

Committee Substitute for House Bill No. 1803

An act relating to affordable housing; amending s. 420.0003, F.S.; revising provisions relating to implementation of the State Housing Strategy; amending s. 420.0005, F.S.; providing directions for use of the State Housing Trust Fund; creating s. 420.0006, F.S.; directing the Secretary of Community Affairs to contract with the Florida Housing Finance Corporation to provide affordable housing; amending s. 420.501, F.S.; conforming terminology; amending s. 420.502, F.S.; providing legislative findings; amending s. 420.503, F.S.; defining terms; amending s. 420.504, F.S.; renaming the Florida Housing Finance Agency as the Florida Housing Finance Corporation; specifying its status as a public corporation; revising membership of its board of directors; providing liability of members; amending s. 420.505, F.S.; conforming terminology; amending s. 420.506, F.S.; providing employment conditions for the executive director and other employees; creating s. 420.5061, F.S.; providing for the transfer of agency assets and liabilities; amending s. 420.507, F.S.; providing powers of the corporation; amending s. 420.508, F.S.; providing special powers of the corporation with respect to multifamily and single family projects; revising requirements relating to security for loans and bonds; establishing the Florida Housing Finance Corporation Fund and providing for deposit of funds in the Housing Finance Agency Trust Fund therein and for closure of the trust fund; amending s. 420.5087, F.S.; renaming and revising the status of the State Apartment Incentive Loan Trust Fund and transferring amounts to the renamed fund; conforming terminology; amending s. 420.5088, F.S.; renaming and revising the status of the Florida Homeownership Assistance Trust Fund and transferring amounts to the renamed fund; conforming terminology; amending s. 420.5089, F.S.; renaming and revising the status of the HOME Partnership Trust Fund and transferring amounts to the renamed fund; eliminating pilot programs; amending s. 420.509, F.S.; providing conditions for the issuance of bonds by the corporation; amending ss. 420.5091 and 420.5092, F.S.; conforming terminology; amending s. 420.5099, F.S.; providing for allocation of low-income housing tax credits; providing considerations for assessment of tax credit developments; amending s. 420.51, F.S.; conforming terminology; amending s. 420.511, F.S.; directing the corporation to develop a business plan and a strategic plan and make an annual report; requiring submission of a financial audit and compliance audit with the annual report; amending s. 420.512, F.S.; providing for standards of conduct and conflicts of interest; amending s. 420.513, F.S.; providing for exemption from taxes; amending ss. 420.514 and 420.523, F.S.; conforming terminology; creating s. 420.517, F.S.; providing for affordable housing and job training coordination; amending s. 420.525, F.S.; renaming and revising the status of the Housing Predevelopment Trust Fund and transferring amounts to the renamed fund; amending ss. 420.526, 420.527, 420.528, and 420.529, F.S.; conforming terminology;

amending s. 420.602, F.S.; revising definitions under the Affordable Housing Planning and Community Assistance Act; amending s. 420.606, F.S.; revising provisions relating to training and technical assistance; amending s. 420.9071, F.S.; revising definitions under the State Housing Initiatives Partnership Program; amending s. 420.9072, F.S.; revising requirements for the State Housing Initiatives Partnership Program; amending s. 420.9073, F.S., relating to local housing distributions; raising the guaranteed minimum allocation; amending s. 420.9075, F.S.; providing for local housing assistance plans; amending s. 420.9076, F.S.; providing for the adoption of local housing incentive strategies; amending ss. 420.9078 and 420.9079, F.S.; providing for the administration of, and distributions from, the Local Government Housing Trust Fund; repealing s. 420.5085, F.S., relating to energy conservation loans; repealing s. 420.5094, F.S., relating to the single-family mortgage revenue bond program; amending ss. 239.505 and 381.0081, F.S.; conforming terminology; amending s. 285.11, F.S.; providing that leases of Seminole Indian Reservation land entered into with a Florida Indian for housing development and residential purposes may be for a term not to exceed 50 years; providing for transition; providing an effective date.

