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A bill to be entitled

2 An act relating to review of the Department of Community 3 Affairs under the Florida Government Accountability Act; 4 reenacting pt. V of ch. 420, F.S., the "Florida Housing 5 Finance Corporation Act," consisting of ss. 420.501, 420.502, 420.503, 420.504, 420.505, 420.506, 420.5061, 6 7 420.507, 420.508, 420.5087, 420.5088, 420.5089, 420.509, 8 420.5091, 420.5092, 420.5093, 420.5095, 420.5099, 420.51, 9 420.511, 420.512, 420.513, 420.514, 420.515, 420.516, 420.517, 420.521, 420.522, 420.523, 420.524, 420.525, 10 420.526, 420.527, 420.528, 420.529, 420.5295, 420.531, and 11 420.55, F.S.; amending s. 420.506, F.S.; providing for the 12 appointment of an inspector general of the Florida Housing 13 14 Finance Corporation; providing appointing authority 15 thereof; providing duties and responsibilities of the 16 inspector general; amending s. 420.0006, F.S.; removing an obsolete reference; deleting a duty of the inspector 17 general of the Department of Community Affairs to conform 18 19 to changes made by the act; amending s. 20.055, F.S.; revising the definitions of "state agency" and "agency 20 21 head" to include the Florida Housing Finance Corporation 22 within the state agencies within which the Office of 23 Inspector General is established; requiring the inspector 24 general to prepare an annual report; amending s. 420.504, F.S.; authorizing the Secretary of Community Affairs to 25 26 designate a senior-level agency employee to serve on the 27 board of directors of the Florida Housing Finance 28 Corporation; providing an effective date.

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| 30 | Be It Enacted by the Legislature of the State of Florida: |
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| 32 | Section 1. Part V of chapter 420, Florida Statutes, the |
| 33 | "Florida Housing Finance Corporation Act," consisting of |
| 34 | sections 420.501, 420.502, 420.503, 420.504, 420.505, 420.506, |
| 35 | <u>420.5061, 420.507, 420.508, 420.5087, 420.5088, 420.5089,</u> |
| 36 | <u>420.509, 420.5091, 420.5092, 420.5093, 420.5095, 420.5099,</u> |
| 37 | <u>420.51, 420.511, 420.512, 420.513, 420.514, 420.515, 420.516,</u> |
| 38 | 420.517, 420.521, 420.522, 420.523, 420.524, 420.525, 420.526, |
| 39 | 420.527, 420.528, 420.529, 420.5295, 420.531, and 420.55, |
| 40 | Florida Statutes, is reenacted. |
| 41 | Section 2. Section 420.506, Florida Statutes, as |
| 42 | reenacted, is amended to read: |
| 43 | 420.506 Executive director; agents and employees; |
| 44 | inspector general |
| 45 | (1) The appointment and removal of an executive director |
| 46 | shall be by the Secretary of Community Affairs, with the advice |
| 47 | and consent of the corporation's board of directors. The |
| 48 | executive director shall employ legal and technical experts and |
| 49 | such other agents and employees, permanent and temporary, as the |
| 50 | corporation may require, and shall communicate with and provide |
| 51 | information to the Legislature with respect to the corporation's |
| 52 | activities. The board is authorized, notwithstanding the |
| 53 | provisions of s. 216.262, to develop and implement rules |
| 54 | regarding the employment of employees of the corporation and |
| 55 | service providers, including legal counsel. The board of |
| 56 | directors of the corporation is entitled to establish travel |
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57 procedures and quidelines for employees of the corporation. The 58 executive director's office and the corporation's files and 59 records must be located in Leon County. 60 The appointment and removal of an inspector general (2) 61 shall be by the executive director, with the advice and consent 62 of the corporation's board of directors. The corporation's 63 inspector general shall perform for the corporation the 64 functions set forth in s. 20.055. The inspector general shall 65 administratively report to the executive director. The inspector 66 general shall meet the minimum qualifications as set forth s. 67 20.055(4). The corporation may establish additional 68 qualifications deemed necessary by the board of directors to 69 meet the unique needs of the corporation. The inspector general 70 shall be responsible for coordinating the responsibilities set forth in s. 420.0006. 71 Section 3. Section 420.0006, Florida Statutes, is 72 73 reenacted and amended to read: 74 420.0006 Authority to contract with corporation; contract 75 requirements; nonperformance.-The secretary of the department 76 shall contract, notwithstanding the provisions of part I of 77 chapter 287, with the Florida Housing Finance Corporation on a 78 multiyear basis to stimulate, provide, and foster affordable 79 housing in the state. The contract must incorporate the 80 performance measures required by s. 420.511 and must be consistent with the provisions of the corporation's strategic 81 plan prepared in accordance with s. 420.511 and compatible with 82 s. 216.0166. The contract must provide that, in the event the 83 84 corporation fails to comply with any of the performance measures

