establishment of a review committee composed of
18 corporation ~~department and agency~~ staff and shall establish,
19 by rule, a scoring system for evaluating and ranking
20 applications submitted for construction loans under this
21 subsection, including, but not limited to, the following
22 criteria:

23 1. The affordability of the housing proposed to be
24 built.

25 2. The direct benefits of the assistance to the
26 persons who will reside in the proposed housing.

27 3. The demonstrated capacity of the applicant to carry
28 out the proposal, including the experience of the development
29 team.

30 4. The economic feasibility of the proposal.
31

1 5. The extent to which the applicant demonstrates
2 potential cost savings by combining the benefits of different
3 governmental programs and private initiatives, including the
4 local government contributions and local government
5 comprehensive planning and activities that promote affordable
6 housing.

7 6. The use of the least amount of program loan funds
8 compared to overall project cost.

9 7. The provision of homeownership counseling.

10 8. The applicant's agreement to exceed the
11 requirements of paragraph (e).

12 9. The commitment of first mortgage financing for the
13 balance of the construction loan and for the permanent loans
14 to the purchasers of the housing.

15 10. The applicant's ability to proceed with
16 construction.

17 11. The targeting objectives of the corporation ~~agency~~
18 which will ensure an equitable distribution of loans between
19 rural and urban areas.

20 12. The extent to which the proposal will further the
21 purposes of this program.

22 (i) The corporation ~~agency~~ may reject any and all
23 applications.

24 (j) The review committee established by corporation
25 ~~agency~~ rule pursuant to this subsection shall make
26 recommendations to the corporation ~~agency~~ board regarding
27 program participation under this subsection. The corporation
28 ~~agency~~ board shall make the final ranking for participation
29 based on the scores received in the ranking, further review of
30 the applications, and the recommendations of the review
31 committee. The corporation ~~agency~~ board shall approve or

1 reject applicants for loans and shall determine the tentative
2 loan amount available to each program participant. The final
3 loan amount shall be determined pursuant to rule adopted under
4 s. 420.507(23)(h).

5 (3) The corporation ~~agency~~ shall publish a notice of
6 fund availability in a publication of general circulation
7 throughout the state at least 60 days prior to the anticipated
8 availability of funds.

9 (4) During the first 9 months of each fiscal year:

10 (a) Sixty percent of the program funds shall be
11 reserved for use by borrowers pursuant to s. 420.507(23)(a)1.;

12 (b) Twenty percent of the program funds shall be
13 reserved for use by borrowers pursuant to s. 420.507(23)(a)2.;

14 and
15 (c) Twenty percent of the program funds shall be
16 reserved for use by borrowers pursuant to s. 420.507(23)(a)3.

17

18 If the application of these percentages would cause the
19 reservation of program funds under paragraph (a) to be less
20 than \$1 million, the reservation for paragraph (a) shall be
21 increased to \$1 million or all available funds, whichever
22 amount is less, with the increase to be accomplished by
23 reducing the reservation for paragraph (b) and, if necessary,
24 paragraph (c).

25 (5) There is authorized to be established, by the
26 corporation with a qualified public depository meeting the
27 requirements of chapter 280, in the State Treasury the Florida
28 Homeownership Assistance ~~Trust~~ Fund to be administered by the
29 corporation ~~agency~~ according to the provisions of this
30 program. Any amounts held in the Florida Homeownership
31 Assistance Trust Fund for such purposes as of January 1, 1998,

1 must be transferred to the corporation for deposit in the
2 Florida Homeownership Assistance Fund, whereupon the Florida
3 Homeownership Assistance Trust Fund must be closed. There
4 shall be deposited in the fund moneys from the State Housing
5 Trust Fund created by s. 420.0005, or moneys received from any
6 other source, for the purpose of this program and all proceeds
7 derived from the use of such moneys. In addition, all
8 unencumbered funds, loan repayments, proceeds from the sale of
9 any property, ~~existing funds remaining in the Affordable~~
10 ~~Housing Demonstration Loan Program and the Affordable Housing~~
11 ~~Trust Fund,~~ and any other proceeds that would otherwise accrue
12 pursuant to the activities of the programs described in this
13 section funded by the Affordable Housing Trust Fund shall be
14 transferred to this fund. In addition, all loan repayments,
15 proceeds from the sale of any property, and any other proceeds
16 that would otherwise accrue pursuant to the activities
17 conducted under the provisions of the Florida Homeownership
18 Assistance Program shall be deposited in the fund and shall
19 not revert to the General Revenue Fund.

20 (6) No more than one-fifth of the funds available in
21 the Florida Homeownership Assistance ~~Trust~~ Fund may be made
22 available to provide loan loss insurance reserve funds to
23 facilitate homeownership for eligible persons ~~or families~~
24 ~~whose incomes do not exceed 120 percent of the state median~~
25 ~~income or local median income, whichever amount is higher.~~

26 Section 14. Section 420.5089, Florida Statutes, is
27 amended to read:

28 420.5089 HOME Investment Partnership Program; HOME
29 ~~trust~~ fund.--

30 (1) There is authorized to be established, by the
31 corporation with a qualified public depository meeting the

1 requirements of chapter 280,~~in the State Treasury~~ the HOME
2 Partnership ~~Trust~~ Fund, which shall be administered by the
3 corporation ~~agency~~ according to the provisions of the HOME
4 Investment Partnership Program which is hereby created. Any
5 amounts held in the HOME Partnership Trust Fund for such
6 purposes as of January 1, 1998, must be transferred to the
7 corporation for deposit in the Home Investment Partnership
8 Fund, whereupon the HOME Partnership Trust Fund must be
9 closed. There shall be deposited into the fund moneys from the
10 State Housing Trust Fund or moneys received from any other
11 source for the purpose of this program, and all proceeds
12 derived from the use of such moneys. In addition, all loan
13 repayments, proceeds from the sale of any property, and any
14 other proceeds that would otherwise accrue pursuant to the
15 activities conducted under the provisions of the HOME
16 Investment Partnership Program shall be deposited into the
17 fund and shall not revert to the General Revenue Fund. If a
18 loan commitment for program funds is entered into during the
19 state fiscal year for which the program funds were
20 appropriated, the funds shall continue to be made available
21 for use during the entire construction period of any project
22 financed by the program, even if it extends beyond the fiscal
23 year in which the loan commitment was entered. ~~The budget~~
24 ~~amendment process created in s. 216.181 shall be used to make~~
25 ~~funds available throughout the construction period.~~
26 (2) The corporation ~~agency~~ shall make loans available
27 to eligible housing providers or home buyers on the basis of
28 the ~~competitive~~ selection process established ~~in subsections~~
29 ~~(5) and (6) and as~~ described by corporation program rules
30 agency rule. Such process must incorporate and provide
31 incentives for welfare-to-work transitioning in coordination

1 ~~with applicable state and federal programs.~~ However, in the
2 ~~first year of this program, the secretary of the department,~~
3 ~~with the advice and consent of the agency board, may select~~
4 ~~demonstration pilot programs. Pilot programs shall be~~
5 ~~monitored by the agency for compliance with program~~
6 ~~requirements and evaluated to determine what modifications~~
7 ~~might need to be made to the administration of the HOME~~
8 ~~Partnership Program in following years. Selection of pilot~~
9 ~~programs shall be based upon the following criteria:~~
10 ~~(a) Existence of a working local partnership.~~
11 ~~(b) Geographic distribution of the demonstration areas~~
12 ~~throughout the state to include both urban and rural counties~~
13 ~~of varying sizes and populations.~~
14 ~~(c) Need and demand for affordable housing stock.~~
15 ~~(d) Conformance to strategies enumerated in the~~
16 ~~state's Comprehensive Housing Affordability Strategy.~~
17 (3) The corporation may make loans to home buyers in
18 connection with the corporation's single family mortgage
19 revenue bond program on the basis of "first come-first served"
20 or as described in the program rule.
21 (4) The corporation's board of directors may approve
22 projects located in a state or federally declared disaster
23 area or demonstration projects based on selection criteria as
24 approved by the board of directors. In additions, as approved
25 by the corporation's board of directors, disaster projects or
26 demonstration projects may be granted or provided a HOME loan
27 with forgivable terms.
28 (5)~~(3)~~ Loans made under this program shall be made
29 used for eligible applicants and activities as enumerated in
30 24 C.F.R. part 92, and as enumerated in the program rule
31 approved by the corporation's board of directors. including

1 ~~acquisition, moderate and substantial rehabilitation, new~~
2 ~~construction, site improvement, demolition and relocation~~
3 ~~expenses, and rental assistance. Loans shall be made~~
4 ~~available directly to eligible housing providers for eligible~~
5 ~~activities relating to rental or homeownership projects the~~
6 ~~intended beneficiaries of which meet income guidelines and~~
7 ~~rent and sales price limits specified by agency rule.~~

8 ~~(4) All loans must be matched with local funds as~~
9 ~~specified in 24 C.F.R. part 92 and agency rule and must be~~
10 ~~limited to the amount needed to make the project economically~~
11 ~~feasible.~~

12 ~~(6)(5)~~ Applications for loans under any competitive
13 scoring process established by program rule must ~~made under~~
14 ~~this program shall be approved~~ scored and ranked by a review
15 committee established by corporation ~~agency~~ rule which shall
16 analyze factors, including, but not limited to, the following:

17 ~~(a) Tenant and homeowner income and Demographic~~
18 ~~targeting objectives of the corporation~~ agency.

19 ~~(b) Corporation~~ Agency portfolio diversification.

20 ~~(c) Developer's agreement to make more than a minimum~~
21 ~~number of units in the project available for the targeted~~
22 ~~group.~~

23 ~~(c)(d)~~ Developer's agreement to make units for the
24 targeted group available for more than the minimum period
25 required by rule.

26 ~~(e) Incorporation of the proposed housing within a~~
27 ~~coordinated community or neighborhood development strategy.~~

28 ~~(d)(f)~~ Leveraging of HOME funds.

29 ~~(e)~~ Local match funds.

30 ~~(f)(g)~~ The project's feasibility and long-term
31 economic viability.

1 (g)~~(h)~~ Demonstrated capacity of the proposed project's
2 development team.

3 (h)~~(i)~~ Conformance with the consolidated plan
4 ~~comprehensive housing affordability strategy~~ for the state and
5 area in which the proposed project will be located.

6 ~~(j) Evidence that the proposed project will be part of~~
7 ~~a comprehensive neighborhood strategy designed to offer~~
8 ~~full-service support to residents.~~

9 (i)~~(k)~~ Other factors determined and approved by the
10 corporation's board of directors ~~from the evaluation of the~~
11 ~~first demonstration projects.~~

12 (7)~~(6)~~ The review committee established by corporation
13 ~~agency~~ rule pursuant to this subsection shall make
14 recommendations to the corporation ~~Florida Housing Finance~~
15 ~~Agency~~ board regarding program participation. The corporation
16 ~~agency~~ board shall approve ~~make~~ the final ranking and decide
17 which applicants become program participants based on the
18 scores received in the ranking, ~~further review of the~~
19 ~~applications, and the recommendations of the review committee.~~
20 ~~The agency board shall approve or reject applications for~~
21 ~~loans and shall determine the tentative loan amount available~~
22 ~~to each applicant selected for participation in the program.~~
23 The actual loan amount shall be determined pursuant to rule
24 and the Notice of Funding Availability (NOFA).

25 (8)~~(7)~~ The loan term shall be for a minimum period
26 equal to the affordability period as stated in 24 CFR 92 or 15
27 years for rental rehabilitations and 20 years for rental or
28 homeownership new construction loans. ~~period of not more than~~
29 ~~15 years for rental projects and 5 years for homeownership~~
30 ~~construction or rehabilitation loans. However, if both a~~
31 ~~program loan and federal low-income housing tax credits are to~~

1 ~~be used to assist a project, the agency may set the loan term~~
2 ~~for a period commensurate with the investment requirements~~
3 ~~associated with the tax credit syndication.~~ The corporation
4 agency may renegotiate and extend the loan in order to extend
5 the availability of housing for the targeted population. ~~The~~
6 ~~term of a loan may not extend beyond the period for which the~~
7 ~~sponsor agrees to set aside units for the target population.~~

8 (9)~~(8)~~ If a default on a loan occurs, the corporation
9 agency may foreclose on any mortgage or security interest or
10 commence any legal action to protect the interest of the
11 corporation agency or the fund and recover the amount of the
12 unpaid principal, accrued interest, and fees on behalf of the
13 fund. The corporation agency may acquire real and personal
14 property or any interest in the property if that acquisition
15 is necessary to protect any loan; sell, transfer, and convey
16 any such property to a buyer without regard to the provisions
17 of chapters 253 and 270; and, if that sale, transfer, or
18 conveyance cannot be effected within a reasonable time, lease
19 such property for occupancy by eligible persons.

20 (10)~~(9)~~ All sums recovered from the sale, transfer,
21 conveyance, or lease of such property shall be deposited into
22 the HOME Investment Partnership Trust Fund.

23 (11)~~(10)~~ The corporation agency shall monitor all
24 projects funded under this section to ensure compliance with
25 federal and state requirements. The corporation agency may
26 inspect such projects or records pertaining to those projects
27 at any reasonable time.

28 Section 15. Section 420.509, Florida Statutes, is
29 amended to read:

30 420.509 Bonds; purpose, terms, approval,
31 limitations.--

1 (1) The issuance of revenue bonds, ~~as defined in this~~
2 ~~part,~~ to provide sufficient funds to achieve the purposes of
3 this part; pay interest on bonds; pay expenses incident to the
4 issuance and sale of any bond issued pursuant to this part,
5 including costs of validating, printing, and delivering the
6 bonds, printing the official statement, publishing notices of
7 sale of the bonds, and related administrative expenses; and
8 pay all other capital expenditures of the corporation ~~agency~~
9 incident to and necessary or convenient to carry out the
10 purposes and powers granted by this part is authorized,
11 subject and pursuant to the provisions of s. 16, Art. VII of
12 the State Constitution ~~and the applicable provisions of this~~
13 ~~chapter and of the State Bond Act.~~ Revenue bonds, ~~as so~~
14 ~~defined,~~ shall be payable solely from pledged revenues.

15 (2) The State Board of Administration is designated as
16 the state fiscal agency to make the determinations required by
17 s. 16, Art. VII of the State Constitution in connection with
18 the issuance of such bonds that in no state fiscal year will
19 the debt service requirements of the bonds proposed to be
20 issued and all other bonds secured by the same pledged
21 revenues exceed the pledged revenues available for such debt
22 service requirements. The State Board of Administration may
23 delegate to its executive director the authority and power to
24 perform that function without further review of the agency.
25 The determinations pursuant to this paragraph are limited to a
26 review of the matters essential to making the determinations
27 required by s. 16, Art. VII of the State Constitution. The
28 executive director shall report annually to the State Board of
29 Administration and the Legislature regarding the number of
30 bond issues considered and the determination with respect
31 thereto.

1 (3) All such bonds shall be issued by the corporation
2 on behalf of the state ~~on behalf of the agency and in the name~~
3 ~~of the agency by the Division of Bond Finance from time to~~
4 ~~time, as provided by the State Bond Act,~~ with a term of not
5 more than 45 years, and except as otherwise provided herein,
6 in such principal amounts as shall be necessary to provide
7 sufficient funds to achieve the purposes of the corporation
8 ~~agency~~ in carrying out this part and purposes incident
9 thereto.

