

CHAMBER ACTION

1 The Commerce Council recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to affordable housing; amending s. 421.02,
7 F.S.; revising a legislative declaration relating to
8 blighted areas; amending s. 421.08, F.S.; authorizing
9 certain housing authorities to create business entities
10 for certain purposes; providing requirements and
11 limitations; ratifying and validating the creation of
12 certain business entities by housing authorities;
13 ratifying and validating certain proceedings or acts by
14 housing authorities or business entities; authorizing such
15 authorities to provide for per diem, travel, and other
16 expenses; amending s. 421.09, F.S.; providing
17 construction; amending s. 421.23, F.S.; revising a
18 limitation on financial liabilities of such authorities;
19 repealing s. 421.54, F.S., relating to limitations on
20 housing authorities in Orange and Seminole Counties;
21 providing an effective date.

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23 Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (2) of section 421.02, Florida Statutes, is amended to read:

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

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

Section 2. Subsection (8) of section 421.08, Florida Statutes, is renumbered as subsection (10), and new subsections (8) and (9) are added to said section, to read:

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

(8)(a) To organize for the purpose of creating a for-profit or not-for-profit corporation, limited liability company, or other similar business entity pursuant to all applicable laws of this state in which the housing authority may hold an ownership interest or participate in its governance in order to develop, acquire, lease, construct, rehabilitate, manage, or operate multifamily or single-family residential projects. These projects may include nonresidential uses and may use public and

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52 private funds to serve individuals or families who meet the
53 applicable income requirements of the state or federal program
54 involved; whose income does not exceed 150 percent of the
55 applicable median income for the area, as established by the
56 United States Department of Housing and Urban Development; and
57 who, in the determination of the housing authority, lack
58 sufficient income or assets to enable them to purchase or rent a
59 decent, safe, and sanitary dwelling. These corporations, limited
60 liability companies, or other business entities may join
61 partnerships, joint ventures, or limited liability companies
62 pursuant to applicable laws or may otherwise engage with
63 business entities in order to develop, acquire, lease,
64 construct, rehabilitate, manage, or operate such projects.

65 (b) The creation by a housing authority of such a
66 corporation, limited liability company, or other business entity
67 that is properly registered pursuant to all applicable laws
68 before the effective date of this act is ratified and validated
69 if the creation of such corporation, limited liability company,
70 or other business entity would have been valid had this
71 subsection been in effect at the time such corporation, limited
72 liability company, or other business entity was created and
73 registered.

74 (c) Proceedings or acts performed by a housing authority
75 or a corporation, limited liability company, or other business
76 entity authorized pursuant to paragraph (b) are ratified and
77 validated if such proceedings or acts were in furtherance of the
78 purposes set forth in this chapter and would have been valid had

79 | this subsection been in effect at the time such proceedings or
 80 | acts were performed.

81 | (9) Notwithstanding the provisions for per diem and travel
 82 | expenses of public officers, employees, and authorized persons
 83 | set forth in s. 112.061, the governing board of an authority may
 84 | approve and implement policies for per diem, travel, and other
 85 | expenses of its officials, officers, board members, employees,
 86 | and authorized persons in a manner consistent with federal
 87 | guidelines.

88 | Section 3. Section 421.09, Florida Statutes, is amended to
 89 | read:

90 | 421.09 Operation not for profit.--

91 | (1) It is the policy of this state that each housing
 92 | authority shall manage and operate its housing projects in an
 93 | efficient manner so as to enable it to fix the rentals for
 94 | dwelling accommodations at the lowest possible rates consistent
 95 | with its providing decent, safe, and sanitary dwelling
 96 | accommodations, and that no housing authority shall construct or
 97 | operate any such project for profit, or as a source of revenue
 98 | to the city. To this end an authority shall fix the rentals for
 99 | dwellings in its project at no higher rate than it shall find to
 100 | be necessary in order to produce revenues which, together with
 101 | all other available moneys, revenue, income, and receipts of the
 102 | authority from whatever sources derived, will be sufficient:

103 | (a)(1) To pay, as the same shall become due, the principal
 104 | and interest on the debentures of the authority;

105 | (b)(2) To meet the cost of, and to provide for,
 106 | maintaining and operating the projects, including the cost of

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107 any insurance, and the administrative expenses of the authority;
108 and

109 ~~(c)(3)~~ To create, during not less than the 6 years
110 immediately succeeding its issuance of any debentures, a reserve
111 sufficient to meet the largest principal and interest payments
112 which will be due on such debentures in any one year thereafter,
113 and to maintain such reserve.

114 (2) This section shall in no way prohibit or restrict the
115 activities or operations of the business entities created
116 pursuant to s. 421.08(8).

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

119 421.23 Liabilities of authority.--In no event shall the
120 liabilities, whether ex contractu or ex delicto, of an authority
121 arising from the operation of its housing projects, be payable
122 from any funds other than the rents, fees, or revenues of such
123 projects and any grants or subsidies paid to such authority by
124 the Federal Government, unless such other funds are lawfully
125 pledged by the authority's governing board.

126 Section 5. Section 421.54, Florida Statutes, is repealed.

127 Section 6. This act shall take effect July 1, 2005.