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

Section 1. Subsection (4) of section 420.0003, Florida Statutes, is amended to read:

420.0003 State housing strategy.—

(4) IMPLEMENTATION.—The Department of Community Affairs and the Florida Housing Finance Corporation in carrying out the strategy articulated herein shall have the following duties:

(a) The fiscal resources of the Department of Community Affairs shall be directed to achieve the following programmatic objectives:

1. Effective technical assistance and capacity-building programs shall be established at the state and local levels.

2. The Shimberg Center for Affordable Housing at the University of Florida shall develop and maintain statewide data on housing needs and production, provide technical assistance relating to real estate development and finance, operate an information clearinghouse on housing programs, and coordinate state housing initiatives with local government and federal programs.

(b) The agency strategic functional plan of the Department of Community Affairs, prepared pursuant to the provisions of ss. 186.021 and 186.022, shall include specific goals, objectives, and strategies that ~~which~~ implement the housing policies in this section and shall include the strategic plan for housing production prepared by the corporation pursuant to s. 420.511.

(c) The Shimberg Center for Affordable Housing, in consultation with the Department of Community Affairs and cooperation with the Florida Housing Finance Corporation Agency, shall review and evaluate existing housing rehabilitation, production, and finance programs to determine their consistency with relevant policies in this section and identify the needs of specific populations, including, but not limited to, elderly and handicapped persons, and shall recommend statutory modifications where appropriate. The Shimberg Center for Affordable Housing, in consultation with the Department of Community Affairs and cooperation with the corporation agency, shall also evaluate the degree of coordination between state housing programs, and between state, federal, and local housing activities, and shall recommend improved program linkages. The recommendations required above and a report of any programmatic modifications made as a result of these policies shall be included in the housing report required by s. 420.6075, beginning December 31, 1991, and every 5 years thereafter.

(d) The department and the corporation agency are anticipated to conform the administrative rules for each housing program to the policies stated in this section, provided that such changes in the rules are consistent with the statutory intent or requirements for the program. This authority applies only to programs offering loans, grants, or tax credits and only to the extent that state policies are consistent with applicable federal requirements.

Section 2. Section 420.0005, Florida Statutes, is amended to read:

420.0005 State Housing Trust Fund.—There is hereby established in the State Treasury a separate trust fund to be named the “State Housing Trust Fund.” There shall be deposited in the fund all moneys appropriated by the Legislature, or moneys received from any other source, for the purpose of this chapter, and all proceeds derived from the use of such moneys. Portions of The fund shall be administered by the Department of Community Affairs and the Florida Housing Finance Corporation on behalf of the department Agency, as specified in this chapter. Money deposited to the fund and appropriated by the Legislature must, notwithstanding the provisions of chapter 216, be transferred quarterly in advance, to the extent available, or, if not so available, as soon as received into the State Housing Trust Fund, and subject to the provisions of s. 420.5092(6)(a) and (b) by the Comptroller to the corporation upon certification by the Secretary of Community Affairs that the corporation is in compliance with the requirements of s. 420.0006. The certification made by the secretary shall also include the split of funds among programs administered by the corporation and the department as specified in chapter 92-317, Laws of Florida, as amended. Moneys advanced by the Comptroller must be deposited by the corporation into a separate fund established with a qualified public depository meeting the requirements of chapter 280 to be named the “State Housing Fund” and used for the purposes of this chapter. Administrative and personnel costs incurred in implementing this chapter may be paid from the fund, but such costs may not exceed 5 percent of the moneys deposited into the fund. To this fund shall be credited all loan repayments, penalties, and other fees and charges accruing to the fund under this chapter. It is the intent of this chapter that all loan repayments, penalties, and other fees and charges collected be credited

in full to the program account from which the loan originated. Moneys in the trust fund which are not currently needed for the purposes of this chapter shall be deposited with the Treasurer to the credit of the trust fund and may be invested in such manner as is provided for by statute. The interest received on any such investment shall be credited to the fund.

Section 3. Section 420.0006, Florida Statutes, is created to read:

420.0006 Authority to contract with corporation.—The secretary of the department shall contract, notwithstanding the provisions of part I of chapter 287, with the Florida Housing Finance Corporation on a multiyear basis to stimulate, provide, and foster affordable housing in the state. The contract must incorporate the performance measures required by s. 420.511. The contract must provide that, in the event the corporation fails to comply with any of the performance measures required by s. 420.511, the secretary shall notify the Governor and shall refer the nonperformance to the department's inspector general for review and determination as to whether such failure is due to forces beyond the corporation's control or whether such failure is due to inadequate management of the corporation's resources. Advances shall continue to be made pursuant to s. 420.0005 during the pendency of the review by the department's inspector general. If such failure is due to outside forces, it shall not be deemed a violation of the contract. If such failure is due to inadequate management, the department's inspector general shall provide recommendations regarding solutions. The Governor is authorized to resolve any differences of opinion with respect to performance under the contract and to direct that advances continue in the event of a failure under the contract due to inadequate management. The department inspector general shall perform for the corporation the functions set forth in s. 20.055 and report to the secretary of the department. The corporation shall be deemed an agency for the purposes of s. 20.055.