10 (4) Bonds of the corporation may:

11 (a) Bear interest at a rate or rates not exceeding the
12 interest rate limitation set forth in s. 215.84(3);

13 (b) Have such provisions for payment at maturity and
14 redemption before maturity at such time or times and at such
15 price or prices; and

16 (c) Be payable at such place or places within or
17 without the state as the board determines by resolution.

18 (5) The bonds may be signed by the officers of the
19 corporation as is provided for by resolution of the board. The
20 signatures may be manual or facsimile signatures as
21 established by the board. In case any officer whose signature
22 or a facsimile of whose signature appears on any bonds ceases
23 to be an officer before delivery of bonds, the signature or
24 facsimile signature is nevertheless valid and sufficient for
25 all purposes as fully and to the same extent as if he or she
26 had remained in office until the delivery.

27 (6) All bonds issued under the provisions of this act
28 are declared to be negotiable instruments under the Uniform
29 Commercial Code - Investment Securities Law of the state.

30 (7) Bonds of the corporation may not be issued unless
31 the face or reverse thereof contains a certificate, executed

1 either manually or with a facsimile signature by the secretary
2 of the board, to the effect that the issuance of the bonds has
3 been approved under this act by the board. The certificate is
4 conclusive evidence as to approval of the issuance of the
5 bonds by the corporation and that the requirements of this act
6 and all of the laws relating to the bonds have been complied
7 with.

8 (8) The corporation has the authority to issue bond
9 anticipation notes in anticipation of the receipt of the
10 proceeds of the bonds in the same manner and subject to the
11 same limitations and conditions as provided by s. 215.431. The
12 rights and remedies of the holders of the notes are the same
13 rights and remedies they would have if they were the holders
14 of the definitive bonds in anticipation of which they are
15 issued; and all of the covenants, agreements, or other
16 proceedings relating to the definitive bonds in anticipation
17 of which the bond anticipation notes are issued are a part of
18 the proceedings relating to the issuance of the notes as fully
19 and to the same extent as if incorporated verbatim therein.

20 (9) Before the preparation of definitive bonds, the
21 corporation may issue interim receipts or temporary bonds,
22 exchangeable for definitive bonds when the bonds have been
23 executed and are available for delivery under the terms and
24 conditions the board deems advisable. The board may also
25 provide for the replacement of any bonds that become mutilated
26 or destroyed, stolen, or lost under the terms and conditions
27 the board deems advisable.

28 ~~(4) There shall be established, from the proceeds of~~
29 ~~each issue of bonds, a debt service reserve account in an~~
30 ~~amount at least equal to the greatest amount of principal and~~
31 ~~interest to become due on such issue in any ensuing state~~

1 ~~fiscal year or an amount at least equal to an average of the~~
2 ~~annual principal and interest, all as may be determined by the~~
3 ~~Division of Bond Finance; except that a reserve of a lesser~~
4 ~~amount may be established if the agency, with the concurrence~~
5 ~~of the Division of Bond Finance, determines that such reserve,~~
6 ~~if any, will adequately protect the interests of bondholders.~~

7 ~~(5)(a) The provisions of the State Bond Act,~~
8 ~~including, without limitation, the definitions contained~~
9 ~~therein, shall be applicable to all bonds issued pursuant to~~
10 ~~this chapter, when not in conflict with the provisions hereof;~~
11 ~~provided the basis of award of sale of such bonds may be~~
12 ~~either the net interest cost or the true or effective interest~~
13 ~~cost, as set forth in the resolution authorizing the sale of~~
14 ~~such bonds. In cases of conflict, the provisions of this~~
15 ~~chapter shall be controlling.~~

16 ~~(10)(b)~~ (10) In actions to validate such bonds pursuant to
17 chapter 75, the complaint shall be filed in the Circuit Court
18 of Leon County, the notice required by s. 75.06 shall be
19 published only in Leon County and in two newspapers of general
20 circulation in the state, and the complaint and order of the
21 court shall be served only on the state attorney of the Second
22 Judicial Circuit.

23 ~~(11)(6)~~ (11) Any resolution or resolutions authorizing any
24 bonds issued by the corporation ~~on behalf of the agency~~ may
25 contain provisions, without limitation, which shall be a part
26 of the contract or contracts with the holders thereof, as to:

27 (a) Pledging all or any part of the income or revenues
28 of the corporation ~~agency~~ to secure the payment of bonds or of
29 any issue thereof, subject to such agreements with holders of
30 bonds as may then exist.

31

1 (b) Pledging all or any part of the assets of the
2 corporation ~~agency~~, including mortgages and obligations
3 securing the same, to secure the payment of bonds or of any
4 issue of bonds, subject to such agreements with holders of
5 bonds as may then exist.

6 (c) The use and disposition of the income from
7 mortgages owned by the corporation ~~agency~~ and payment of the
8 principal of mortgages owned by the corporation ~~agency~~.

9 (d) The procedure, if any, by which the terms of any
10 contract with holders of bonds may be amended or abrogated,
11 the amount of bonds the holders of which must consent thereto,
12 and the manner in which such consent may be given.

13 (e) Limitations on the amount of moneys to be expended
14 by the corporation ~~agency~~ for its operating expenses.

15 (f) Vesting, for the life of the bonds, in a trustee
16 or trustees such property, rights, powers, and duties in trust
17 as the corporation ~~agency~~ may determine, which may include any
18 or all of the rights, powers, and duties of the trustee
19 appointed by the holders of bonds pursuant to this part, and
20 limiting or abrogating the right of holders of bonds to
21 appoint a trustee under this part or limiting the rights,
22 powers, and duties of such trustee.

23 (g) Defining the acts or omissions to act which shall
24 constitute a default in the obligations and duties of the
25 corporation ~~agency~~ to the holders of bonds in providing for
26 the rights and remedies of holders of bonds in the event of
27 such default, including, as a matter of right, the appointment
28 of a receiver; provided such rights and remedies shall not be
29 inconsistent with the general laws of the state and the other
30 provisions of this part.

31

1 (h) Any other matters, of like or different character,
2 which in any way affect the security or protection of holders
3 of bonds.

4 ~~(12)(7)~~(a) The bonds issued by ~~on behalf of~~ the
5 corporation ~~agency~~ shall be sold at public sale in the manner
6 provided by s. 215.68 ~~the State Bond Act~~. However, if the
7 corporation ~~agency~~ shall by official action at a public
8 meeting determine that a negotiated sale of the bonds is in
9 the best interest of the corporation ~~agency~~, the corporation
10 ~~division~~ may negotiate for sale of the bonds to, or the
11 placement of bonds through, the underwriter or underwriters
12 designated by the corporation ~~agency~~. In the official action
13 authorizing the negotiated sale, the corporation ~~agency~~ shall
14 provide specific findings as to the reasons for the negotiated
15 sale. The reasons shall include, but shall not be limited to,
16 characteristics of the bond issue and prevailing market
17 conditions that necessitate a negotiated sale. In the event
18 the corporation ~~agency~~ decides to negotiate for a sale of
19 bonds, the managing underwriter, or financial consultant or
20 adviser, if applicable, shall provide to the corporation
21 ~~agency or division~~, prior to the award of bonds to the
22 managing underwriter, a disclosure statement containing the
23 following information:

24 1. An itemized list setting forth the nature and
25 estimated amounts of expenses to be incurred by the managing
26 underwriter in connection with the issuance of such bonds.
27 Notwithstanding the foregoing, any such list may include an
28 item for miscellaneous expenses, provided it includes only
29 minor items of expense which cannot be easily categorized
30 elsewhere in the statement.

31

1 2. The names, addresses, and estimated amounts of
2 compensation of any finders connected with the issuance of the
3 bonds.

4 3. The amount of underwriting spread expected to be
5 realized.

6 4. Any management fee charged by the managing
7 underwriter.

8 5. Any other fee, bonus, or compensation estimated to
9 be paid by the managing underwriter in connection with the
10 bond issue to any person not regularly employed or retained by
11 it.

12 6. The name and address of the managing underwriter or
13 underwriters, if any, connected with the bond issue.

14 7. Any other disclosure that ~~which~~ the corporation
15 ~~agency or division~~ may require.

16

17 This paragraph is not intended to restrict or prohibit the
18 employment of professional services relating to bonds issued
19 under this chapter ~~or the issuance of bonds by the agency or~~
20 ~~division under any other chapter.~~

21 (b) In the event an offer of an issue of bonds at
22 public sale produces no bid, or in the event all bids received
23 are rejected, the corporation ~~division~~ is authorized to
24 negotiate for the sale of the bonds under such rates and terms
25 as are acceptable; provided that no bonds shall be so sold or
26 delivered on terms less favorable than the terms contained in
27 any bids rejected at the public sale thereof or, if no bids
28 were received at such public sale, the terms contained in the
29 notice of public sale.

30 (c) The failure of the corporation ~~agency or division~~
31 to comply with one or more provisions of this section shall

1 not affect the validity of the bond issue; ~~however, upon such~~
2 ~~failure to comply, the agency shall sell all future bonds only~~
3 ~~at public sale as provided for herein, except as provided in~~
4 ~~paragraph (b).~~

5 (13)~~(8)~~(a) No underwriter, commercial bank, investment
6 banker, or financial consultant or adviser shall pay any
7 finder any bonus, fee, or gratuity in connection with the sale
8 of ~~general obligation bonds or revenue bonds~~ issued by the
9 corporation ~~agency~~ unless full disclosure is made to the
10 corporation ~~agency~~ prior to or concurrently with the
11 submission of a purchase proposal for bonds by the
12 underwriter, commercial bank, investment banker, or financial
13 consultant or adviser and is made subsequently in the official
14 statement or offering circular, if any, detailing the name and
15 address of any finder and the amount of bonus, fee, or
16 gratuity paid to such finder.

17 (b) The willful violation of this subsection is a
18 felony of the third degree, punishable as provided in s.
19 775.082, s. 775.083, or s. 775.084.

20 (c) No violation of this subsection shall affect the
21 validity of the bond issue.

22 (14)~~(9)~~ As used in this section, the term "finder"
23 means a person who is neither regularly employed by, nor a
24 partner or officer of, an underwriter, bank, banker, or
25 financial consultant or adviser and who enters into an
26 understanding with either the issuer or the managing
27 underwriter, or both, for any paid or promised compensation or
28 valuable consideration, directly or indirectly, expressly or
29 impliedly, to act solely as an intermediary between such
30 issuer and managing underwriter for the purpose of influencing
31 any transaction in the purchase of such bonds.

1 ~~(15)~~(10) All bonds issued on behalf of the corporation
2 ~~agency~~ shall state on the face thereof that they are payable,
3 both as to principal and interest, solely out of the assets of
4 the corporation ~~agency~~ and do not constitute an obligation,
5 either general or special, of the state or of any local
6 government.

7 ~~(16)~~(11) All bonds issued by ~~on behalf of~~ the
8 corporation ~~agency~~ are hereby declared to have all the
9 qualities and incidents of negotiable instruments under the
10 applicable laws of the state.

11 ~~(17)~~(12) It is the intention of the Legislature that
12 any pledge of earnings, revenues, or other moneys made by the
13 corporation ~~agency~~ shall be valid and binding from the time
14 when the pledge is made; that the earnings, revenues, or other
15 moneys so pledged and thereafter received by the corporation
16 ~~agency~~ shall immediately be subject to the lien of that pledge
17 without any physical delivery thereof or further act; and that
18 the lien of the pledge shall be valid and binding as against
19 the corporation ~~agency~~ irrespective of whether the parties
20 have notice thereof. Neither the resolution nor any other
21 instrument by which a pledge is created need be recorded or
22 filed pursuant to the Uniform Commercial Code.

23 ~~(18)~~(13) Neither the members of the corporation ~~agency~~
24 nor any person executing the bonds of the corporation ~~agency~~
25 shall be liable personally on the bonds or be subject to any
26 personal liability or accountability by reason of the issuance
27 thereof.

28 ~~(19)~~(14) If the proceeds of an issue of revenue bonds
29 the interest on which is not exempt from federal taxation are
30 used to finance a project, 20 percent of the tenants of the
31

1 project must have annual income under 80 percent of the state
2 or county median income, whichever is higher.

3 Section 16. Section 420.5091, Florida Statutes, is
4 amended to read:

5 420.5091 HOPE Program.--

6 (1) The corporation ~~agency~~ may adopt rules to
7 implement the HOPE Program, created by the 1990 National
8 Affordable Housing Act, to make loans and grants, foreclose on
9 any mortgage or security interest, or commence any legal
10 action to protect the interest of the corporation ~~agency~~ and
11 recover the amount of the unpaid principal, accrued interest,
12 and fees. The corporation ~~agency~~ may acquire real and
13 personal property or any interest in the property if that
14 acquisition is necessary to protect any loan; sell, transfer,
15 and convey any such property to a buyer without regard to the
16 provisions of chapters 253 and 270; and, if that sale,
17 transfer, or conveyance cannot be effected within a reasonable
18 time, lease such property for occupancy by eligible persons.
19 All sums recovered from the sale, transfer, conveyance, or
20 lease of such property shall be deposited into the HOME
21 Investment Partnership Trust ~~Trust~~ Fund.

22 (2) The corporation ~~agency~~ shall monitor all projects
23 funded under this section to ensure compliance with federal
24 and state requirements. The corporation ~~agency~~ may inspect
25 such projects or records pertaining to those projects at any
26 reasonable time.

27 Section 17. Section 420.5092, Florida Statutes, 1996
28 Supplement, is amended to read:

29 420.5092 Florida Affordable Housing Guarantee
30 Program.--

31

1 (1) There is created the Florida Affordable Housing
2 Guarantee Program for the purposes of:
3 (a) Stimulating creative private sector lending
4 activities to increase the supply and lower the cost of
5 financing or refinancing eligible housing;
6 (b) Creating security mechanisms to allow lenders to
7 sell affordable housing loans in the secondary market; and
8 (c) Encouraging affordable housing lending activities
9 that would not have taken place or that serve persons who
10 would not have been served but for the creation of this
11 program.
12 (2) As used in this section, the term:
13 (a) "Affordable housing guarantee" means an obligation
14 of the guarantee fund to guarantee the payment of an
15 obligation made to finance or refinance the purchase,
16 construction, or rehabilitation of eligible housing.
17 ~~(b) "Agency" means the Florida Housing Finance Agency.~~
18 (b)(c) "Annual debt service reserve" means the reserve
19 maintained in the guarantee fund in an amount equal to the
20 maximum reserve amount for each series of revenue bonds issued
21 to establish the guarantee fund.
22 (c) "Corporation" means the Florida Housing Finance
23 Corporation.
24 (d) "Eligible housing" means any real and personal
25 property designed and intended for the primary purpose of
26 providing decent, safe, and sanitary residential units for
27 homeownership or rental for eligible persons as determined by
28 the corporation ~~agency~~ pursuant to rule.
29 (e) "Guarantee fund" means the Affordable Housing
30 Guarantee Fund created and established with proceeds of
31 revenue bonds issued by the corporation or its predecessor

1 ~~agency~~ pursuant to this section to implement the Florida
2 Affordable Housing Guarantee Program.

