

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Finance & Tax Subcommittee
 2 Representative Davis offered the following:

Amendment (with title amendment)

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (6) of section 159.603, Florida
 7 Statutes, is amended to read:

8 159.603 Definitions.—As used in this part, the following
 9 words and terms have the following meanings unless the context
 10 indicates another or different meaning or intent.

11 (6) "Qualifying housing development" means any work or
 12 improvement located or to be located in this ~~the~~ state,
 13 including real property, buildings, and any other real and
 14 personal property, designed or intended for the primary purpose
 15 of providing decent, safe, and sanitary residential housing for
 16 four or more families, at least 60 percent of whom are eligible
 17 persons, whether new construction, the acquisition of existing
 18 residential housing, or the remodeling, improvement,
 19 rehabilitation, or reconstruction of existing housing, together

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20 with such related nonhousing facilities as the authority
21 determines to be necessary, convenient, or desirable.

22 (a) The term includes a housing development that meets the
23 definition of a "qualified low-income housing project" under s.
24 42(g) of the Internal Revenue Code, regardless of whether such
25 development meets the 60-percent eligible persons requirement
26 under this subsection.

27 (b) The exception provided under paragraph (a) applies to
28 all housing developments meeting the federal definition for
29 "qualified low-income housing project" as well as all
30 developments that previously qualified under the state
31 definition for "qualifying housing development." Housing finance
32 authorities may enter into regulatory agreement amendments as
33 necessary to accommodate housing developments that qualify under
34 paragraph (a).

35 Section 2. Subsection (8) of section 159.608, Florida
36 Statutes, is amended to read:

37 159.608 Powers of housing finance authorities.—A housing
38 finance authority shall constitute a public body corporate and
39 politic, exercising the public and essential governmental
40 functions set forth in this act, and shall exercise its power to
41 borrow only for the purpose as provided herein:

42 (8) To make loans directly to eligible persons ~~or families~~
43 who otherwise cannot borrow from conventional lending sources
44 ~~and whose annual income does not exceed 80 percent of the median~~
45 ~~income based on a family of up to four persons for the county in~~
46 ~~which they seek to purchase a residence. The housing finance~~
47 ~~authority may adjust the annual income requirements for families~~

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48 ~~of greater than four persons.~~ Such loans must be secured by
49 ~~either~~ first mortgages or subordinated mortgages and must be
50 used to purchase, construct, rehabilitate, or refinance single-
51 family residences that have purchase prices that do not exceed
52 the purchase price limits of; ~~however, the purchase price of any~~
53 ~~residence financed through such a loan may not exceed 90 percent~~
54 ~~of the median sales price for single-family homes in the county~~
55 ~~where the borrower's residence is to be located,~~ as mandated by
56 federal law for tax-exempt single-family bond programs.

57 Section 3. Paragraph (h) of subsection (22) and subsection
58 (48) of section 420.507, Florida Statutes, are amended to read:

59 420.507 Powers of the corporation.—The corporation shall
60 have all the powers necessary or convenient to carry out and
61 effectuate the purposes and provisions of this part, including
62 the following powers, which are in addition to all other powers
63 granted by other provisions of this part:

64 (22) To develop and administer the State Apartment
65 Incentive Loan Program. In developing and administering that
66 program, the corporation may:

67 (h) Establish, by rule, the procedure for ~~evaluating,~~
68 ~~scoring,~~ and competitively evaluating and selecting ~~ranking~~ all
69 applications for funding based on the criteria set forth in s.
70 420.5087(6)(c), ~~+~~ determining actual loan amounts, ~~+~~ making and
71 servicing loans, ~~+~~ and exercising the powers authorized in this
72 subsection.

73 (48) To award ~~use up to 10 percent of its annual~~
74 allocation of low-income housing tax credits, nontaxable revenue
75 bonds, and State Apartment Incentive Loan Program funds

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76 appropriated by the Legislature and available to allocate by
77 request for proposals or other competitive solicitation. The
78 corporation shall reserve up to 5 percent of each allocation
79 ~~funding~~ for high-priority affordable housing projects, such as
80 housing to support economic development and job-creation
81 initiatives, housing for veterans and their families, and other
82 special needs populations in communities throughout the state as
83 determined by the corporation on an annual basis. The
84 corporation shall reserve an additional 5 percent of each
85 allocation for affordable housing projects that target persons
86 who have a disabling condition, as defined in s. 420.0004, and
87 their families. These allocations must prioritize projects or
88 initiatives piloting or demonstrating cost-effective best
89 practices that meet the housing needs and preferences of such
90 persons. Any tax credits or funds not allocated because of a
91 lack of eligible projects targeting persons who have a disabling
92 condition shall be distributed by the corporation for high-
93 priority housing projects.