Section 4. Section 420.501, Florida Statutes, is amended to read:

~~420.501 Short title.—This act shall be known and may be cited as the “Florida Housing Finance Corporation Agency Act.”~~

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

420.502 Legislative findings.—It is hereby found and declared as follows:

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

(7) It is necessary to create a state housing finance corporation agency to encourage the investment of private capital in residential housing through the use of public financing to deal with the problem of disintermediation, to stimulate the construction and rehabilitation of residential housing, to facilitate the purchase and sale of existing residential housing,

to provide construction and mortgage loans for projects, and to make loans to and purchase mortgage loans from private lending institutions, each on a quantifiable, measurable basis providing sufficient, clear evidence of the corporation's goals and its success in achieving the goals.

Section 6. Section 420.503, Florida Statutes, is amended to read:

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

(1) “Affordable housing debt” means debt issued by or loans made to the ~~corporation~~ agency, counties, municipalities, or other public agencies of this state or not-for-profit corporations or for-profit ~~entities~~ corporations for the purpose of providing affordable housing to residents of the state.

(2) “Agency” means the Florida Housing Finance Agency as it exists before January 1, 1998, and thereafter as previously existing under state law created pursuant to this part.

(3) “Authorized investments” means any of the following securities:

(a) Investments permitted under s. 215.47(1) and (2), without regard to any limitation set forth therein ~~Direct obligations of, or obligations guaranteed by, the United States of America.~~

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

(c) ~~Public housing bonds issued by public housing agencies and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, and temporary notes, preliminary loan notes, or project notes issued by public housing agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.~~

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

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

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

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

~~(c) Contracts for the purchase and sale of obligations described in paragraphs (a) and (b), provided that if the parties with which the contracts are made are not members of the Federal Reserve System or if the parties, including members of the Federal Reserve System, are not required to set aside and otherwise identify, to the satisfaction of the agency, obligations described in paragraph (a) or paragraph (b) to such contracts as security or reserve therefor in an amount at least equal to the face value of each contract, the obligations shall be delivered to and held by a trustee or other fiduciary with respect to the bonds of the agency during the term of the contracts.~~

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

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

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

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

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

(7) “Community housing development organization” means a nonprofit organization that has among its purposes the provision of affordable housing for low-income families and moderate-income families, maintains accountability to low-income community residents, has demonstrated the capacity to carry out affordable housing activities, and has a history of serving the local community.

(8) “Contract” means the contract between the secretary of the department and the corporation for provision of housing services referenced in s. 420.0006.

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

(10) “Corporation” means the Florida Housing Finance Corporation.

(11) “Covered employee” means those corporation employees designated by rule of the corporation.

(12)(8) “Department” means the Department of Community Affairs.

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

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

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

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

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

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

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

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

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

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

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

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

(14)(10) “Division” means the Division of Bond Finance of the State Board of Administration created by and referred to in the State Bond Act.

(15)(41) “Elderly” means persons 62 years of age or older.

(16)(42) “Eligible housing provider” means a for-profit developer or not-for-profit developer or a community housing development organization having demonstrated the capacity to construct or rehabilitate affordable housing.

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

- (a) Requirements mandated by federal law.
- (b) Variations in circumstances in the different areas of the state.
- (c) Whether the determination is for rental housing or homeownership purposes.
- (d) The need for family size adjustments to accomplish the purposes set forth in this act.

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

~~(15) “Energy conservation loan” means a loan made pursuant to s. 366.82(3).~~

(18)(46) “Farmworker” means a laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting, or processing of agricultural or aquacultural products and who derived at least 50 percent of his income in the immediately preceding 12 months from such employment. “Farmworker” also includes a person who has retired as a laborer due to age, disability, or illness. In order to be considered retired as a farmworker due to age under this part, a person must be 50 years of age or older and must have been employed for a minimum of 5 years as a farmworker before retirement. In order to be considered retired as a farmworker due to disability or illness, a person must:

- (a) Establish medically that he is unable to be employed as a farmworker due to that disability or illness.
- (b) Establish that he was previously employed as a farmworker.