3 (f) "Maximum reserve amount" means, for each series of
4 outstanding revenue bonds issued to establish the guarantee
5 fund, the largest aggregate amount of annual principal
6 installments and interest payments becoming due in any state
7 fiscal year in which the revenue bonds are outstanding.

8 (3) Amounts on deposit in the State Housing Trust Fund
9 may also be used to support the Florida Affordable Housing
10 Guarantee Program. Such use, if any, is in addition to those
11 purposes for which the State Housing Trust Fund was created,
12 and such moneys shall be obligated and committed in accordance
13 with the corporation ~~agency~~ certification provided for in
14 subsection (6).

15 (4) The corporation ~~agency~~ may, by rule, establish
16 rates and fees for the issuance of an affordable housing
17 guarantee, including contractual provisions to foster
18 reimbursement, in the event of default, to the guarantee fund
19 of payments made pursuant to an affordable housing guarantee
20 issued for eligible housing.

21 (5) Pursuant to s. 16, Art. VII of the State
22 Constitution, the corporation ~~agency~~ may issue, in accordance
23 with s. 420.509, revenue bonds of the corporation ~~agency~~ to
24 establish the guarantee fund. Such revenue bonds shall be
25 primarily payable from and secured by annual debt service
26 reserves, from interest earned on funds on deposit in the
27 guarantee fund, from fees, charges, and reimbursements
28 established by the corporation ~~agency~~ for the issuance of
29 affordable housing guarantees, and from any other revenue
30 sources received by the corporation ~~agency~~ and deposited by
31 the corporation ~~agency~~ into the guarantee fund for the

1 issuance of affordable housing guarantees. To the extent such
2 primary revenue sources are considered insufficient by the
3 corporation ~~agency~~, pursuant to the certification provided in
4 subsection (6), to fully fund the annual debt service reserve,
5 the certified deficiency in such reserve shall be additionally
6 payable from the first proceeds of the documentary stamp tax
7 moneys deposited into the State Housing Trust Fund pursuant to
8 s. 201.15(6)(a) and s. 201.15(7)(a) during the ensuing state
9 fiscal year.

10 (6)(a) If the primary revenue sources to be used for
11 repayment of revenue bonds used to establish the guarantee
12 fund are insufficient for such repayment, the annual principal
13 and interest due on each series of revenue bonds shall be
14 payable from funds in the annual debt service reserve. The
15 corporation ~~agency~~ shall, before June 1 of each year, perform
16 a financial audit to determine whether at the end of the state
17 fiscal year there will be on deposit in the guarantee fund an
18 annual debt service reserve from interest earned pursuant to
19 the investment of the guarantee fund, fees, charges, and
20 reimbursements received from issued affordable housing
21 guarantees and other revenue sources available to the
22 corporation ~~agency~~. Based upon the findings in such guarantee
23 fund financial audit, the corporation ~~agency~~ shall certify to
24 the Comptroller the amount of any projected deficiency in the
25 annual debt service reserve for any series of outstanding
26 bonds as of the end of the state fiscal year and the amount
27 necessary to maintain such annual debt service reserve. Upon
28 receipt of such certification, the Comptroller shall transfer
29 to the annual debt service reserve, from the first available
30 taxes distributed to the State Housing Trust Fund pursuant to
31 s. 201.15(6)(a) and s. 201.15(7)(a) during the ensuing state

1 fiscal year, the amount certified as necessary to maintain the
2 annual debt service reserve.

3 (b) If the claims payment obligations under affordable
4 housing guarantees from amounts on deposit in the guarantee
5 fund would cause the claims paying rating assigned to the
6 guarantee fund to be less than the third-highest ~~third highest~~
7 rating classification of any nationally recognized rating
8 service, which classifications being consistent with s.
9 215.84(3) and rules adopted thereto by the State Board of
10 Administration, the corporation ~~agency~~ shall certify to the
11 Comptroller the amount of such claims payment obligations.
12 Upon receipt of such certification, the Comptroller shall
13 transfer to the guarantee fund, from the first available taxes
14 distributed to the State Housing Trust Fund pursuant to s.
15 201.15(6)(a) and s. 201.15(7)(a) during the ensuing state
16 fiscal year, the amount certified as necessary to meet such
17 obligations, such transfer to be subordinate to any transfer
18 referenced in paragraph (a) and not to exceed 50 percent of
19 the amounts distributed to the State Housing Trust Fund
20 pursuant to s. 201.15(6)(a) and s. 201.15(7)(a) during the
21 preceding state fiscal year.

22 (7) Funds on deposit in the guarantee fund shall be
23 used as the primary resource to support the performance by the
24 corporation ~~agency~~ of its obligation under an affordable
25 housing guarantee issued by the corporation ~~agency~~ as
26 determined by rule.

27 (8) Before establishing the fees, charges, and other
28 obligations and conditions for the issuance of an affordable
29 housing guarantee and defining housing eligible to obtain a
30 guarantee, the corporation ~~agency~~ must perform an affordable
31 housing guarantee feasibility study. Such study must

1 determine the eligible housing for which a guarantee is
2 required for the investment of private capital, the
3 anticipated risk of default for classifications of eligible
4 housing, and the level of fees, charges, and reimbursement
5 conditions necessary to establish a financially sound
6 affordable housing guarantee program that exposes funds
7 deposited into the guarantee fund to a reasonable or
8 acceptable level of risk. Revenue bonds may not be issued to
9 create and establish a guarantee fund until the completion of
10 an initial financial feasibility study.

11 (9) This section does not preclude the use of the
12 remaining funds in the State Housing Trust Fund.

13 (10) Revenue bonds may not be issued to establish and
14 create a guarantee fund until validated pursuant to the
15 provisions of chapter 75.

16 (11) The maximum total amount of revenue bonds that
17 may be issued by the corporation ~~agency~~ pursuant to subsection
18 (5) is \$200 million.

19 Section 18. Section 420.5099, Florida Statutes, is
20 amended to read:

21 420.5099 Allocation of the low-income housing tax
22 credit.--

23 (1) The Florida Housing Finance Corporation ~~Agency~~ is
24 designated the housing credit agency for the state within the
25 meaning of s. 42(h)(7)(A) of the Internal Revenue Code of 1986
26 and shall have the responsibility and authority to establish
27 procedures necessary for proper allocation and distribution of
28 low-income housing tax credits and shall exercise all powers
29 necessary to administer the allocation of such credits.

30 (2) The corporation ~~agency~~ shall adopt allocation
31 procedures that will ensure the maximum use of available tax

1 credits in order to encourage development of low-income
2 housing in the state, taking into consideration the timeliness
3 of the application, the location of the proposed housing
4 project, the relative need in the area for low-income housing
5 and the availability of such housing, the economic feasibility
6 of the project, and the ability of the applicant to proceed to
7 completion of the project in the calendar year for which the
8 credit is sought.

9 (3) The corporation agency may request such
10 information from applicants as will enable it to make the
11 allocations according to the guidelines set forth in
12 subsection (2), including, but not limited to, the information
13 required to be provided the corporation agency by chapter
14 9I-21 ~~chapter 91-21~~, Florida Administrative Code.

15 (4) The executive director of the corporation agency
16 shall administer the allocation procedures and determine
17 allocations on behalf of the corporation agency. Any
18 applicant disputing the amount of an allocation or the denial
19 of a request for an allocation may request an appeal to the
20 governing board of directors of the corporation agency.

21 (5) For purposes of implementing this program in
22 Florida and in considering ad valorem assessment of affordable
23 housing projects, neither the tax credits, nor the value of
24 the equity generated by tax credits allocated to or invested
25 in low-income housing tax credit developments, shall be
26 considered as income to the property, and the rental income
27 from rent restricted units in a low-income tax credit
28 development shall be valued given due consideration to all
29 limitations imposed by federal, state, and local law or any
30 other limitation running with the land ~~the actual rents~~
31 charged.

1 (6) The corporation ~~agency~~ is authorized to expend
2 fees received in conjunction with the allocation of low-income
3 housing tax credits only for the purpose of administration of
4 the program, including private legal services which relate to
5 interpretation of s. 42 of the Internal Revenue Code of 1986,
6 as amended.

7 Section 19. Section 420.51, Florida Statutes, is
8 amended to read:

9 420.51 State and local government not liable on bonds
10 or notes.--The bonds of the corporation ~~agency~~ shall not be a
11 debt of the state or of any local government, and neither the
12 state nor any local government shall be liable thereon. The
13 corporation ~~agency~~ shall not have the power to pledge the
14 credit, the revenues, or the taxing power of the state or of
15 any local government; and neither the credit, the revenues,
16 nor the taxing power of the state or of any local government
17 shall be, or shall be deemed to be, pledged to the payment of
18 any bonds of the corporation ~~agency~~.

19 Section 20. Section 420.511, Florida Statutes, is
20 amended to read:

21 420.511 Strategic plan;annual report.--

22 (1) The corporation shall develop a strategic plan for
23 the provision of affordable housing for the state. The plan
24 must contain the following specific performance measures:

25 (a) The ratio of program resources administered per
26 employee.

27 (b) The ratio of operating budget to total dollars
28 administered.

29 (c) The number of housing units produced annually by
30 the corporation must place the corporation above the 50th
31 percentile in relation to all other similar state housing

1 finance entities for which information is available, after
2 adjustment for population.
3 (d) The corporation's cost of producing housing units.
4 (e) The percentage leveraging of the corporation's
5 total assets.
6 (f) The creation of new jobs as a result of affordable
7 housing activity generated by the corporation's programs.
8 (g) The creation of economic activity as a result of
9 affordable housing activity generated by the corporation's
10 programs.
11 (h) The creation of affordable housing for target
12 populations.
13 (2) The plan and annual updates thereof must be
14 submitted to the President of the Senate, the Speaker of the
15 House of Representatives, and the Governor by January 1 of
16 each year and must be coordinated and submitted with the
17 department's plan.
18 (3) The corporation ~~agency~~ shall submit to the
19 Governor and the presiding officers of each house of the
20 Legislature, within 6 months after the end of its fiscal year,
21 a complete and detailed report setting forth:
22 (a)~~(1)~~ Its operations and accomplishments;
23 (b)~~(2)~~ Its receipts and expenditures during the fiscal
24 year in accordance with the categories or classifications
25 established by the corporation ~~agency~~ for its operating and
26 capital outlay purposes;
27 (c)~~(3)~~ Its assets and liabilities at the end of its
28 fiscal year and the status of reserve, special, or other
29 funds;
30 (d)~~(4)~~ A schedule of its bonds outstanding at the end
31 of its fiscal year, together with a statement of the principal

1 amounts of bonds issued and redeemed during the fiscal year;
2 and
3 ~~(e)(5)~~ Information relating to the corporation's
4 ~~agency's~~ activities in implementing the provisions of ss.
5 420.5087 and 420.5088. The report required by this subsection
6 shall include, but not be limited to:

7 1.(a) The number of people served, delineated by
8 income, age, family size, and racial characteristics.

9 2.(b) The number of units produced under each program.

10 3.(c) The average cost of producing units under each
11 program.

12 4.(d) The average sales price of single-family units
13 financed under s. 420.5088.

14 5.(e) The amount of rent charged based on unit size on
15 units financed under s. 420.5087.

16 6.(f) The number of persons in rural communities
17 served under each program.

18 7.(g) The number of farmworkers served under each
19 program.

20 8.(h) The number of elderly persons served under each
21 program.

22 9.(i) The extent to which geographic distribution has
23 been achieved in accordance with the provisions of s.
24 420.5087.

25 10.(j) Any other information the corporation ~~agency~~
26 deems appropriate.

27 Section 21. Section 420.512, Florida Statutes, is
28 amended to read:

29 420.512 Conflicts of interest.--

30 (1) If any member, officer, or employee of the
31 corporation ~~agency~~ shall have an interest, either direct or

1 indirect, in any contract to which the corporation ~~agency~~ is,
2 or is to be, a party or in any sponsor or in any lending
3 institution requesting a loan from, or offering to sell
4 mortgage loans or obligations to, the corporation ~~agency~~, such
5 interest shall be disclosed to the corporation ~~agency~~ in
6 writing and shall be set forth in the minutes of the
7 corporation ~~agency~~. The member, officer, or employee having
8 such interest shall not participate in any action by the
9 corporation ~~agency~~ with respect to the contract, sponsor, or
10 lending institution.

11 (2) Nothing in this section shall be deemed or
12 construed to limit the right of any member, officer, or
13 employee of the corporation ~~agency~~ to acquire an interest in
14 bonds of the corporation ~~agency~~ or have an interest in any
15 banking institution in which the bonds of the corporation
16 ~~agency~~ are, or are to be, deposited or which is, or is to be,
17 acting as trustee or paying agent under any bond resolution,
18 trust indenture, or similar instrument to which the
19 corporation ~~agency~~ is a party.

20 (3) A member, officer, or covered employee of the
21 corporation shall not participate in any political fundraising
22 activities other than for purposes of the corporation's
23 programs through solicitation of contributions from service
24 providers, underwriters on the corporation's approved managing
25 underwriters' list, or their agents, including underwriters'
26 counsel, officers, principals, and professional employees of
27 underwriters on the corporation's approved managing
28 underwriters' list.

29 (4) A member, officer, or covered employee of the
30 corporation shall not be an applicant in any program
31 administered by the corporation that is competitively bid or

1 selected. A member, officer, or covered employee shall not
2 have a financial interest in, and shall not be a member of a
3 board or an officer or an employee of, an applicant in any
4 program administered by the corporation which is competitively
5 bid or selected.

6 (5) Service providers shall comply with the following
7 standards of conduct as a condition of eligibility to be
8 considered or retained to provide services. For purposes of
9 this section only, the term "service provider" means and is
10 limited to a law firm, an investment bank, or a credit
11 underwriter, and the agents, officers, principals, and
12 professional employees of the service provider.

13 (a) A service provider may not make contributions in
14 any amounts, directly or indirectly, for or on behalf of
15 candidates for Governor, nor shall any service provider make a
16 contribution in excess of \$100 to any candidate for a member
17 of the State Board of Administration other than the Governor
18 in Florida while the service provider is included in an
19 applicant pool from which service providers are selected to
20 provide services to the corporation, while the service
21 provider provides services to the corporation, and for the
22 longer of a period of 2 years thereafter or for a period
23 through the next general election for Governor.

24 (b) The service provider shall not participate in
25 fundraising activities for or on behalf of candidates for
26 Governor in Florida while the service provider is included in
27 an applicant pool from which service providers are selected to
28 provide services to the corporation, while the service
29 provider provides services to the corporation, and for the
30 longer of a period of 2 years thereafter or for a period
31 through the next general election for Governor.

1 (c) Service providers shall provide to the corporation
2 a statement that the service provider has not contributed to
3 candidates for Governor or contributed in excess of the
4 amounts allowed by this section for a Cabinet position or
5 engaged in fundraising activities for or on behalf of
6 candidates for Governor in Florida since the effective date of
7 this section or during the 24 months preceding the service
8 providers' application to provide services to the corporation,
9 whichever period is shorter.