94 Section 4. Paragraphs (c) and (f) of subsection (6) of
95 section 420.5087, Florida Statutes, are amended to read:

96 420.5087 State Apartment Incentive Loan Program.—There is
97 hereby created the State Apartment Incentive Loan Program for
98 the purpose of providing first, second, or other subordinated
99 mortgage loans or loan guarantees to sponsors, including for-
100 profit, nonprofit, and public entities, to provide housing
101 affordable to very-low-income persons.

102 (6) On all state apartment incentive loans, except loans
103 made to housing communities for the elderly to provide for

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104 lifesafety, building preservation, health, sanitation, or
105 security-related repairs or improvements, the following
106 provisions shall apply:

107 (c) The corporation shall provide by rule for the
108 establishment of a review committee ~~composed of the department~~
109 ~~and corporation staff and shall establish by rule a scoring~~
110 ~~system~~ for the competitive evaluation and selection ~~competitive~~
111 ~~ranking~~ of applications submitted in this program, including,
112 but not limited to, the following criteria:

113 1. Tenant income and demographic targeting objectives of
114 the corporation.

115 2. Targeting objectives of the corporation which will
116 ensure an equitable distribution of loans between rural and
117 urban areas.

118 3. Sponsor's agreement to reserve the units for persons or
119 families who have incomes below 50 percent of the state or local
120 median income, whichever is higher, for a time period that
121 exceeds ~~to exceed~~ the minimum required by federal law or the
122 ~~provisions of~~ this part.

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

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

127 b. Forty percent of the units in the project for persons
128 or families who have incomes that do not exceed 60 percent of
129 the state or local median income, whichever is higher, without
130 requiring a greater amount of the loans as provided in this
131 section.

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- 132 5. Provision for tenant counseling.
- 133 6. Sponsor's agreement to accept rental assistance
134 certificates or vouchers as payment for rent.
- 135 7. Projects requiring the least amount of a state
136 apartment incentive loan compared to overall project cost,
137 except that the share of the loan attributable to units serving
138 extremely-low-income persons must ~~shall~~ be excluded from this
139 requirement.
- 140 8. Local government contributions and local government
141 comprehensive planning and activities that promote affordable
142 housing.
- 143 9. Project feasibility.
- 144 10. Economic viability of the project.
- 145 11. Commitment of first mortgage financing.
- 146 12. Sponsor's prior experience.
- 147 13. Sponsor's ability to proceed with construction.
- 148 14. Projects that directly implement or assist welfare-to-
149 work transitioning.
- 150 15. Projects that reserve units for extremely-low-income
151 persons.
- 152 16. Projects that include green building principles,
153 storm-resistant construction, or other elements that reduce
154 long-term costs relating to maintenance, utilities, or
155 insurance.
- 156 17. Job-creation rate of the developer and general
157 contractor, as provided in s. 420.507(47).
- 158 (f) The review committee established by corporation rule
159 pursuant to this subsection shall make recommendations to the

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160 board of directors of the corporation regarding program
161 participation under the State Apartment Incentive Loan Program.
162 The corporation board shall make the final ~~ranking and the~~
163 decisions regarding which applicants shall become program
164 participants based on the scores received in the competitive
165 process ~~ranking~~, further review of applications, and the
166 recommendations of the review committee. The corporation board
167 shall approve or reject applications for loans and shall
168 determine the tentative loan amount available to each applicant
169 selected for participation in the program. The actual loan
170 amount shall be determined pursuant to rule adopted pursuant to
171 s. 420.507(22) (h).

172 Section 5. Section 420.511, Florida Statutes, is amended
173 to read:

174 420.511 Strategic business plan; long-range program
175 ~~strategie~~ plan; annual report; audited financial statements.-

176 (1) The corporation shall develop a strategic business
177 plan for the provision of affordable housing for the state. The
178 plan must be consistent ~~shall not be inconsistent~~ with the long-
179 range program ~~strategie~~ plan prepared pursuant to subsection (2)
180 and shall contain performance measures and specific performance
181 targets for the following:

182 (a) The ability of low-income and moderate-income
183 Floridians to access housing that is decent and affordable.

184 (b) The continued availability and affordability of
185 housing financed by the corporation to target populations.

186 (c) The availability of affordable financing programs,
187 including equity and debt products, and programs that reduce

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188 gaps in conventional financing in order, to increase individual
189 access to housing and stimulate private production of affordable
190 housing.

