

By the Committee on Commerce and Consumer Services; and
Senators Saunders, Lynn and Fasano

577-1641-05

1 A bill to be entitled
2 An act relating to public housing; amending s.
3 421.02, F.S.; clarifying a legislative finding
4 with respect to the inability of private
5 enterprise to revitalize blighted areas; public
6 housing; amending s. 421.08, F.S.; authorizing
7 a housing authority to organize for the purpose
8 of creating a for-profit or not-for-profit
9 corporation, limited liability company, or
10 similar entity to develop and operate
11 residential homes or nonresidential projects;
12 providing qualifications for a family to live
13 in such a residential home; authorizing a
14 corporation, limited liability company, or
15 similar entity created by a housing authority
16 to join with other entities to develop and
17 operate residential or nonresidential projects;
18 ratifying certain prior actions of a housing
19 authority; authorizing the governing board of a
20 housing authority to implement its own policy
21 regarding per diem and travel expenses of its
22 officials, officers, employees, and board
23 members; amending s. 421.09, F.S.; providing
24 that the certain limitations regarding the
25 operation and management of a housing project
26 do not restrict the activities of a for-profit
27 or not-for-profit business entity created by
28 the housing authority under s. 421.08, F.S.;
29 amending s. 421.23, F.S.; authorizing a housing
30 authority to use certain pledged funds to pay
31 liabilities arising from the operation of its

1 housing projects; repealing s. 421.54, F.S.,
2 relating to certain limitations on constructing
3 housing projects in Orange and Seminole
4 Counties; providing an effective date.
5

6 Be It Enacted by the Legislature of the State of Florida:
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8 Section 1. Subsection (2) of section 421.02, Florida
9 Statutes, is amended to read:

10 421.02 Finding and declaration of necessity.--It is
11 hereby declared that:

12 (2) Blighted Slum areas in the state cannot be
13 revitalized ~~cleared~~, nor can the shortage of safe and sanitary
14 dwellings for persons of low income be relieved, solely
15 through the operation of private enterprise, ~~and that the~~
16 ~~construction of housing projects for persons of low income, as~~
17 ~~herein defined, would therefore not be competitive with~~
18 ~~private enterprise.~~

19 Section 2. Present subsection (8) of section 421.08,
20 Florida Statutes, is redesignated as subsection (10), and a
21 new subsection (8) and subsection (9) are added to that
22 section, to read:

23 421.08 Powers of authority.--An authority shall
24 constitute a public body corporate and politic, exercising the
25 public and essential governmental functions set forth in this
26 chapter, and having all the powers necessary or convenient to
27 carry out and effectuate the purpose and provisions of this
28 chapter, including the following powers in addition to others
29 herein granted:

30 (8) To organize for the purpose of creating a
31 for-profit or not-for-profit corporation, limited liability

1 company, or other similar business entity pursuant to all
2 applicable laws of this state in which the housing authority
3 may hold an ownership interest or participate in its
4 governance in order to develop, acquire, lease, construct,
5 rehabilitate, manage, or operate multifamily or single-family
6 residential projects. These projects may include
7 nonresidential uses and may use public and private funds to
8 serve individuals or families who meet the applicable income
9 requirements of the state or federal program involved, whose
10 income does not exceed 150 percent of the applicable median
11 income for the area, as established by the United States
12 Department of Housing and Urban Development, and who, in the
13 determination of the housing authority, lack sufficient income
14 or assets to enable them to purchase or rent a decent, safe,
15 and sanitary dwelling. These corporations, limited liability
16 companies, or other business entities may join partnerships,
17 joint ventures, or limited liability companies pursuant to
18 applicable laws or may otherwise engage with business entities
19 in developing, acquiring, leasing, constructing,
20 rehabilitating, managing, or operating such projects. The
21 creation of such corporations, limited liability companies, or
22 other business entities that are properly registered pursuant
23 to all applicable laws by a housing authority for the purposes
24 set forth in this chapter, together with all proceedings,
25 acts, and things undertaken, performed, or done before the
26 effective date of this act are validated, ratified, confirmed,
27 approved, and declared legal in all respects.

28 (9) Notwithstanding s. 112.061, the governing board of
29 an authority may approve and implement policies for per diem,
30 travel, and other expenses of its officials, officers, board
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1 members, employees, and authorized persons in a manner
2 consistent with federal guidelines.

3 Section 3. Section 421.09, Florida Statutes, is
4 amended to read:

5 421.09 Operation not for profit.--

6 (1) It is the policy of this state that each housing
7 authority shall manage and operate its housing projects in an
8 efficient manner so as to enable it to fix the rentals for
9 dwelling accommodations at the lowest possible rates
10 consistent with its providing decent, safe, and sanitary
11 dwelling accommodations, and that ~~a no~~ housing authority may
12 not shall construct or operate any such project for profit, or
13 as a source of revenue to the city. To this end an authority
14 may not shall fix the rentals for dwellings in its project at
15 ~~a no~~ higher rate than it finds shall find to be necessary in
16 order to produce revenues that which, together with all other
17 available moneys, revenue, income, and receipts of the
18 authority from whatever sources derived, will be sufficient:

19 (a)(1) To pay, as they the same shall become due, the
20 principal and interest on the debentures of the authority;

21 (b)(2) To meet the cost of, and to provide for,
22 maintaining and operating the projects, including the cost of
23 any insurance, and the administrative expenses of the
24 authority; and

25 (c)(3) To create, during not less than the 6 years
26 immediately succeeding its issuance of any debentures, a
27 reserve sufficient to meet the largest principal and interest
28 payments that which will be due on such debentures in any one
29 year thereafter, and to maintain such reserve.

1 (2) This section does not prohibit or restrict the
2 activities or operations of a business entity created under s.
3 421.08(8).

4 Section 4. Section 421.23, Florida Statutes, is
5 amended to read:

6 421.23 Liabilities of authority.--~~In no event shall~~
7 The liabilities, whether ex contractu or ex delicto, of an
8 authority arising from the operation of its housing projects,
9 may not be paid payable from any funds other than the rents,
10 fees, or revenues of such projects and any grants or subsidies
11 paid to such authority by the Federal Government, unless other
12 funds are lawfully pledged by the authority's governing board.

13 Section 5. Section 421.54, Florida Statutes, is
14 repealed.

15 Section 6. This act shall take effect upon becoming a
16 law.

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18 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
19 COMMITTEE SUBSTITUTE FOR
20 Senate Bill 334

21 This Committee Substitute differs from Senate Bill 334 in the
22 following ways:

- 23 1. Modifies the intent provision to recognize that private
24 2. Clarifies that public/private entities created under this
25 proposal must comply with the same registration and
26 filing laws required of other for-profit or non-profit
27 entities.
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