10 (d) The service provider may not engage in prohibited
11 business solicitation communications with officers, members,
12 or covered employees of the corporation.

13 (e) If a service provider is in doubt as to whether
14 its activities, or the activities of its principals, agents,
15 or employees, violate the provisions of this section, it may
16 request a declaratory statement in accordance with the
17 applicable rule and s. 120.565.

18 (f) If the corporation determines that a service
19 provider has failed to meet the provisions of this section, it
20 shall consider the magnitude of the violation and whether
21 there has been a pattern of violations in determining whether
22 to terminate or decline to enter into contracts with the
23 service provider.

24 (6) Each solicitation for a service provider to
25 provide services shall require the service provider to
26 formally acknowledge the conditions in s. 420.512(5) and to
27 agree, if selected, to abide by the conditions. When
28 appropriate, the acknowledgment must include a statement that
29 the service provider is currently in compliance with the
30 conditions.

31

1 (7) Each contract or other form of agreement to retain
2 a service provider to provide services must incorporate the
3 conditions in s. 420.512(5) and a provision allowing
4 unilateral cancellation by the corporation for refusal of the
5 service provider to comply with the terms of eligibility.

6 ~~(3) Under no circumstances shall a financial adviser~~
7 ~~to the Florida Housing Finance Agency serve as an underwriter~~
8 ~~for the agency's bonds within 2 years of having been its~~
9 ~~financial adviser.~~

10 Section 22. Section 420.513, Florida Statutes, is
11 amended to read:

12 420.513 Exemption from taxes and eligibility as
13 investment.--

14 (1) The property of the corporation agency, the
15 transactions and operations thereof, ~~and~~ the income therefrom,
16 and the bonds of the corporation issued under this act,
17 together with all notes, mortgages, security agreements,
18 letters of credit, or other instruments that arise out of or
19 are given to secure the repayment of bonds issued in
20 connection with the financing of any housing development under
21 this part, as well as the interest thereon and income
22 therefrom, shall be exempt from taxation by the state and its
23 political subdivisions. The exemption granted by this
24 subsection shall not apply to any tax imposed by chapter 220
25 on interest, income, or profits on debt obligations owned by
26 corporations.

27 (2) All bonds of the corporation agency shall be and
28 constitute legal investments without limitation for all public
29 bodies of this state; for all banks, trust companies, savings
30 banks, savings associations, savings and loan associations,
31 and investment companies; for all administrators, executors,

1 trustees, and other fiduciaries; for all insurance companies
2 and associations and other persons carrying on an insurance
3 business; and for all other persons whatsoever who are now or
4 may hereafter be authorized to invest in bonds or other
5 obligations of the state and shall be and constitute eligible
6 securities to be deposited as collateral for the security of
7 any state, county, municipal, or other public funds. This
8 subsection shall be considered as additional and supplemental
9 authority and shall not be limited without specific reference
10 hereto.

11 Section 23. Section 420.514, Florida Statutes, is
12 amended to read:

13 420.514 Corporate existence.--The corporation ~~agency~~
14 and its corporate existence shall continue until terminated by
15 law, provided that no such law shall take effect so long as
16 the corporation ~~agency~~ shall have bonds outstanding, unless
17 adequate provision has been made for the payment thereof.
18 Upon termination of the existence of the corporation ~~agency~~,
19 all its rights and properties in excess of its obligations
20 shall pass to and be vested in the state.

21 Section 24. Section 420.517, Florida Statutes, is
22 created to read:

23 420.517 Affordable housing and job training
24 coordination.--The Florida Housing Finance Corporation shall
25 undertake efforts to provide incentives to developers to build
26 housing that encourages on-site job-skills training to enable
27 low-income residents to obtain and maintain meaningful
28 employment. To the extent possible, the corporation shall
29 direct all recipients of state housing funds, including
30 municipalities, to work in cooperation with local and regional
31 Job Training Partnerships Boards to provide training to

1 residents and others who may be making the transition from
2 welfare to the workforce. The corporation shall provide
3 incentives through housing policy and program guidelines to
4 prioritize those developments that encourage workforce
5 training and skills development.

6 Section 25. Section 420.525, Florida Statutes, is
7 amended to read:

8 420.525 Housing Predevelopment ~~Trust~~ Fund.--

9 (1) There is authorized to be established by the
10 corporation with a qualified public depository meeting the
11 requirements of chapter 280 in the State Treasury a separate
12 trust fund to be named the "Housing Predevelopment ~~Trust~~ Fund"
13 which shall be administered by the corporation ~~agency~~
14 according to the provisions of ss. 420.521-420.529. Any
15 amounts held in the Housing Predevelopment Trust Fund for such
16 purposes as of January 1, 1998, must be transferred to the
17 corporation for deposit in the Housing Predevelopment Fund,
18 whereupon the Housing Predevelopment Trust Fund must be
19 closed. There shall be deposited into the fund all moneys
20 appropriated by the Legislature, or moneys received from any
21 other source, for the purpose of ss. 420.521-420.529 and all
22 proceeds derived from the use of such moneys. Administrative
23 and personnel costs incurred in implementing the provisions of
24 ss. 420.521-420.529 may be paid from the fund. ~~If a loan~~
25 ~~commitment for program funds is entered into during the state~~
26 ~~fiscal year for which the program funds were appropriated, the~~
27 ~~funds shall continue to be made available for use during the~~
28 ~~entire predevelopment period, even if it extends beyond the~~
29 ~~fiscal year in which the loan commitment was entered. The~~
30 ~~budget amendment process created in s. 216.181 shall be used~~
31 ~~to make funds available throughout the predevelopment period.~~

1 (2) All unencumbered funds, loan repayments, proceeds
2 from the sale of any property, existing funds remaining in the
3 following programs, and any other proceeds that would
4 otherwise accrue pursuant to the activities conducted under
5 this program and the provisions of the following programs
6 shall be deposited in the fund and shall not revert to the
7 General Revenue Fund:

8 (a) The Rural Housing Land Acquisition and Site
9 Development Act;

10 (b) The Farmworker Housing Assistance Act; and

11 (c) The Community-Based Organization Loan Program
12 created by the Florida Affordable Housing Act of 1986.

13 Section 26. Section 420.526, Florida Statutes, is
14 amended to read:

15 420.526 Predevelopment Loan Program; loans and grants
16 authorized; activities eligible for support.--

17 (1) The corporation ~~agency~~ is authorized to underwrite
18 and make loans and grants from the Housing Predevelopment
19 ~~Trust~~ Fund to eligible sponsors when it determines that:

20 (a) A need for housing for the target population
21 exists in the area described in the application; and

22 (b) Federal, state, or local public funds or private
23 funds are available or likely to be available to aid in the
24 site acquisition, site development, construction,
25 rehabilitation, maintenance, or support of the housing
26 proposed in the application.

27 (2) The corporation ~~agency~~ shall not award a grant or
28 loan to a sponsor that is unable to demonstrate the ability to
29 proceed as verified by a qualified development team.

30 (3) The corporation ~~agency~~ shall establish rules for
31 the equitable distribution of the funds in a manner that meets

1 the need and demand for housing for the target population.

2 However, during the first 6 months of fund availability, at
3 least 40 percent of the total funds made available under this
4 program shall be reserved for sponsors of farmworker housing.

5 (4) The activities of sponsors which are eligible for
6 housing predevelopment loans shall include, but not be limited
7 to:

8 (a) Site acquisition.

9 (b) Site development.

10 (c) Fees for requisite services from architects,
11 engineers, surveyors, attorneys, and other professionals.

12 (d) Marketing expenses relating to advertisement.

13 (5) The activities of sponsors which are eligible for
14 housing predevelopment grants shall include, but not be
15 limited to:

16 (a) Administrative expenses.

17 (b) Market and feasibility studies.

18 (c) Consulting fees.

19 (6) Any funds paid out of the Housing Predevelopment
20 Trust Fund for activities under ss. 420.521-420.529 which are
21 reimbursed to the sponsor from another source shall be repaid
22 to the fund.

23 (7) Sponsors receiving loans for professional fees may
24 receive forgiveness of such loans if it is determined that the
25 proposed project would not be feasible for housing for the
26 target population.

27 (8) Terms and conditions of housing predevelopment
28 loan agreements shall be established by rule and shall
29 include:

30 (a) Provision for interest, which shall be set at 3
31 percent per year.

1 (b) Provision of a schedule for the repayment of
2 principal and interest for a term not to exceed 3 years or
3 initiation of permanent financing, whichever event occurs
4 first. However, the corporation ~~agency~~ may extend the term of
5 a loan for an additional period not to exceed 1 year if
6 extraordinary circumstances exist and if such extension would
7 not jeopardize the corporation's ~~agency's~~ security interest.

8 (c) Provision of reasonable security for the housing
9 predevelopment loan to ensure the repayment of the principal
10 and any interest accrued within the term specified.

11 Reasonable security shall be a promissory note secured by a
12 mortgage from the sponsor on the property to be purchased,
13 improved, or purchased and improved with the proceeds of the
14 housing predevelopment loan or other collateral acceptable to
15 the corporation ~~agency~~.

16 (d) Provisions to ensure that the land acquired will
17 be used for the development of housing and related services
18 for the target population.

19 (e) Provisions to ensure, to the extent possible, that
20 any accrued savings in cost due to the availability of these
21 funds will be passed on to the target population in the form
22 of lower land prices. The corporation ~~agency~~ shall ensure
23 that such savings in land prices shall be passed on in the
24 form of lower prices or rents for dwellings constructed on
25 such land.

26 (f) Provisions to ensure that any land acquired
27 through assistance under ss. 420.521-420.529 for housing for
28 the target population shall not be disposed of or alienated in
29 a manner that violates Title VII of the 1968 Civil Rights Act,
30 which specifically prohibits discrimination based on race,
31

1 sex, color, religion, or national origin or that violates
2 other applicable federal or state laws.

3 (9) No predevelopment loan made under this section
4 shall exceed the lesser of:

5 (a) The development and acquisition costs for the
6 project, as determined by rule of the corporation ~~agency~~; or

7 (b) Five hundred thousand dollars.

8 (10) Any real property or any portion thereof
9 purchased or developed under ss. 420.521-420.529 may be
10 disposed of by the eligible sponsor upon the terms and
11 conditions established by rule of the corporation ~~agency~~ and
12 consistent with ss. 420.521-420.529, at a price not to exceed
13 the actual prorated land costs, development costs, accrued
14 taxes, and interest.

15 Section 27. Section 420.527, Florida Statutes, is
16 amended to read:

17 420.527 Application procedure.--

18 (1) Applications shall be submitted to the corporation
19 ~~agency~~ in a form that ~~which~~ it establishes by rule.

20 (2) Applications that ~~which~~ propose linkage of
21 predevelopment funds with other financing offered through the
22 corporation ~~agency~~ shall receive preference in funding.

23 (3) The corporation ~~agency~~ shall publish a notice of
24 fund availability in a publication of general circulation
25 throughout the state. Such notice shall be published at least
26 60 days before the application deadline.

27 (4) By rule, the corporation ~~agency~~ shall establish a
28 review committee composed of representatives of the
29 corporation ~~department and of the agency~~ and a scoring system
30 for evaluating and ranking applications. The corporation
31 ~~agency~~ board shall make the final ranking and shall decide

1 which applicants become program participants based on the
2 scores received in the ranking, further review of
3 applications, and the recommendations of the review committee.
4 The corporation ~~agency~~ board shall approve or reject
5 applications for loans and grants and shall determine the
6 tentative loan or grant amount available to each program
7 participant. The actual loan or grant amount shall be
8 determined pursuant to rule specifying credit underwriting
9 procedures.

10 (5) The criteria to be used to score applications
11 shall include, but are not limited to, the following:

12 (a) Income target objectives of the corporation
13 ~~agency~~.

14 (b) Sponsor's agreement to reserve more than the
15 minimum number of units for low-income households and
16 very-low-income households.

17 (c) Projects requiring the least amount of
18 predevelopment funds compared to total predevelopment costs.

19 (d) Sponsor's prior experience.

20 (e) Commitments of other financing.

21 (f) Sponsor's ability to proceed.

22 (g) Project's consistency with the local government
23 comprehensive plan.

24 Section 28. Section 420.528, Florida Statutes, is
25 amended to read:

26 420.528 Rules; annual reports.--

27 (1) The corporation ~~agency~~ may adopt rules necessary
28 to implement ss. 420.521-420.529 and to further specify the
29 purposes for which loan and grant funds may be expended, the
30 required content of applications, the procedure for evaluating
31 and competitively ranking all applications, and reporting

1 requirements for sponsors awarded funds under ss.
2 420.521-420.529.

3 (2) The corporation ~~agency~~ shall submit, within the
4 annual report required by s. 420.511, a summary of loans and
5 grants made, loan and grant recipients, loan commitments
6 received by sponsors, persons or families housed, projects
7 initiated and completed, and the balance on all loans
8 outstanding at the end of each fiscal year.

9 Section 29. Section 420.529, Florida Statutes, is
10 amended to read:

11 420.529 Default by sponsor.--If a default on a loan
12 occurs, the corporation ~~agency~~ may foreclose on any mortgage
13 or security interest or commence any legal action to protect
14 the interest of the corporation ~~agency~~ or the fund and recover
15 the amount of the unpaid principal, accrued interest, and fees
16 on behalf of the fund. The corporation ~~agency~~ may also
17 acquire real and personal property or any interest in the
18 property if such acquisition is necessary or appropriate to
19 protect any loan; to sell, transfer, and convey any such
20 property to a buyer without regard to the provisions of
21 chapters 253 and 270; and, if such sale, transfer, or
22 conveyance cannot be effected within a reasonable time, to
23 lease such property for occupancy by eligible persons. All
24 sums recovered from the sale, transfer, conveyance, or lease
25 of such property shall be deposited into the Housing
26 Predevelopment ~~Trust~~ Fund.

27 Section 30. Subsection (4) of section 420.602, Florida
28 Statutes, is repealed, present subsection (5) is redesignated
29 as subsection (4) of that section, and new subsection (5) is
30 added to that section, to read:

31

1 420.602 Definitions.--As used in this part, the
2 following terms shall have the following meanings, unless the
3 context otherwise requires:

4 ~~(4) "Agency" means the Florida Housing Finance Agency~~
5 ~~as created in s. 420.504(1).~~

6 (5) "Corporation" means the Florida Housing Finance
7 Corporation as created in s. 420.504.

8 Section 31. Section 420.606, Florida Statutes, is
9 amended to read:

10 420.606 Training and technical assistance program.--

11 (1) LEGISLATIVE FINDINGS.--In addition to the
12 legislative findings set forth in s. 420.6015, the Legislature
13 finds and declares that:

14 (a) Housing in economically declining or distressed
15 areas is frequently substandard and is often unaffordable to
16 very-low-income persons and low-income persons;

17 (b) Community-based organizations often have limited
18 experience in development of quality housing for
19 very-low-income persons and low-income persons in economically
20 declining or distressed areas; and

21 (c) The staffs and board members of community-based
22 organizations need additional training in housing development
23 as well as technical support to assist them in gaining the
24 experience they need to better serve their communities.