191 (d) The establishment and maintenance of efficiencies in
192 the delivery of affordable housing.

193 (e) Such other measures as directed by the corporation's
194 board of directors.

195
196 ~~The corporation shall also compile data on the stimulus of~~
197 ~~economic activity created by the affordable housing finance~~
198 ~~programs administered by the corporation.~~

199 (2) The corporation, in coordination ~~equal partnership~~
200 with the department, shall ~~develop~~ annually develop a long-range
201 program ~~strategie~~ plan for the provision of affordable housing
202 in this state as Florida ~~as part of the department's agency~~
203 ~~strategie plan~~ required pursuant to chapter 186. In part, the
204 plan must ~~shall~~ include provisions that maximize the abilities
205 of the corporation ~~and the department~~ to implement the state
206 housing strategy established under s. 420.0003, to respond to
207 federal housing initiatives, and to develop programs in a manner
208 that is more responsive to the needs of public and private
209 partners. The plan shall be developed on a schedule consistent
210 with that established by s. 186.021. For purposes of this
211 section ~~act~~, the executive director or his or her designee shall
212 serve as the corporation's representative to achieve a
213 coordinated and integrated planning relationship with the
214 department.

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215 (3)~~(a)~~ The corporation shall submit to the Governor and
216 the presiding officers of each house of the Legislature, within
217 6 ~~2~~ months after the end of its fiscal year, a complete and
218 detailed report setting forth the corporation's state and
219 federal program accomplishments using the most recent available
220 data. The report must include, but is not limited to:

221 (a) The following tenant characteristics in the existing
222 rental units financed through corporation-administered programs:

223 1. The number of households served, delineated by income,
224 race, ethnicity, and age of the head of household.

225 2. The number of households served in large, medium, and
226 small counties as described in s. 420.5087(1) and the extent to
227 which geographic distribution has been achieved in accordance
228 with s. 420.5087.

229 3. The number of farmworker and commercial fishing worker
230 households served.

231 4. The number of homeless households served.

232 5. The number of special needs households served.

233 6. By county, the average rent charged based on unit size.

234 (b) The number of rental units to which resources have
235 been allocated in the last fiscal year, including income and
236 demographic restrictions.

237 (c) The estimated average cost of producing units under
238 each rental or homeownership unit financed under each program in
239 the last fiscal year.

240 (d) By county, the average sales price of homeownership
241 units financed in the last fiscal year.

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242 (e) The number of households served by homeownership
243 programs in the last fiscal year, including the income, race,
244 ethnicity, and age of the homeowner of each household.

245 (f) The percentage of homeownership loans that are in
246 foreclosure.

247 (g) The percentage of properties in the corporation's
248 rental portfolio which have an occupancy rate below 90 percent.

249 (h) The amount of economic stimulus created by the
250 affordable housing finance programs administered by the
251 corporation for the most recent year available.

252 (i) For the State Apartment Incentive Loan Program (SAIL),
253 a comprehensive list of all closed loans outstanding at the end
254 of the most recent fiscal year, including, but not limited to,
255 development name, city, county, developer, set-aside type, set-
256 aside percentage, affordability term, total number of units,
257 number of set-aside units, lien position, original loan amount,
258 loan maturity date, loan balance at close of year, status of
259 loan, rate of interest, and interest paid.

260 (j) For the Florida Affordable Housing Guarantee Program,
261 a list of all guaranteed loans through the close of the most
262 recent fiscal year, including, but not limited to, development
263 name, city, county, developer, total number of units, issuer of
264 the bonds, loan maturity date, participation in the United
265 States Department of Housing and Urban Development Risk-Sharing
266 Program, original guarantee amount, guarantee amount at the
267 close of the fiscal year, status of guaranteed loans, and total
268 outstanding Florida Housing Finance Corporation Affordable

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269 Housing Guarantee Program revenue bonds at the close of the most
270 recent fiscal year.

271 (k) Any other information the corporation deems
272 appropriate.