(19)(47) “Housing for the elderly” means, for purposes of s. 420.5087(3)(c)2., any nonprofit housing community that is financed by a mortgage loan made or insured by the United States Department of Housing

and Urban Development under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National Housing Act, as amended, and that is subject to income limitations established by the United States Department of Housing and Urban Development, or any program funded by the Rural Development Agency of the United States Department of Agriculture Farmers Home Administration and subject to income limitations established by the United States Department of Agriculture.

(20)(18) “Lending institution” means any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, insurance company, the Florida Housing Development Corporation, or other financial institution or governmental agency authorized to transact business in this state and which customarily provides service or otherwise aids in the financing of mortgages on real property located in the state.

(21)(19) “Loan,” for purposes of the State Apartment Incentive Loan Program and HOME Investment Partnership Program, means any direct loan or loan guaranty issued or backed by such funds.

(22)(20) “Local government” means a unit of local general-purpose government as defined in s. 218.31(2).

(23)(21) “Local partnership” means a formally constituted group, including representatives of local government, lenders, developers, nonprofit organizations, realtors, social service providers, and other entities in the community which are involved with the development of affordable housing.

(24) “Members” means the members of the board of directors of the corporation.

(25)(22) “Mortgage” means:

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

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

2. Secured, insured, or guaranteed in such manner as the corporation agency determines will protect its interests and those of the bondholders, ~~provided the bonds issued to fund or finance such instrument are rated by a nationally recognized rating service in any one of the three highest classifications, which rating services and classifications are determined pursuant to rules adopted by the State Board of Administration under s. 215.84(3), unless the bonds are privately placed through a negotiated sale as authorized in s. 420.509(7)(a); or~~

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

~~(26)~~(23) “Mortgage loan” means a financial obligation secured by a mortgage.

~~(27)~~(24) “Nonparticipating local jurisdiction” means a locality which is not a participating local jurisdiction.

~~(28)~~ “Officers” means the chair, vice chair, and secretary of the board of directors of the corporation.

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

~~(30)~~(26) “Pledged revenues” means revenues to be derived from the financing of residential housing, mortgages, or loan payments and any other revenues or assets that may be legally available to pay the principal of, redemption premium, if any, and interest on the bonds derived from sources other than ad valorem taxation, including revenues from other sources or any combination thereof and any funds or accounts designated by the corporation; however, in no event shall the full faith and credit of the state be pledged to secure such revenue bonds.

~~(31)~~ “Prohibited business solicitation communication” means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:

(a) A verbal communication made on the record during a public meeting;

(b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;

(c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.

(d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communications do not relate to solicitation of business.

(e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communications do not relate to solicitation of business.

~~(32)~~(27) “Project” means any work or improvement located or to be located in the state, including real property, buildings, and any other real and personal property, designed and intended for the primary purpose of providing decent, safe, and sanitary residential housing for persons or ~~four or more~~ families, whether new construction, the acquisition of existing residential

housing, or the remodeling, improvement, rehabilitation, or reconstruction of existing housing, together with such related nonhousing facilities as the corporation agency determines to be necessary, convenient, or desirable.

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

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

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

~~(36)~~ “Services” means the professional services normally provided by the service provider. The term includes, but is not limited to, the services of bond and special counsel, auditor, accountant, trustee bank, and master servicer.

~~(37)~~~~(30)~~ “Sponsor” means any individual, association, corporation, joint venture, partnership, trust, local government, or other legal entity or any combination thereof which:

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

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

~~(38)~~~~(31)~~ “State” means the State of Florida.

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

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

~~(40)~~~~(34)~~ “State Housing Trust Fund” means the trust fund established pursuant to s. 420.0005.

~~(41)~~~~(35)~~ “Substantial rehabilitation” means repair or restoration of a dwelling unit where the value of such repair or restoration exceeds 40 percent of the value of the dwelling.