25 (d) The staffs of state agencies and local
26 governments, whether directly involved in the production of
27 affordable housing or acting in a supportive role, can better
28 serve the goals of state and local governments if their
29 expertise in housing development is expanded.

30 (2) PURPOSE.--The purpose of this section is to
31 provide community-based organizations and staff of state and

1 local governments with the necessary training and technical
2 assistance to meet the needs of very-low-income persons,
3 low-income persons, and moderate-income persons for standard,
4 affordable housing.

5 (3) TRAINING AND TECHNICAL ASSISTANCE PROGRAM.--The
6 Department of Community Affairs shall be responsible for
7 securing the necessary expertise to provide training and
8 technical assistance to staff of local governments, to staff
9 of state agencies, as appropriate, and to community-based
10 organizations, and to persons forming such organizations,
11 which are formed for the purpose of developing new housing and
12 rehabilitating existing housing which is affordable for
13 very-low-income persons, low-income persons, and
14 moderate-income persons. To the maximum extent feasible, the
15 entity to provide the necessary expertise must be recognized
16 by the Internal Revenue Service as a nonprofit tax-exempt
17 organization. It must have as its primary mission the
18 provision of affordable housing training and technical
19 assistance; an ability to provide training and technical
20 assistance statewide; and a proven track record of
21 successfully providing training and technical assistance under
22 the Affordable Housing Catalyst Program.

23 (a) The training component of the program shall be
24 designed to build the housing development capacity of
25 community-based organizations and local governments as a
26 permanent resource for the benefit of communities in this
27 state.

28 1. The scope of training shall include, but not be
29 limited to real estate development skills related to
30 affordable housing, including the construction process and
31 property management and disposition, the development of

1 public-private partnerships to reduce housing costs, model
2 housing projects, and management and board responsibilities of
3 community-based organizations.

4 2. Training activities may include, but are not
5 limited to, materials for self-instruction, workshops,
6 seminars, internships, coursework, and special programs
7 developed in conjunction with state universities and community
8 colleges.

9 (b) The technical assistance component of the program
10 shall be designed to assist applicants for state-administered
11 programs in developing applications and in expediting project
12 implementation. Technical assistance activities for the
13 staffs of community-based organizations and local governments
14 who are directly involved in the production of affordable
15 housing may include, but are not limited to, workshops for
16 program applicants, onsite visits, guidance in achieving
17 project completion, and a newsletter to community-based
18 organizations and local governments.

19 ~~(c)(4) TECHNICAL SUPPORT FOR THE HOME, HOPE, AND STATE~~
20 ~~HOUSING INITIATIVES PARTNERSHIP PROGRAMS.~~--The department
21 shall establish a program known as the Affordable Housing
22 Catalyst Program to be responsible for securing the necessary
23 expertise as provided in this section for providing
24 specialized technical support to local governments to
25 implement the HOME Partnership Program, ~~the HOPE Program, and~~
26 ~~the~~ State Housing Initiatives Partnership Program, and other
27 affordable housing programs. The technical support shall, at
28 a minimum, provide training relating to the following key
29 elements of the partnership programs:

30
31

1 1.(a) The formation of local and regional housing
2 partnerships as a means of bringing together resources to
3 provide affordable housing.

4 2.(b) The implementation of regulatory reforms to
5 reduce the risk and cost of developing affordable housing.

6 3.(c) The implementation of affordable housing
7 programs included in local government comprehensive plans.

8 4.(d) The compliance with requirements of federally
9 funded housing programs.

10 (4)~~(5)~~ POWERS.--The Department of Community Affairs
11 may do all things necessary or appropriate to carry out the
12 purposes of this section, including exercising the power to:

13 (a) Enter into contracts and agreements with the
14 Federal Government or with other agencies of the state, with
15 local governments, or with any other person, association,
16 corporation, or entity;

17 (b) Seek and accept funding from any public or private
18 source; and

19 (c) Adopt and enforce rules consistent with this
20 section.

21 Section 32. Section 420.9071, Florida Statutes, 1996
22 Supplement, is amended to read:

23 420.9071 Definitions.--As used in ss.
24 420.907-420.9079, the term:

25 (1) "Adjusted for family size" means adjusted in a
26 manner that ~~which~~ results in an income eligibility level that
27 is lower for households having fewer than four people, or
28 higher for households having more than four people, than the
29 base income eligibility determined as provided in subsection
30 (19), subsection (20), or subsection (28)~~(25)~~, based upon a
31

1 formula established by the United States Department of Housing
2 and Urban Development.

3 ~~(2) "Adjusted gross income" means wages, income from~~
4 ~~assets, regular cash or noncash contributions, and any other~~
5 ~~resources and benefits determined to be income by the United~~
6 ~~States Department of Housing and Urban Development, adjusted~~
7 ~~for family size, minus the deductions allowable under s. 61 of~~
8 ~~the Internal Revenue Code of 1986, as amended.~~

9 (2)(3) "Affordable" means that monthly rents or
10 monthly mortgage payments including taxes and insurance do not
11 exceed 30 percent of that amount which represents the
12 percentage of the median ~~adjusted gross~~ annual gross income
13 for the households as indicated in subsection (19), subsection
14 (20), or subsection (28)~~(25)~~. However, it is not the intent
15 to limit an individual household's ~~individual's~~ ability to
16 devote more than 30 percent of its ~~his~~ income for housing, and
17 housing for which a household devotes more than 30 percent of
18 its income shall be deemed affordable if the first
19 institutional mortgage lender is satisfied that the household
20 can afford mortgage payments in excess of the 30 percent
21 benchmark.

22 (3)(4) "Affordable housing advisory committee" means
23 the committee appointed by the governing body of a county or
24 eligible municipality for the purpose of recommending specific
25 initiatives and incentives to encourage or facilitate
26 affordable housing as provided in s. 420.9076.

27 ~~(5) "Agency" means the Florida Housing Finance Agency~~
28 ~~created under part V of this chapter.~~

29 (4) "Annual gross income" means annual income as
30 defined under the Section 8 housing assistance payments
31 programs in 24 C.F.R. part 813; annual income as reported

1 under the census long-form for the recent available decennial
2 census; or adjusted gross income as defined for purposes of
3 reporting under Internal Revenue Service Form 1040 for
4 individual federal annual income tax purposes. Counties and
5 eligible municipalities shall calculate income by projecting
6 the prevailing annual rate of income for all adults in the
7 household as the amount of income to be received in a
8 household during the 12 months following the effective date of
9 the determination.

10 (5)(6) "Award" means a loan, grant, or subsidy funded
11 wholly or partially by the local housing assistance trust fund
12 distribution.

13 (6)(7) "Community-based organization" means a
14 nonprofit organization that has among its purposes the
15 provision of affordable housing to persons who have special
16 needs or have very low income, low income, or moderate income
17 within a designated area, which may include a municipality, a
18 county, or more than one municipality or county, and
19 maintains, through a minimum of one-third representation on
20 the organization's governing board, accountability to housing
21 program beneficiaries and residents of the designated area. A
22 community housing development organization established
23 pursuant to 24 C.F.R. part 92.2 and a community development
24 corporation created pursuant to chapter 290 are examples of
25 community-based organizations.

26 (7) "Corporation" means the Florida Housing Finance
27 Corporation.

28 ~~(8)~~ "~~Department~~" ~~means the Department of Community~~
29 ~~Affairs.~~

30 (8)(9) "Eligible housing" means any real and personal
31 property located within the county or the eligible

1 municipality which is designed and intended for the primary
2 purpose of providing decent, safe, and sanitary residential
3 units that are designed to meet the standards of chapter 553
4 for home ownerships ~~homeownership~~ or rental for eligible
5 persons as designated by each county or eligible municipality
6 participating in the State Housing Initiatives Program ~~local~~
7 ~~housing assistance program~~.

8 ~~(9)(10)~~ "Eligible municipality" means a municipality
9 that is eligible for federal community development block grant
10 entitlement moneys as an entitlement community identified in
11 24 C.F.R. s. 570, subpart D, Entitlement Grants, or a
12 nonentitlement municipality that is receiving local housing
13 distribution funds under an interlocal agreement that provides
14 for possession and administrative control of funds to be
15 transferred to the nonentitlement municipality. An eligible
16 municipality that defers its participation in community
17 development block grants does not affect its eligibility for
18 participation in the State Housing Initiatives Partnership
19 Program.

20 ~~(10)(11)~~ "Eligible person" or "eligible household"
21 means one or more natural persons or a family determined by
22 the county or eligible municipality to be of very low income,
23 low income, or moderate income according to the income limits
24 adjusted to family size published annually by the United
25 States Department of Housing and Urban Development based upon
26 the annual adjusted gross income of the household resident
27 ~~with adjustment made for family size~~.

28 ~~(11)(12)~~ "Eligible sponsor" means a person or a
29 private or public for-profit or not-for-profit entity that
30 applies for an award under the local housing assistance plan
31

1 program for the purpose of providing eligible housing for
2 eligible persons.

3 (12)~~(13)~~ "Grant" means an award from the local housing
4 assistance trust fund ~~a distribution of a portion of a local~~
5 ~~housing distribution~~ to an eligible sponsor or eligible person
6 to partially assist in the construction, rehabilitation, or
7 financing of eligible housing or to provide the cost of tenant
8 or ownership qualifications without requirement for repayment
9 as long as the condition of award is maintained.

10 (13)~~(14)~~ "Loan" means an award from the local housing
11 assistance trust fund ~~a pledge of the local housing~~
12 ~~distribution moneys~~ to an eligible sponsor or eligible person
13 to partially finance the acquisition, construction, or
14 rehabilitation of eligible housing with requirement for
15 repayment or provision for forgiveness of repayment if the
16 condition of the award is maintained.

17 (14)~~(15)~~ "Local housing assistance plan" means a
18 concise description of the local housing assistance strategies
19 and local housing strategies ~~program~~ adopted by local
20 government resolution ~~ordinance~~ with an explanation of the way
21 in which the program meets the requirements of ss.
22 420.907-420.9079 and corporation rule.

23 (15)~~(16)~~ "Local housing assistance strategies program"
24 means the housing construction, rehabilitation, repair, or ~~and~~
25 finance program implemented by a participating county or
26 eligible municipality with the local housing distribution or
27 other funds deposited into the local housing assistance trust
28 fund.

29 (16) "Local housing incentive strategies" means local
30 regulatory reform or incentive programs to encourage or
31 facilitate affordable housing production, which include at a

1 minimum, assurance that permits as defined in s. 163.3164(7)
2 and (8) for affordable housing projects are expedited to a
3 greater degree than other projects; an ongoing process for
4 review of local policies, ordinances, regulations, and plan
5 provisions that increase the cost of housing prior to their
6 adoption; and a schedule for implementing the incentive
7 strategies. Local housing incentive strategies may also
8 include other regulatory reforms, such as those enumerated in
9 s. 420.9076 and adopted by the local governing body.

10 (17) "Local housing distributions" means the proceeds
11 of the taxes collected under chapter 201 deposited into the
12 Local Government Housing Trust Fund and distributed to
13 counties and eligible municipalities participating in the
14 State Housing Initiatives Partnership Program pursuant to s.
15 420.9073.

16 (18) "Local housing partnership" means the
17 implementation of the local housing assistance plan program in
18 a manner that involves the applicable county or eligible
19 municipality ~~local government~~, lending institutions, housing
20 builders and developers, real estate professionals, advocates
21 for low-income persons, community-based housing and service
22 organizations, and providers of professional services relating
23 to affordable housing. The term includes initiatives to
24 provide support services for housing program beneficiaries
25 such as training to prepare persons for the responsibility of
26 homeownership, counseling of tenants, and the establishing of
27 support services such as day care, health care, and
28 transportation.

29 (19) "Low-income person" or "low-income household"
30 means one or more natural persons or a family, ~~not including~~
31 ~~students~~, that has a total annual ~~adjusted~~ gross household

1 income that does not exceed 80 percent of the median annual
2 ~~adjusted gross~~ income adjusted for family size for households
3 within the metropolitan statistical area, the county, or the
4 nonmetropolitan median for the state ~~or 80 percent of the~~
5 ~~median annual adjusted gross income for households within the~~
6 ~~metropolitan statistical area or, if not within a metropolitan~~
7 ~~statistical area, within the county, whichever amount is~~
8 greatest greater. With respect to rental units, the
9 low-income household's ~~person's~~ annual income at the time of
10 initial occupancy may not exceed 80 percent of the area's
11 ~~state's~~ median income adjusted for family size. While
12 occupying the rental unit, a low-income household's ~~person's~~
13 annual income may increase to an amount not to exceed 140
14 percent of 80 percent of the area's ~~state's~~ median income
15 adjusted for family size.

16 (20) "Moderate-income person" or "moderate-income
17 household" means one or more natural persons or a family, ~~not~~
18 ~~including students,~~ that has a total annual ~~adjusted~~ gross
19 household income that does not exceed ~~is less than~~ 120 percent
20 of the median annual ~~adjusted gross~~ income adjusted for family
21 size for households within the metropolitan statistical area,
22 the county, or the nonmetropolitan median for the state ~~or 120~~
23 ~~percent of the median annual adjusted gross income for~~
24 ~~households within the metropolitan statistical area or, if not~~
25 ~~within a metropolitan statistical area, within the county,~~
26 whichever is greatest greater. With respect to rental units,
27 the moderate-income household's ~~person's~~ annual income at the
28 time of initial occupancy may not exceed 120 percent of the
29 area's ~~state's~~ median income adjusted for family size. While
30 occupying the rental unit, a moderate-income household's
31 ~~person's~~ annual income may increase to an amount not to exceed

1 140 percent of 120 percent of the area's ~~state's~~ median income
2 adjusted for family size.

3 (21) "Personal property" means major appliances,
4 including a freestanding refrigerator or stove, to be
5 identified on the encumbering documents.

6 (22) "Plan amendment" means the addition or deletion
7 of a local housing assistance strategy or local housing
8 incentive strategy. Plan amendments must at all times maintain
9 consistency with program requirements and must be submitted to
10 the corporation for review pursuant to s. 420.9072(3).
11 Technical or clarifying revisions may not be considered plan
12 amendments but must be transmitted to the corporation for
13 purposes of notification.

14 (23)~~(22)~~ "Population" means the latest official state
15 estimate of population certified pursuant to s. 186.901 prior
16 to the beginning of the fiscal year.

17 (24) "Program income" means the proceeds derived from
18 interest earned on or investment of the local housing
19 distribution and other funds deposited into the local housing
20 assistance trust fund, proceeds from loan repayments, recycled
21 funds, and all other income derived from use of funds
22 deposited in the local housing assistance trust fund. It does
23 not include recaptured funds as defined in s. 420.9071(25).

24 (25) "Recaptured funds" means funds that are recouped
25 by a county or eligible municipality in accordance with the
26 recapture provisions of its local housing assistance plan
27 pursuant to s. 420.9075(4)(g) from eligible persons or
28 eligible sponsors who default on the terms of a grant award or
29 loan award.

30 (26)~~(23)~~ "Rent subsidies" means ongoing monthly rental
31 assistance. The term does not include initial assistance to

1 tenants, such as grants or loans for security and utility
2 deposits.