273 ~~1. Its operations and accomplishments;~~

274 ~~2. Its receipts and expenditures during its fiscal year in~~
275 ~~accordance with the categories or classifications established by~~
276 ~~the corporation for its operating and capital outlay purposes;~~

277 ~~3. Its assets and liabilities at the end of its fiscal~~
278 ~~year and the status of reserve, special, or other funds;~~

279 ~~4. A schedule of its bonds outstanding at the end of its~~
280 ~~fiscal year, together with a statement of the principal amounts~~
281 ~~of bonds issued and redeemed during the fiscal year; and~~

282 ~~5. Information relating to the corporation's activities in~~
283 ~~implementing the provisions of ss. 420.5087, 420.5088, and~~
284 ~~420.5095.~~

285 ~~(b) The report shall include, but not be limited to:~~

286 ~~1. The number of people served, delineated by income, age,~~
287 ~~family size, and racial characteristics.~~

288 ~~2. The number of units produced under each program.~~

289 ~~3. The average cost of producing units under each program.~~

290 ~~4. The average sales price of single-family units financed~~
291 ~~under s. 420.5088.~~

292 ~~5. The average amount of rent charged based on unit size~~
293 ~~on units financed under s. 420.5087.~~

294 ~~6. The number of persons in rural communities served under~~
295 ~~each program.~~

296 ~~7. The number of farmworkers served under each program.~~

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297 ~~8. The number of homeless persons served under each~~
298 ~~program.~~

299 ~~9. The number of elderly persons served under each~~
300 ~~program.~~

301 ~~10. The extent to which geographic distribution has been~~
302 ~~achieved in accordance with the provisions of s. 420.5087.~~

303 ~~11. The success of the Community Workforce Housing~~
304 ~~Innovation Pilot Program in meeting the housing needs of~~
305 ~~eligible areas.~~

306 ~~12. Any other information the corporation deems~~
307 ~~appropriate.~~

308 (4) Within 6 months after the end of its fiscal year, the
309 corporation shall submit audited financial statements, prepared
310 in accordance with generally accepted accounting principles,
311 which include all assets, liabilities, revenues, and expenses of
312 the corporation, and a list of all bonds outstanding at the end
313 of its fiscal year. The ~~with the annual report required by this~~
314 ~~section, a copy of an annual financial audit of its accounts and~~
315 ~~records and an annual compliance audit~~ must be of its programs
316 conducted by an independent certified public accountant,
317 performed in accordance with generally accepted auditing
318 standards and government auditing standards, and incorporate all
319 reports, including compliance reports, as required by such
320 auditing standards.

321 (5) The Auditor General shall conduct an operational audit
322 of the accounts and records of the corporation and provide a
323 written report on the audit to the President of the Senate and
324 the Speaker of the House of Representatives by December 1, 2016.

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325 Both the corporation's business plan and annual report must
326 ~~shall~~ recognize the different fiscal periods under which the
327 corporation, the state, the Federal Government, and local
328 governments operate.

329 Section 6. Paragraph (b) of subsection (4) of section
330 420.0003, Florida Statutes, is amended to read:

331 420.0003 State housing strategy.—

332 (4) IMPLEMENTATION.—The Department of Economic Opportunity
333 and the Florida Housing Finance Corporation in carrying out the
334 strategy articulated herein shall have the following duties:

335 (b) The long-range program ~~agency strategic~~ plan of the
336 Department of Economic Opportunity must ~~shall~~ include specific
337 goals, objectives, and strategies that implement the housing
338 policies in this section and ~~shall include the strategic plan~~
339 ~~for housing production prepared by the corporation pursuant to~~
340 ~~s. 420.511.~~

341 Section 7. Section 420.0006, Florida Statutes, is amended
342 to read:

343 420.0006 Authority to contract with corporation; contract
344 requirements; nonperformance.—The executive director of the
345 department shall contract, notwithstanding part I of chapter
346 287, with the Florida Housing Finance Corporation on a multiyear
347 basis to stimulate, provide, and foster affordable housing in
348 the state. The contract must incorporate the performance
349 measures required by s. 420.511 and ~~must~~ be consistent with ~~the~~
350 ~~provisions of~~ the corporation's strategic business plan prepared
351 in accordance with s. 420.511. The contract must provide that
352 if, in the event the corporation fails to comply with ~~any of the~~

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353 a performance measure ~~measures~~ required by s. 420.511, the
354 executive director shall notify the Governor and ~~shall~~ refer the
355 nonperformance to the department's inspector general for review
356 and determination as to whether such failure is due to forces
357 beyond the corporation's control or whether such failure is due
358 to inadequate management of the corporation's resources.
359 Advances shall continue to be made pursuant to s. 420.0005
360 during the pendency of the review ~~by the department's inspector~~
361 ~~general~~. If such failure is due to outside forces, it may ~~shall~~
362 not be deemed a violation of the contract. If such failure is
363 due to inadequate management, the department's inspector general
364 shall provide recommendations regarding solutions. The Governor
365 may ~~is authorized to~~ resolve ~~any~~ differences of opinion with
366 respect to performance under the contract and may request that
367 advances continue in the event of a failure under the contract
368 due to inadequate management. The Chief Financial Officer shall
369 approve the request absent a finding by the Chief Financial
370 Officer that continuing such advances would adversely impact the
371 state; however, ~~in any event~~ the Chief Financial Officer shall
372 provide advances sufficient to meet the debt service
373 requirements of the corporation and sufficient to fund contracts
374 committing funds from the State Housing Trust Fund if ~~so long as~~
375 such contracts are in accordance with the laws of this state.