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85 required by s. 420.511, the secretary shall notify the Governor 86 and shall refer the nonperformance to the department's inspector general for review and determination as to whether such failure 87 88 is due to forces beyond the corporation's control or whether 89 such failure is due to inadequate management of the 90 corporation's resources. Advances shall continue to be made 91 pursuant to s. 420.0005 during the pendency of the review by the 92 department's inspector general. If such failure is due to 93 outside forces, it shall not be deemed a violation of the 94 contract. If such failure is due to inadequate management, the 95 department's inspector general shall provide recommendations 96 regarding solutions. The Governor is authorized to resolve any 97 differences of opinion with respect to performance under the 98 contract and may request that advances continue in the event of 99 a failure under the contract due to inadequate management. The 100 Chief Financial Officer shall approve the request absent a 101 finding by the Chief Financial Officer that continuing such 102 advances would adversely impact the state; however, in any event 103 the Chief Financial Officer shall provide advances sufficient to 104 meet the debt service requirements of the corporation and 105 sufficient to fund contracts committing funds from the State 106 Housing Trust Fund so long as such contracts are in accordance 107 with the laws of this state. The department inspector general 108 shall perform for the corporation the functions set forth in s. 109 20.055 and report to the secretary of the department. The 110 corporation shall be deemed an agency for the purposes of s. 20.055. 111

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112 Section 4. Paragraphs (a) and (b) of subsection (1) and 113 subsection (7) of section 20.055, Florida Statutes, are amended 114 to read:

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20.055 Agency inspectors general.-

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(1) For the purposes of this section:

117 "State agency" means each department created pursuant (a) 118 to this chapter, and also includes the Executive Office of the Governor, the Department of Military Affairs, the Fish and 119 Wildlife Conservation Commission, the Office of Insurance 120 Regulation of the Financial Services Commission, the Office of 121 122 Financial Regulation of the Financial Services Commission, the 123 Public Service Commission, the Board of Governors of the State 124 University System, the Florida Housing Finance Corporation, and 125 the state courts system.

126 "Agency head" means the Governor, a Cabinet officer, a (b) 127 secretary as defined in s. 20.03(5), or an executive director as 128 defined in s. 20.03(6). It also includes the chair of the Public 129 Service Commission, the Director of the Office of Insurance 130 Regulation of the Financial Services Commission, the Director of 131 the Office of Financial Regulation of the Financial Services 132 Commission, the board of directors of the Florida Housing 133 Finance Corporation, and the Chief Justice of the State Supreme 134 Court.

(7) (a) Except as provided in paragraph (b), each inspector general shall, not later than September 30 of each year, prepare an annual report summarizing the activities of the office during the immediately preceding state fiscal year.

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(b)

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The inspector general of the Florida Housing Finance

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Corporation shall, not later than 90 days from the end of each

of the office of inspector general during the immediately

fiscal year, prepare an annual report summarizing the activities

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preceding fiscal year.

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| 144 | (c) The final reports prepared pursuant to paragraphs (a) |
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| 145 | and (b) report shall be furnished to the heads of the respective |
| 146 | agencies agency head. Such report shall include, but need not be |
| 147 | limited to: |
| 148 | 1.(a) A description of activities relating to the |
| 149 | development, assessment, and validation of performance measures. |
| 150 | 2.(b) A description of significant abuses and deficiencies |
| 151 | relating to the administration of programs and operations of the |
| 152 | agency disclosed by investigations, audits, reviews, or other |
| 153 | activities during the reporting period. |
| 154 | 3.(c) A description of the recommendations for corrective |
| 155 | action made by the inspector general during the reporting period |
| 156 | with respect to significant problems, abuses, or deficiencies |
| 157 | identified. |
| 158 | <u>4.(d)</u> The identification of each significant |
| 159 | recommendation described in previous annual reports on which |
| 160 | corrective action has not been completed. |
| 161 | 5.(e) A summary of each audit and investigation completed |
| 162 | during the reporting period. |
| 163 | Section 5. Subsection (3) of section 420.504, Florida |
| 164 | Statutes, as reenacted, is amended to read: |
| 165 | 420.504 Public corporation; creation, membership, terms, |
| 166 | expenses |
| 167 | (3) The corporation is a separate budget entity and is not |
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168 subject to control, supervision, or direction by the Department 169 of Community Affairs in any manner, including, but not limited 170 to, personnel, purchasing, transactions involving real or 171 personal property, and budgetary matters. The corporation shall 172 consist of a board of directors composed of the Secretary of 173 Community Affairs as an ex officio and voting member, or a 174 senior-level agency employee designated by the secretary, and 175 eight members appointed by the Governor subject to confirmation 176 by the Senate from the following: 177 (a) One citizen actively engaged in the residential home

177 (a) One citizen actively engaged in the residential nome 178 building industry.

(b) One citizen actively engaged in the banking ormortgage banking industry.

181 (c) One citizen who is a representative of those areas of182 labor engaged in home building.

(d) One citizen with experience in housing development whois an advocate for low-income persons.

(e) One citizen actively engaged in the commercialbuilding industry.

187 (f) One citizen who is a former local government elected188 official.

(g) Two citizens of the state who are not principally
employed as members or representatives of any of the groups
specified in paragraphs (a)-(f).

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Section 6. This act shall take effect July 1, 2010.

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