3 ~~(24) "Student" means a person not living with the~~
4 ~~person's parent or guardian who is eligible to be claimed by~~
5 ~~the person's parent or guardian as a dependent under the~~
6 ~~federal income tax code and who is enrolled at least half time~~
7 ~~in a secondary school, vocational-technical center, community~~
8 ~~college, or university. The term does not include a person~~
9 ~~participating in a job training program approved by the county~~
10 ~~or the eligible municipality.~~

11 (27) "Sales price" or "value" means, in the case of
12 acquisition of an existing or newly constructed unit, the
13 amount on the executed sales contract. For eligible persons
14 who are building a unit on land that they own, the sales price
15 is determined by an appraisal performed by a state-certified
16 appraiser. The appraisal must include the value of the land
17 and the improvements using the after-construction value of the
18 property and must be dated within 12 months of the date
19 construction is to commence. The sales price of any unit must
20 include the value of the land in order to qualify as eligible
21 housing as defined in subsection (8). In the case of
22 rehabilitation or emergency repair of an existing unit, sales
23 price or value means the value of the real property, as
24 determined by an appraisal performed by a state-certified
25 appraiser and dated within 12 months of the date construction
26 is to commence or the assessed value of the real property as
27 determined by the county property appraiser, plus the cost of
28 the improvements.

29 (28)(25) "Very-low-income person" or "very-low-income
30 household" means one or more natural persons or a family, not
31 including students, that has a total annual adjusted gross

1 household income that does not exceed 50 percent of the median
2 annual ~~adjusted gross~~ income adjusted for family size for
3 households within the metropolitan statistical area, the
4 county, or the nonmetropolitan median for the state ~~or 50~~
5 ~~percent of the median annual adjusted gross income for~~
6 ~~households within the metropolitan statistical area or, if not~~
7 ~~within a metropolitan statistical area, within the county,~~
8 whichever is greatest ~~greater~~. With respect to rental units,
9 the very-low-income household's ~~person's~~ annual income at the
10 time of initial occupancy may not exceed 50 percent of the
11 state's median income adjusted for family size. While
12 occupying the rental unit, a very-low-income household's
13 ~~person's~~ annual income may increase to an amount not to exceed
14 140 percent of 50 percent of the area's ~~state's~~ median income
15 adjusted for family size.

16 Section 33. Section 420.9072, Florida Statutes, is
17 amended to read:

18 420.9072 State Housing Initiatives Partnership
19 Program.--The State Housing Initiatives Partnership Program is
20 created for the purpose of providing funds to counties and
21 eligible municipalities ~~local governments~~ as an incentive for
22 the creation of local housing partnerships, to expand
23 production of and preserve affordable housing, to further the
24 housing element of the local government comprehensive plan
25 specific to affordable housing, and to increase
26 housing-related employment.

27 (1)(a) In addition to the legislative findings set
28 forth in s. 420.6015, the Legislature finds that affordable
29 housing is most effectively provided by combining available
30 public and private resources to conserve and improve existing
31 housing and provide new housing for very-low-income households

1 ~~persons~~, low-income households ~~persons~~, and moderate-income
2 households ~~persons~~. The Legislature intends to encourage
3 partnerships in order to secure the benefits of cooperation by
4 the public and private sectors and to reduce the cost of
5 housing for the target group by effectively combining all
6 available resources and cost-saving measures. The Legislature
7 further intends that local governments achieve this
8 combination of resources by encouraging active partnerships
9 between government, lenders, builders and developers, real
10 estate professionals, advocates for low-income persons, and
11 community groups to produce affordable housing and provide
12 related services. Extending the partnership concept to
13 encompass cooperative efforts among small counties as defined
14 in s. 120.52(17), and among counties and municipalities
15 ~~between local governments~~ is specifically encouraged. Local
16 governments are also intended to establish an affordable a
17 housing advisory committee to recommend monetary and
18 nonmonetary incentives for affordable housing as provided in
19 s. 420.9076.

20 (b) The Legislature further intends that the State
21 Housing Initiatives Partnership Program provide the maximum
22 flexibility to local governments to determine the use of funds
23 for housing programs while ensuring accountability for the
24 efficient use of public resources and guaranteeing that
25 benefits are provided to those in need.

26 (2)(a) To be eligible to receive funds under the
27 program, a county or eligible municipality must:

28 1. Submit to the corporation ~~agency and the department~~
29 its local housing assistance plan describing the local housing
30 assistance strategies ~~program~~ established pursuant to s.
31 420.9075; ~~and~~

1 2. Within 12 months after adopting the local housing
2 assistance plan, amend the plan to incorporate the local
3 housing incentive strategies defined in s. 420.9071(16) and
4 described in s. 420.7096; and

5 ~~3.2.~~ Within 24 ~~12~~ months after adopting ~~establishing,~~
6 ~~by ordinance,~~ the amended local housing assistance plan to
7 incorporate the local housing incentive strategies, amend its
8 land development regulations or establish local policies and
9 procedures, as necessary, to implement the local housing
10 incentive strategies adopted by the local governing body. A
11 county or an eligible municipality that has adopted a housing
12 incentive plan pursuant to s. 420.9076 before the effective
13 date of this act shall review the status of implementation of
14 the plan according to its adopted schedule for implementation
15 and report its findings in the annual report required by s.
16 420.9075(9). If as a result of the review, a county or an
17 eligible municipality determines that the implementation is
18 complete and in accordance with its schedule, no further
19 action is necessary. If a county or an eligible municipality
20 determines that implementation according to its schedule is
21 not complete, it must amend its land development regulations
22 or establish local policies and procedures, as necessary, to
23 implement the housing incentive plan within 12 months after
24 the effective date of this act, or if extenuating
25 circumstances prevent implementation within 12 months,
26 pursuant to s. 420.9075(12) enter into an extension agreement
27 with the corporation program, submit to the agency and the
28 department its affordable housing incentive plan pursuant to
29 s. 420.9076.

30 (b) A county or an eligible municipality seeking
31 approval to receive its share of the local housing

1 distribution must adopt an ordinance containing the following
2 provisions:

3 1. Creation of a local ~~an affordable~~ housing
4 assistance trust fund as described in s. 420.9075(5).

5 2. Adoption by resolution ~~Establishment~~ of a local
6 housing assistance plan as defined in s. 420.9071(14) ~~program~~
7 to be implemented through a local housing partnership as
8 defined in s. 420.9071(18) ~~s. 420.9071~~.

9 3. Designation of the responsibility for the
10 administration of the local housing assistance plan ~~program~~.
11 Such ordinance may also provide for the contracting of all or
12 part of the administrative or other functions of the program
13 to a third person or entity.

14 4. Creation of the affordable housing advisory
15 committee as provided in s. 420.9076.

16

17 The ordinance must not take effect until at least 30 days
18 after the date of formal adoption. Ordinances in effect prior
19 to the effective date of amendments to this section shall be
20 amended as needed to conform to new provisions.

21 (3)(a) The governing board of the county or of an
22 eligible municipality must submit to the corporation one copy
23 ~~agency and the department two copies~~ of its local housing
24 assistance plan. The transmittal of the plan must include a
25 copy of the ordinance, the adopting resolution, the local
26 housing assistance plan, and such other information as the
27 corporation ~~agency~~ requires by rule; however, information to
28 be included in the plan is intended to demonstrate consistency
29 with the requirements of ss. 420.907-420.9079 and corporation
30 rule ~~this program~~ without posing an undue burden on the local
31 government. Plans shall be reviewed by a committee composed

1 of corporation ~~agency and department~~ staff as established by
2 corporation ~~agency~~ rule, ~~in consultation with the department.~~

3 (b) Within 30 days after receiving a plan, the review
4 committee shall review the plan and either approve it or
5 identify inconsistencies with the requirements of the program.
6 The corporation ~~agency and the department~~ shall assist a local
7 government in revising its plan if it initially proves to be
8 inconsistent with program requirements. A plan that is
9 revised by the local government to achieve consistency with
10 ~~the program~~ requirements shall be reviewed within 30 days
11 after submission. ~~A local government may twice revise and~~
12 ~~resubmit its plan during any state fiscal year.~~ The deadlines
13 for submitting original and revised plans shall be established
14 by corporation ~~agency~~ rule; however, the corporation shall not
15 require submission of a new local housing assistance plan to
16 implement amendments to this act until the currently effective
17 plan expires ~~during the first year the program is in~~
18 ~~existence, counties and eligible municipalities may submit~~
19 ~~their initial plans not later than June 30, 1993.~~

20 (c) The Legislature intends that approval of plans be
21 expedited to ensure that the production of needed housing and
22 the related creation of jobs occur as quickly as possible.
23 After being approved for funding, a local government may amend
24 by resolution ~~revise~~ its local housing assistance plan ~~program~~
25 if the plan as amended ~~program as revised~~ complies with
26 program ~~the~~ requirements ~~for such programs~~; however, a local
27 government must submit its amended ~~revised~~ plan for review
28 according to the process established in this subsection in
29 order to ensure continued consistency with the requirements of
30 the State Housing Initiatives Partnership Program.

31

1 (4) Moneys in the Local Government Housing Trust Fund
2 shall be distributed by the corporation ~~agency~~ to each
3 approved county and eligible municipality within the county as
4 provided in s. 420.9073. Distributions shall be allocated to
5 the participating county and to each eligible municipality
6 within the county according to an interlocal agreement between
7 the county governing authority and the governing body of the
8 eligible municipality or, if there is no interlocal agreement,
9 according to population. The portion for each eligible
10 municipality is computed by multiplying the total moneys
11 earmarked for a county by a fraction, the numerator of which
12 is the population of the eligible municipality and the
13 denominator of which is the total population of the county.
14 The remaining revenues shall be distributed to the governing
15 body of the county.

16 (5)(a) Local governments are encouraged to make the
17 most efficient use of their resources by cooperating to
18 provide affordable housing assistance. Local governments may
19 enter into an interlocal agreement for the purpose of
20 establishing a joint local housing assistance plan ~~program~~
21 subject to the requirements of ss. 420.907-420.9079. The
22 local housing distributions for such counties and eligible
23 municipalities shall be directly disbursed on a monthly basis
24 to each county or eligible municipality to be administered in
25 conformity with the interlocal agreement providing for a joint
26 local housing assistance plan ~~program~~.

27 (b) If a county or eligible municipality enters into
28 an interlocal agreement with a municipality that becomes
29 eligible as a result of entering into that interlocal
30 agreement, the county or eligible municipality that has agreed
31 to transfer the control of funds to a municipality that was

1 not originally eligible must ensure through its local housing
2 assistance plan and through the interlocal agreement that all
3 program funds are used in a manner consistent with ss.
4 420.907-420.9079. This must be accomplished by:
5 1. Providing that the use of the portion of funds
6 transferred to the municipality meets all requirements of ss.
7 420.907-420.9079, or
8 2. Providing that the use of the portion of funds
9 transferred to the municipality, when taken in combination
10 with the use of the local housing distribution from which
11 funds were transferred, meets all requirements of ss.
12 420.907-420.9079.
13 (6) The moneys that otherwise would be distributed
14 pursuant to s. 420.9073 to a local government that does not
15 meet the program's requirements for receipts of such
16 distributions shall remain in the Local Government Housing
17 Trust Fund to be administered ~~used~~ by the corporation ~~agency~~
18 ~~to administer the affordable housing production program~~
19 pursuant to s. 420.9078.
20 (7) A county or an eligible municipality must expend
21 its portion of the local housing distribution only to
22 implement a local housing assistance plan ~~program~~.
23
24 A county or an eligible municipality may not expend its
25 portion of the local housing distribution to provide rent
26 subsidies; however, this does not prohibit the use of funds
27 for security and utility deposit assistance.
28 (8) Funds distributed under this program may not be
29 pledged to pay the debt service on any bonds.
30 (9) The corporation shall ~~agency may~~ adopt rules
31 necessary to implement ss. 420.907-420.9079.

1 Section 34. Subsection (3) of section 420.9073,
2 Florida Statutes, is amended to read:

3 420.9073 Local Housing Distributions.--

4 (3) Calculation of guaranteed amounts:

5 (a) The guaranteed amount under subsection (1) shall
6 be calculated for each fiscal year by multiplying \$350,000
7 ~~\$250,000~~ by a fraction, the numerator of which is the amount
8 of funds distributed to the Local Government Housing Trust
9 Fund pursuant to s. 201.15(6) and the denominator of which is
10 the total amount of funds distributed to the Local Government
11 Housing Trust Fund pursuant to s. 201.15. ~~For fiscal year~~
12 ~~1992-1993, the guaranteed amount in s. 420.9073 shall be~~
13 ~~\$250,000.~~

14 (b) The guaranteed amount under subsection (2) shall
15 be calculated for each fiscal year, ~~beginning in fiscal year~~
16 ~~1995-1996,~~ by multiplying \$350,000 ~~\$250,000~~ by a fraction, the
17 numerator of which is the amount of funds distributed to the
18 Local Government Housing Trust Fund pursuant to s. 201.15(7)
19 and the denominator of which is the total amount of funds
20 distributed to the Local Government Housing Trust Fund
21 pursuant to s. 201.15.

22 Section 35. Section 420.9075, Florida Statutes, is
23 amended to read:

24 420.9075 Local housing assistance programs;
25 partnerships.--

26 (1)(a) Each county or eligible municipality
27 participating in the State Housing Initiatives Partnership
28 Program shall develop and implement ~~establish~~ a local housing
29 assistance plan ~~program~~ created to make affordable residential
30 units available to persons of very low income, low income, or
31 moderate income and to persons who have special housing needs,

1 including, but not limited to, homeless people, the elderly,
2 and migrant farmworkers. The plans ~~programs~~ are intended to
3 increase the availability of affordable residential units by
4 combining local resources and cost-saving measures into a
5 local housing partnership and using private and public funds
6 to reduce the cost of housing.

7 (b) Local housing assistance plans ~~programs~~ may
8 allocate funds to:

9 1. Implement local housing assistance strategies for
10 the provision of affordable housing.

11 2. Supplement funds available to the corporation
12 ~~agency~~ to provide enhanced funding of state housing programs
13 within the county or the eligible municipality.

14 3. Provide the local matching share of federal
15 affordable housing grants or programs.

16 4. Fund emergency repairs, including, but not limited
17 to, repairs performed by existing service providers under
18 weatherization assistance programs under ss. 409.509-409.5093.

19 5. Further the housing element of the local government
20 comprehensive plan adopted pursuant to s. 163.3184, specific
21 to affordable housing.

22 (2)(a) Each county and each eligible municipality
23 participating in the State Housing Initiatives Partnership
24 Program shall ~~should~~ encourage the involvement of appropriate
25 public sector and private sector entities as partners in order
26 to combine resources to reduce housing costs for the targeted
27 population. This partnership process should ~~may~~ involve:

28 1. Lending institutions.

29 2. Housing builders and developers.

30 3. Nonprofit and other community-based housing and
31 service organizations.

1 4. Providers of professional services relating to
2 affordable housing.

3 5. Advocates for low-income persons.

4 6. Real estate professionals.

5 ~~7.5.~~ Other persons or entities who can assist in
6 providing housing or related support services.

7 (b) The specific participants in partnership
8 activities may vary according to the community's resources and
9 the nature of the local housing assistance plan program.