376 Section 8. Subsection (1) of section 420.504, Florida
377 Statutes, is amended to read:

378 420.504 Public corporation; creation, membership, terms,
379 expenses.—

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380 (1) ~~There is created within the Department of Economic~~
381 ~~Opportunity~~ A public corporation and a public body corporate and
382 politic, to be known as the "Florida Housing Finance
383 Corporation" is created within the Department of Economic
384 Opportunity." It is declared to be the intent of and
385 constitutional construction by the Legislature that the Florida
386 Housing Finance Corporation constitutes an entrepreneurial
387 public corporation organized to provide and promote the public
388 welfare by administering the governmental function of financing
389 or refinancing housing and related facilities in this state
390 ~~Florida~~ and that the corporation is not a department of the
391 executive branch of state government within the scope and
392 meaning of s. 6, Art. IV of the State Constitution, but is
393 functionally related to the Department of Economic Opportunity
394 in which it is placed. The executive function of state
395 government to be performed by the executive director of the
396 Department of Economic Opportunity in the conduct of the
397 business of the Florida Housing Finance Corporation must be
398 performed pursuant to a contract to monitor and set performance
399 standards for the implementation of the business plan for the
400 provision of housing approved for the corporation as provided in
401 s. 420.0006. This contract must ~~shall~~ include ~~the~~ performance
402 standards for the provision of affordable housing in this state
403 ~~Florida~~ established in the strategic business plan described in
404 s. 420.511.

405 Section 9. Subsection (1) of section 420.506, Florida
406 Statutes, is amended to read:

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407 420.506 Executive director; agents and employees;
408 inspector general.-

409 (1) The appointment and removal of an executive director
410 shall be by the executive director of the Department of Economic
411 Opportunity, with the advice and consent of the corporation's
412 board of directors. The executive director shall employ legal
413 and technical experts and such other agents and employees,
414 permanent and temporary, as the corporation may require, and
415 shall communicate with and provide information to the
416 Legislature with respect to the corporation's activities. ~~The~~
417 ~~board is authorized,~~ Notwithstanding ~~the provisions of s.~~
418 216.262, the board may ~~to~~ develop and implement rules regarding
419 the employment of employees of the corporation and service
420 providers, including legal counsel. The board ~~of directors of~~
421 ~~the corporation~~ is entitled to establish travel procedures and
422 guidelines for employees of the corporation, subject to s.
423 112.061(6) and (7). The executive director's office and the
424 corporation's files and records must be located in Leon County.

425 Section 10. Section 420.5091, Florida Statutes, is
426 repealed.

427 Section 11. This act shall take effect July 1, 2013.

428

429

430

T I T L E A M E N D M E N T

431

Remove everything before the enacting clause and insert:

432

A bill to be entitled

433

An act relating to community development; amending s.

434

159.603, F.S.; revising the definition of "qualifying

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435 housing development"; amending s. 159.608, F.S.;

436 revising the power of a housing finance authority to

437 make loans directly to eligible persons; amending s.

438 420.507, F.S.; revising the powers of the Florida

439 Housing Finance Corporation; specifying how the

440 corporation will allocate certain funds; amending s.

441 420.5087, F.S.; revising provisions relating to state

442 apartment incentive loans to provide for a competitive

443 evaluation and selection process with respect to loan

444 applications; amending s. 420.511, F.S.; providing

445 that the corporation's strategic business plan must be

446 consistent with a long-range program plan relating to

447 affordable housing; deleting a requirement that the

448 corporation compile certain data; revising provisions

449 relating to the corporation's development of its long-

450 range plan; revising the required contents and

451 information to be included in the corporation's annual

452 report; requiring the corporation to submit separate

453 audited financial statements that include specified

454 information and incorporate certain reports; requiring

455 the Auditor General to conduct an operational audit of

456 the corporation and provide a written report to the

457 Legislature; amending ss. 420.0003, 420.0006, 420.504,

458 and 420.506, F.S.; conforming provisions to changes

459 made by this act; repealing s. 420.5091, F.S.,

460 relating to the HOPE program; providing an effective

461 date.