10 (3) Each local housing assistance plan program is
11 governed by the following criteria and administrative
12 procedures:

13 (a) Each county, eligible municipality, or entity
14 formed through interlocal agreement to participate in the
15 State Housing Initiatives Partnership Program must develop a
16 qualification system and selection criteria for applications
17 for awards by eligible sponsors, ~~and~~ adopt criteria for the
18 selection of eligible persons, ~~and eligible sponsors~~ and adopt
19 a maximum award schedule or system of amounts consistent with
20 the intent and budget of its local housing assistance plan,
21 with program and ss. 420.907-420.9079, and with corporation
22 rule.

23 (b) The county or eligible municipality or its
24 administrative representative shall advertise the notice of
25 funding availability ~~of a housing assistance program~~ in a
26 newspaper of general circulation and periodicals serving
27 ethnic and diverse neighborhoods, at least 30 days before the
28 beginning of the application period. If no funding is
29 available due to a waiting list, no notice of funding
30 availability is required.

31

1 (c) In accordance with the provisions of ss.
2 760.20-760.37, it is unlawful to discriminate on the basis of
3 race, creed, religion, color, age, sex, marital status,
4 familial status, national origin, or handicap in the award
5 application process for eligible housing.

6 (d) As a condition of receipt of an award, the
7 eligible sponsor or eligible person must contractually commit
8 to comply with the affordable housing criteria provided under
9 ss. 420.907-420.9079 applicable to the affordable housing
10 objective of the award. The plan ~~program~~ criteria adopted by
11 the county or eligible municipality must prescribe the
12 contractual obligations required to ensure compliance with
13 award conditions.

14 (e) The staff or entity that has administrative
15 authority for implementing a local housing assistance plan
16 ~~program~~ assisting rental developments shall annually monitor
17 and determine tenant eligibility.

18 (4) The following criteria apply to awards made to
19 eligible sponsors or eligible persons for the purpose of
20 providing eligible housing:

21 (a) At least 65 percent of the funds made available in
22 each county and eligible municipality from the local housing
23 distribution must be reserved for home ownership ~~homeownership~~
24 for eligible persons.

25 (b) At least 75 percent of the funds made available in
26 each county and eligible municipality from the local housing
27 distribution must be reserved for construction,
28 rehabilitation, or emergency repair of affordable, eligible
29 housing.

30 (c) The sales price or value of new or existing
31 eligible housing may not exceed 90 percent of the median area

1 purchase price in the area where the eligible housing is
2 located, as established by the United States Department of
3 Treasury ~~in accordance with s. 3(b)(2) of the United States~~
4 ~~Housing Act of 1937.~~

5 (d) All units constructed, rehabilitated, or otherwise
6 assisted with the funds provided from the local housing
7 assistance trust fund program must be occupied by
8 very-low-income persons, low-income persons, and
9 moderate-income persons. At least 30 percent of the funds
10 deposited into the local housing assistance trust fund must be
11 reserved for awards to ~~must be occupied by~~ very-low-income
12 persons or eligible sponsors who will serve very-low-income
13 persons and at least an additional 30 percent of the funds
14 deposited into the local housing assistance trust fund must be
15 reserved for awards to ~~by~~ low-income persons or eligible
16 sponsors who will serve low-income persons.

17 (e) Loans shall be provided for periods not exceeding
18 30 years, except for deferred payment loans or loans that
19 extend beyond 30 years which continue to serve eligible
20 persons.

21 (f) Loans or grants for eligible rental housing
22 constructed, rehabilitated, or otherwise assisted from the
23 local housing assistance trust fund program moneys must be
24 subject to recapture requirements as provided by the county or
25 eligible municipality in its local housing assistance plan
26 unless reserved for eligible persons for 15 years or the term
27 of the assistance, whichever period is longer. Eligible
28 sponsors that offer rental housing for sale before 15 years or
29 that have remaining mortgages funded under this program must
30 give a first right of refusal to eligible nonprofit
31

1 organizations for purchase at the current market value for
2 continued occupancy by eligible persons ~~recipients~~.

3 (g) Loans or grants for eligible owner-occupied
4 housing constructed, rehabilitated, or otherwise assisted from
5 proceeds provided from the local housing assistance trust fund
6 ~~program~~ shall be subject to ~~the long-term affordability and~~
7 recapture requirements as provided by the county or eligible
8 municipality in its local housing assistance plan.

9 (h) The total amount of monthly mortgage payments or
10 the amount of monthly rent charged by the eligible sponsor or
11 his designee must be made affordable.

12 (i) The maximum sales price or value ~~cost~~ per unit and
13 the maximum award ~~cost~~ per unit for eligible housing
14 benefiting from awards made pursuant to this section must be
15 established in the local housing assistance plan ~~by~~
16 ~~resolution~~.

17 (j) The benefit of assistance provided through the
18 State Housing Initiatives Partnership Program must accrue to
19 eligible persons occupying eligible housing. This provision
20 may not be construed to prohibit use of the local housing
21 distribution funds for a mixed-income rental development.

22 (k) Funds from the local housing distribution not used
23 to meet the criteria established in paragraph (a) or paragraph
24 (b) or not used for the administration of a local housing
25 assistance plan ~~program~~ must be used for housing production
26 and finance activities, including, but not limited to,
27 financing the purchase of existing units, providing rental
28 housing, and providing homeownership training to prospective
29 homebuyers and owners of homes assisted through the local
30 housing assistance plan ~~program~~. Notwithstanding the
31 provisions of paragraphs (a) and (b), program income as

1 defined in s. 420.9071(24) may also be used to fund activities
2 described in this paragraph.

3
4 If both an award under the local housing assistance plan
5 ~~program~~ and federal low-income housing tax credits are used to
6 assist a project and there is a conflict between the criteria
7 prescribed in this subsection and the requirements of s. 42 of
8 the Internal Revenue Code of 1986, as amended, the county or
9 eligible municipality may resolve the conflict by giving
10 precedence to the requirements of s. 42 of the Internal
11 Revenue Code of 1986, as amended, in lieu of following the
12 criteria prescribed in this subsection with the exception of
13 paragraphs (a) and (d) of this subsection.

14 (5) Each county or eligible municipality receiving
15 local housing distribution moneys shall establish and maintain
16 a local housing assistance trust fund. All moneys of a county
17 or an eligible municipality received from its share of the
18 local housing distribution, program income recaptured funds,
19 and other funds received or budgeted to implement ~~provide~~ the
20 local housing assistance plan ~~program~~ shall be deposited into
21 the trust fund; however, local housing distribution moneys
22 used to match federal HOME program moneys may be repaid to the
23 HOME program trust fund if required by federal law or
24 regulations. Expenditures other than for the administration
25 and implementation of the local housing assistance plan
26 ~~program~~ may not be made from the trust fund.

27 (6) The moneys deposited in the local housing
28 assistance trust fund shall be used to administer and
29 implement the local housing assistance plan ~~program~~. The cost
30 of administering the plan ~~program~~ may not exceed 5 percent of
31 the local housing distribution moneys and program income

1 deposited into the trust fund. A county or an eligible
2 municipality may not exceed the 5-percent limitation on
3 administrative costs, unless its governing body finds, by
4 resolution, that 5 percent of the local housing distribution
5 plus 5 percent of program income is insufficient to adequately
6 pay the necessary costs of administering the local housing
7 assistance ~~plan~~ program. The cost of administering the program
8 may not exceed 10 percent of the local housing distribution
9 plus 5 percent of program income deposited into the trust
10 fund, except that small counties, as defined in s. 120.52(17),
11 and eligible municipalities receiving a local housing
12 distribution of up to \$350,000 may use up to 10 percent of
13 program income for administrative costs.

14 (7) Pursuant to s. 420.606, the corporation ~~department~~
15 shall provide technical assistance to local governments
16 regarding the creation of partnerships, the design of local
17 housing assistance strategies ~~programs~~, the implementation of
18 local housing incentive strategies ~~incentive plans~~, and the
19 provision of support services.

20 (8) The corporation ~~department~~ shall monitor the
21 activities of local governments to determine compliance with
22 program requirements and shall collect data on the operation
23 and achievements of housing partnerships.

24 ~~(9)~~ (8) Each county or eligible municipality shall
25 submit to the corporation ~~department~~ ~~and to the agency~~ by
26 September ~~November~~ 15 of each year a report of its affordable
27 housing programs and accomplishments through June 30
28 immediately preceding submittal of the report. The report
29 shall be certified as accurate and complete by the local
30 government's chief elected official or his or her designee.
31 Transmittal of the annual report by a county's or eligible

1 municipality's chief elected official, or his or her designee,
2 certifies that the local housing incentive strategies, or, if
3 applicable, the local housing incentive plan, have been
4 implemented or are in the process of being implemented
5 pursuant to the adopted schedule for implementation. The
6 report must include, but is not limited to:
7 (a) The number of households served by income
8 category, age, family size, and race, and data regarding any
9 special needs populations such as farmworkers, ~~rural~~
10 ~~residents~~, homeless persons, and the elderly. Counties shall
11 report this information separately for households served in
12 the unincorporated area and each municipality within the
13 county.
14 (b) The number of units and the average cost of
15 producing units under each local housing strategy program.
16 (c) The average sales price or value of a
17 single-family unit and the amount of rent charged for a rental
18 unit based on unit size.
19 (d) By income category, the number of mortgages made,
20 the average mortgage amount, and the rate of default.
21 (e) A description of the status of implementation of
22 each local housing incentive strategy, or if applicable, the
23 local ~~the affordable~~ housing incentive plan as set forth in
24 the local governments' adopted schedule for implementation and
25 the resulting reduction in housing costs.
26 (f) A concise description of the support services that
27 are available to the residents of affordable housing provided
28 by local programs.
29 (g) The sales price or appraised value of housing
30 produced and an accounting of what percentage was financed by
31

1 the local housing distribution, other public moneys, and
2 private resources.

3 (h) Such other data or affordable housing
4 accomplishments considered significant by the reporting county
5 or eligible municipality.

6 (10)~~(9)~~ The report shall be made available by the
7 county or eligible municipality ~~local government~~ for public
8 inspection and comment prior to certifying the report and
9 transmitting it to the corporation. The county or eligible
10 municipality shall provide notice of the availability of the
11 proposed report and solicit public comment. The notice must
12 state the public place where a copy of the proposed report can
13 be obtained by interested persons. Members of the public may
14 submit written comments on the report to the county or
15 eligible municipality and the corporation. Written public
16 comments shall identify the author by name, address, and
17 interest affected. The county or eligible municipality shall
18 attach a copy of all such written comments and its responses
19 to the annual report submitted to the corporation ~~department~~.

20 (11)~~(10)~~ The corporation ~~agency~~ shall review the
21 report of each county or eligible municipality and any written
22 comments from the public and include ~~transmit~~ any comments
23 concerning the effectiveness of local programs in the report
24 required by s. 420.511 ~~to the department~~.

25 (12)(a)~~(11)~~ If, as a result of the review of the
26 annual ~~such~~ report or public comment, or at any other time,
27 the corporation ~~agency or the department~~ determines that a
28 county or eligible municipality may have established a pattern
29 of violation of the criteria for a local housing assistance
30 plan ~~program~~ established under ss. 420.907-420.9079 or that an
31 eligible sponsor or eligible person has violated the

1 applicable award conditions, the corporation ~~agency or~~
2 ~~department~~ shall report such pattern of violation of criteria
3 or violation of award conditions to its compliance monitoring
4 agent and the Executive Office of the Governor ~~and the~~
5 ~~department's inspector general appointed pursuant to s.~~
6 20.055. The corporation's compliance monitoring agent
7 ~~department's inspector general~~ must determine within 60 days
8 whether the county or eligible municipality has violated
9 program criteria and shall issue a written report thereon. If
10 a violation has occurred, the distribution of program funds to
11 the county or eligible municipality must be suspended until
12 the violation is corrected.

13 (b) If, as a result of its review of the annual
14 report, the corporation determines that a county or eligible
15 municipality has failed to implement a local housing incentive
16 strategy, or, if applicable, a local housing incentive plan,
17 it shall send a notice of termination of the local
18 government's share of the local housing distribution by
19 certified mail to the affected county or eligible
20 municipality.

21 1. The notice must specify a date of termination of
22 the funding if the affected county or eligible municipality
23 does not implement the plan or strategy and provide for a
24 local response. A county or eligible municipality shall
25 respond to the corporation within 30 days after receipt of the
26 notice of termination.

27 2. The corporation shall consider the local response
28 that extenuating circumstances precluded implementation and
29 grant an extension to the timeframe for implementation. Such
30 an extension shall be made in the form of an extension
31 agreement that provides a timeframe for implementation. The

1 chief elected official of a county or eligible municipality or
2 his or her designee shall have the authority to enter into the
3 agreement on behalf of the local government.

4 3. If the county or the eligible municipality has not
5 implemented the incentive strategy or entered into an
6 extension agreement by the termination date specified in the
7 notice, the local housing distribution share terminates, and
8 any uncommitted local housing distribution funds held by the
9 affected county or eligible municipality in its local housing
10 assistance trust fund shall be transferred to the Local
11 Government Housing Trust Fund to the credit of the corporation
12 to administer pursuant to s. 420.9078.

13 4.a. If the affected local government fails to meet
14 the timeframes specified in the agreement, the corporation
15 shall terminate funds. The corporation shall send a notice of
16 termination of the local government's share of the local
17 housing distribution by certified mail to the affected local
18 government. The notice shall specify the termination date, and
19 any uncommitted funds held by the affected local government
20 shall be transferred to the Local Government Housing Trust
21 Fund to the credit of the corporation to administer pursuant
22 to s. 420.9078.

23 b. If the corporation terminates funds to a county,
24 but an eligible municipality receiving a local housing
25 distribution pursuant to an interlocal agreement maintains
26 compliance with program requirements, the corporation shall
27 thereafter distribute directly to the participating eligible
28 municipality its share calculated in the manner provided in s.
29 420.9072.

30 c. Any county or eligible municipality whose local
31 distribution share has been terminated may subsequently elect

1 to receive directly its local distribution share by adopting
2 the ordinance, resolution, and local housing assistance plan
3 in the manner and according to the procedures provided in ss.
4 420.907-420.9079.

5 Section 36. Section 420.9076, Florida Statutes, is
6 amended to read:

7 420.9076 Adoption of affordable housing incentive
8 strategies ~~plans~~; committees.--

9 (1) Each county or eligible municipality participating
10 in the State Housing Initiatives Partnership Program,
11 including a municipality receiving program funds through the
12 county, or an eligible municipality must, within 12 months
13 after the original adoption of the local housing assistance
14 plan, amend the plan to include local housing incentive
15 strategies as defined in s. 420.9071(16) ~~adopt an affordable~~
16 ~~housing incentive plan within 12 months after the date of~~
17 ~~adoption of the ordinance by the county or eligible~~
18 ~~municipality establishing a local housing assistance program.~~

19 (2) The governing board of a county or municipality
20 shall appoint the members of the affordable housing advisory
21 committee by resolution. Pursuant to the terms of any
22 interlocal agreement, a county and municipality may create and
23 jointly appoint an advisory committee to prepare a joint plan.
24 The ordinance adopted pursuant to s. 420.9072 ~~s. 420.9075~~
25 which creates the advisory committee or the resolution
26 appointing the advisory committee members must provide for
27 nine committee members and their terms. The committee must
28 include:

29 (a) One citizen who is actively engaged in the
30 residential home building industry in connection with
31 affordable housing.

1 (b) One citizen who is actively engaged in the banking
2 or mortgage banking industry in connection with affordable
3 housing.

4 (c) One citizen who is a representative of those areas
5 of labor actively engaged in home building in connection with
6 affordable housing.

7 (d) One citizen who is actively engaged ~~designated~~ as
8 an advocate for low-income persons in connection with
9 affordable housing.

10 (e) One citizen who is actively engaged as a
11 for-profit ~~a~~ provider of affordable housing.

12 (f) One citizen who is actively engaged as a
13 not-for-profit provider of affordable housing.

14 ~~(g)~~(f) One citizen who is actively engaged as a real
15 estate professional in connection with affordable housing.

16 (h) One citizen who actively serves on the local
17 planning agency pursuant to s. 163.3174.

18 (i) One citizen who resides within the jurisdiction of
19 the local governing body making the appointments.

20
21 If a county or eligible municipality whether due to its small
22 size, the presence of a conflict of interest by prospective
23 appointees, or other reasonable factor, is unable to appoint a
24 citizen actively engaged in these activities in connection
25 with affordable housing, a citizen engaged in the activity
26 without regard to affordable housing may be appointed.

27 (3) All meetings of the advisory committee are public
28 meetings, and all committee records are public records.
29 Staff, administrative, and facility support to the advisory
30 committee shall be provided by the appointing county or
31 eligible municipality.

1 (4) ~~The resolution creating and appointing the~~
2 ~~advisory committee must define affordable housing as~~
3 ~~applicable to the county and municipality in a way that is~~
4 ~~consistent with the adopted local comprehensive plan.~~ The
5 advisory committee shall review the established policies and
6 procedures, ordinances, land development regulations, and
7 adopted local government comprehensive plan of the appointing
8 local government and shall recommend specific initiatives to
9 encourage or facilitate affordable housing while protecting
10 the ability of the property to appreciate in value. Such
11 recommendations may include the modification or repeal of
12 existing policies, procedures, ordinances, regulations, or
13 plan provisions; the creation of exceptions applicable to
14 affordable housing; or the adoption of new policies,
15 procedures, regulations, ordinances, or plan provisions. At a
16 minimum, each advisory committee shall make recommendations on
17 affordable housing incentives in the following areas:

18 ~~(a) The affordable housing definition in the~~
19 ~~appointing resolution.~~

20 (a)(b) The expedited processing of approvals of
21 development orders or permits, as defined in s. 163.3164(7)
22 and (8), for affordable housing projects is expedited to a
23 greater degree than other projects.

24 (b)(c) The modification of impact-fee requirements,
25 including reduction or waiver of fees and alternative methods
26 of fee payment for affordable housing.

27 (c)(d) The allowance of increased density levels for
28 affordable housing.

29 (d)(e) The reservation of infrastructure capacity for
30 housing for very-low-income persons and low-income persons.

31

1 (e) The allowance of affordable accessory residential
2 units in residential zoning districts.

3 ~~(f) The transfer of development rights as a financing~~
4 ~~mechanism for housing for very low income persons and~~
5 ~~low income persons.~~

6 (f)(g) The reduction of parking and setback
7 requirements for affordable housing.

8 (g)(h) The allowance of zero-lot-line configurations
9 for affordable housing.

10 (h)(i) The modification of street requirements for
11 affordable housing.

12 (i)(j) The establishment of a process by which a local
13 government considers, before adoption, policies, procedures,
14 ordinances, regulations, or plan provisions that increase ~~have~~
15 ~~a significant impact on~~ the cost of housing.

16 (j)(k) The preparation of a printed inventory of
17 locally owned public lands suitable for affordable housing.

18
19 The advisory committee recommendations must also include other
20 affordable housing incentives identified by the advisory
21 committee. ~~To the maximum extent feasible, the approved~~
22 ~~affordable housing incentive recommendations submitted to the~~
23 ~~governing board of the appointing county or eligible~~
24 ~~municipality must quantify the affordable housing cost~~
25 ~~reduction anticipated from implementing the specific~~
26 ~~recommendation.~~

27 (5) The approval by the advisory committee of its
28 local affordable housing incentive strategies recommendations
29 must be made by affirmative vote of a majority of the
30 membership of the advisory committee taken at a public
31 hearing. Notice of the time, date, and place of the public

1 hearing of the advisory committee to adopt final local
2 ~~affordable~~ housing incentive strategies recommendations must
3 be published in a newspaper of general paid circulation in the
4 county. Such notice must contain a short and concise summary
5 of the local housing incentives strategies ~~affordable housing~~
6 ~~initiative~~ recommendations to be considered by the advisory
7 committee. The notice must state the public place where a
8 copy of the tentative advisory committee recommendations can
9 be obtained by interested persons.

10 (6) Within 90 days after the date of receipt of the
11 local ~~affordable~~ housing incentive strategies recommendations
12 from the advisory committee, the governing body of the
13 appointing local government shall adopt an amendment to its
14 local housing assistance plan to incorporate the local housing
15 incentive strategies it will implement within its jurisdiction
16 ~~affordable housing incentive plan.~~ The amendment Such plan
17 must consist of the adoption of specific initiatives to
18 ~~encourage or facilitate affordable housing and a schedule for~~
19 ~~implementation and must~~ include, at a minimum, the local
20 housing incentive strategies as defined in s. 420.9071(16) a
21 ~~schedule for implementation of expedited permit processing for~~
22 ~~affordable housing projects and a process for review of local~~
23 ~~policies, ordinances, regulations, and plan provisions that~~
24 ~~significantly impact the cost of housing prior to their~~
25 adoption.

26 (7) The governing board of the county or the eligible
27 municipality shall notify the corporation ~~agency~~ by certified
28 mail of its adoption of an amendment of its local housing
29 assistance plan to incorporate local housing incentive
30 strategies ~~affordable housing incentive plan.~~ The notice must
31 include a copy of the approved amended plan.

1 (a) If the corporation ~~agency~~ fails to receive timely
2 the approved amended local housing assistance plan to
3 incorporate local housing incentive strategies ~~affordable~~
4 ~~housing incentive plan~~, a notice of termination of its share
5 of the local housing distribution shall be sent by certified
6 mail by the corporation ~~agency~~ to the affected county or
7 eligible municipality. The notice of termination must specify
8 a date of termination of the funding if the affected county or
9 eligible municipality has not adopted an amended local housing
10 assistance plan to incorporate local housing incentive
11 strategies ~~affordable housing incentive plan~~. If the county
12 or the eligible municipality has not adopted an amended local
13 housing assistance plan to incorporate local housing incentive
14 strategies ~~affordable housing incentive plan~~ by the
15 termination date specified in the notice of termination, the
16 local distribution share terminates; and any uncommitted local
17 distribution funds held by the affected county or eligible
18 municipality in its local housing assistance trust fund shall
19 be transferred to the Local Government ~~State~~ Housing Trust
20 Fund to the credit of the corporation ~~agency~~ to administer the
21 local government housing program pursuant to s. 420.9078.

22 (b) If a county fails to timely adopt an amended local
23 housing assistance plan to incorporate local housing incentive
24 strategies ~~affordable housing incentive plan~~ but an eligible
25 municipality receiving a local housing distribution pursuant
26 to an interlocal agreement within the county does timely adopt
27 an amended local housing assistance plan to incorporate local
28 housing incentive strategies ~~a plan~~, the corporation ~~agency~~,
29 after receipt of a notice of termination, shall thereafter
30 distribute directly to the participating eligible municipality
31

1 its share calculated in the manner provided in s. 420.9072 ~~s.~~
2 ~~420.9071~~.

3 (c) Any county or eligible municipality whose local
4 distribution share has been terminated may subsequently elect
5 to receive directly its local distribution share by adopting
6 an amended local housing assistance plan to incorporate local
7 housing incentive strategies ~~affordable housing incentive plan~~
8 in the manner and according to the procedure provided in this
9 section and by adopting an ordinance in the manner required in
10 s. 420.9072.

11 Section 37. Section 420.9078, Florida Statutes, is
12 amended to read:

13 420.9078 State administration of remaining local
14 housing distribution funds.--When appropriated funds remain in
15 the Local Government Housing Trust Fund, the corporation shall
16 distribute the remaining funds as follows:

17 (1) The corporation shall distribute all remaining
18 funds proportionately as provided in s. 420.9073(2)(b) among
19 counties and eligible municipalities for which an emergency or
20 natural disaster has been declared by executive order and
21 which have an approved local housing assistance plan to
22 implement a local housing assistance strategy, consistent with
23 ss. 420.907-420.9079, for repairing and replacing housing
24 damaged as a result of the emergency or natural disaster.

25 (2) If subsection (1) does not apply, the corporation
26 shall distribute the remaining funds proportionately as
27 provided in s. 420.9072 and s. 420.9073(2)(b) among all
28 counties and eligible municipalities that have fully extended
29 their local housing distributions for the immediately
30 preceding state fiscal year on eligible activities and have an
31 approved local housing assistance plan. A county or eligible

1 municipality that receives local housing distributions
2 pursuant to this paragraph shall expend those funds in
3 accordance with the provisions of ss. 420.907-420.9079,
4 corporation rule, and its local housing assistance plan.

5 ~~(1) With that portion of the documentary stamp tax~~
6 ~~moneys remaining in the Local Government Housing Trust Fund~~
7 ~~pursuant to s. 420.9072(6), the agency shall administer an~~
8 ~~affordable housing production program for counties,~~
9 ~~municipalities, and eligible sponsors in conformity with the~~
10 ~~criteria prescribed in s. 420.9075.~~

11 ~~(2) The agency shall, in cooperation with the~~
12 ~~department, provide by rule for a scoring system for~~
13 ~~evaluating applications submitted under the program. The~~
14 ~~scoring system must include the following factors:~~

15 ~~(a) The existence of a local housing partnership.~~

16 ~~(b) For a county or eligible municipality, the extent~~
17 ~~to which the local government applicant has adopted, in land~~
18 ~~development regulations, incentives to encourage or facilitate~~
19 ~~affordable housing.~~

20 ~~(c) The extent to which the requested project will~~
21 ~~provide eligible housing.~~

22 ~~(d) The amount of project funds other than the~~
23 ~~requested moneys.~~

24 ~~(e) The provision of or assistance in securing support~~
25 ~~services for housing program beneficiaries, which may include:~~

26 ~~1. Counseling to prepare persons for homeownership,~~
27 ~~which may address personal budgeting, home inspection and~~
28 ~~maintenance, the fundamentals of home mortgages and insurance,~~
29 ~~and other pertinent topics.~~

30 ~~2. Counseling to assist tenants in improving their~~
31 ~~economic well-being, which may address educational~~

1 ~~opportunities, job placement, management of personal finances,~~
2 ~~and related concerns.~~

3 ~~3. Providing social services, including day care,~~
4 ~~health care, and transportation.~~

5 ~~(f) Sponsor's agreement to reserve the units for~~
6 ~~persons or families who have incomes below 50 percent of the~~
7 ~~state or local median income, whichever is higher, for a time~~
8 ~~period that exceeds the minimum required by federal law or the~~
9 ~~provisions of ss. 420.907-420.9079.~~

10 ~~(g) Sponsor's agreement to reserve more than:~~

11 ~~1. Twenty percent of the units in the project for~~
12 ~~persons or families who have incomes that do not exceed 50~~
13 ~~percent of the state median income or local median income,~~
14 ~~whichever is higher; or~~

15 ~~2. Forty percent of the units in the project for~~
16 ~~persons or families who have incomes that do not exceed 60~~
17 ~~percent of the state median income or local median income,~~
18 ~~whichever is higher, without requiring a greater amount of the~~
19 ~~loans as provided in this section.~~

20 ~~(3) The rule must provide for the establishment of a~~
21 ~~review committee composed of agency and department staff~~
22 ~~members. Department staff members shall be appointed by the~~
23 ~~secretary of the department.~~

24 ~~(4) The rule must provide measures to be applied if~~
25 ~~there is a documented failure to perform in accordance with~~
26 ~~the award contract.~~

27 ~~(5) At least 60 days before the application deadline,~~
28 ~~the agency must publish a notice of fund availability in a~~
29 ~~publication of general circulation throughout the state.~~

30 Section 38. Section 420.9079, Florida Statutes, is
31 amended to read:

1 420.9079 Local Government Housing Trust Fund.--
2 (1) There is created in the State Treasury the Local
3 Government Housing Trust Fund, which shall be administered by
4 the corporation ~~agency~~ according to the provisions of ss.
5 420.907-420.9078 and this section. There shall be deposited
6 into the fund a portion of the documentary stamp tax revenues
7 as provided in s. 201.15, moneys received from any other
8 source for the purposes of ss. 420.907-420.9078 and this
9 section, and all proceeds derived from the investment use of
10 such moneys. Moneys in the ~~trust~~ fund that are not currently
11 needed for the purposes of the programs administered pursuant
12 to ss. 420.907-420.9078 and this section shall be deposited
13 ~~with the Treasurer~~ to the credit of the ~~trust~~ fund and may be
14 invested as provided by law. The interest received on any
15 such investment shall be credited to the ~~trust~~ fund.
16 (2) The corporation shall administer the fund
17 exclusively for the purpose of implementing the programs
18 described in ss. 420.907-420.9078 and this section. With the
19 exception of monitoring the activities of counties and
20 eligible municipalities to determine local compliance with
21 program requirements, the corporation shall not receive
22 appropriations from the fund for administrative or personnel
23 costs. For the purpose of implementing the compliance
24 monitoring provisions of s. 420.9075(8), the corporation may
25 request a maximum of \$200,000 per fiscal year. When such
26 funding is appropriated, the corporation shall deduct the
27 amount appropriated prior to calculating the local housing
28 distribution pursuant to ss. 420.9072 and 420.9073.
29 Section 39. Sections 420.5085 and 420.5094, Florida
30 Statutes, are repealed.
31

1 Section 40. This act shall take effect July 1, 1997,
2 but a transitional period shall occur prior to the formal
3 establishment of the corporation and the transfer of all
4 assets and liabilities from the agency to the corporation on
5 January 1, 1998. During this transitional period, the
6 corporation shall be entitled to execute contracts as an
7 entity in organization and do any other things necessary to
8 assist in the formal establishment of the corporation as a
9 working organization on January 1, 1998. The agency's auditors
10 shall conduct a final audit of the agency for the period
11 beginning July 1, 1997, and ending December 31, 1997, and the
12 corporation's auditors shall conduct an audit of the
13 corporation for the period beginning January 1, 1998, and
14 ending June 30, 1998. The agency shall be entitled to expend
15 unencumbered amounts deposited into the Florida Housing
16 Finance Agency Trust Fund for payment of transition and
17 start-up costs with respect to the establishment of the
18 corporation.

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21 SENATE SUMMARY

22 Revises the Florida Housing Finance Agency Act and the
23 State Housing Initiatives Partnership Act. (See Bill for
24 details.)
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