Section 7. Section 420.504, Florida Statutes, 1996 Supplement, is amended to read:

420.504 Public corporation Agency; creation, membership, terms, expenses.—

(1) ~~There is created within the Department of Community Affairs a public corporation and a state agency and instrumentality, which shall be a public body corporate and politic, to be known as the “Florida Housing Finance Corporation Agency.” It is declared to be the intent of and constitutional construction by the Legislature that the Florida Housing Finance Corporation constitutes an entrepreneurial public corporation organized to provide and promote the public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida and that the corporation is not a department of the executive branch of state government within the scope and meaning of s. 6, Art. IV of the State Constitution, but is functionally related to the Department of Community Affairs in which it is placed. The executive function of state government to be performed by the secretary of the department in the conduct of the business of the Florida Housing Finance Corporation must be performed pursuant to an annual contract to monitor and set performance standards for the implementation of the business plan for the provision of housing approved for the corporation as provided in s. 420.0006. This contract shall include the performance standards for the provision of affordable housing in Florida established in the business plan described in s. 420.511.~~

(2) The corporation is constituted as a public instrumentality, and the exercise by the corporation of the power conferred by this act is considered to be the performance of an essential public function. The corporation shall constitute an agency for the purposes of s. 120.52. The corporation is subject to chapter 119, subject to exceptions applicable to the corporation, and to the provisions of chapter 286. The corporation is not governed by chapter 607, but by the provisions of this part. If for any reason the establishment of the corporation is deemed in violation of law, such provision is severable and the remainder of this act remains in full force and effect.

(3) The corporation is a separate budget entity and is not subject to control, supervision, or direction by the Department of Community Affairs in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters. The corporation agency shall consist of a board of directors composed of the Secretary of Community Affairs as an ex officio and voting member and eight members appointed by the Governor subject to confirmation by the Senate from the following:

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

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

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

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

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

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

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

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

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

(b) Subject to removal or reinstatement of the member by the Senate, the Governor may suspend a member for cause, including, but not limited to, failure to attend at least 3 meetings of the board during any 12-month period.

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

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

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

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

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

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

1. A violation of criminal law, unless the member had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful. A judgment or other final adjudication against a member in any criminal proceeding for violation of the criminal

law estops that member from contesting the fact that his or her breach, or failure to perform, constitutes a violation of the criminal law, but does not estop the member from establishing that he or she had reasonable cause to believe that his or her conduct was lawful or had no reasonable cause to believe that his or her conduct was unlawful;

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

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

(9) For purposes of this section, the term “recklessness” means the acting, or omission to act, in conscious disregard of a risk:

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

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

(10) The members of the agency in office on December 31, 1997, shall continue in office as the directors of the corporation without further act of the Governor or Senate for the balance of their respective terms of office with their terms being defined to have commenced as of the date of first appointment for purposes of chapter 112.

Section 8. Section 420.505, Florida Statutes, is amended to read:

420.505 Meetings; quorum; voting.—The powers of the corporation ~~agency~~ shall be vested in the its members of its board of directors in office from time to time. Five members of the board ~~agency~~ shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the board ~~agency~~ upon an affirmative vote of a majority of the members present, provided that no action shall be taken by an affirmative vote of less than four members.

Section 9. Section 420.506, Florida Statutes, is amended to read:

420.506 Executive director; agents and employees.—The appointment and removal of an executive director shall be by the Secretary of Community Affairs, with the advice and consent of the corporation’s board of directors ~~agency~~. The executive director shall subsequently employ legal and technical experts and such other agents and employees, permanent and temporary, as the corporation ~~agency~~ may require, and shall communicate with and provide information to the Legislature with respect to the corporation’s activities. The board is authorized, notwithstanding the provisions of s. 216.262, to develop and implement rules regarding the employment of employees of the corporation and service providers, including legal counsel. The corporation may hire any individual who, as of the effective date of this act, is employed by the agency. The corporation is authorized to enter into a lease

agreement with the Department of Management Services or the Department of Community Affairs for the lease of state employees from such entities, wherein an employee shall retain his or her status as a state employee but shall work under the direct supervision of the corporation, and shall retain the right to participate in the Florida Retirement System. The board of directors of the corporation is entitled to establish travel procedures and guidelines for employees of the corporation. The executive director's office and the corporation's files and records must be located in Leon County. The provisions of the state personnel law contained in chapter 110 shall apply, except that no more than 10 policymaking employees of the agency as determined from time to time by the agency may be exempted.

Section 10. Section 420.5061, Florida Statutes, is created to read:

420.5061 Transfer of agency assets and liabilities.—Effective January 1, 1998, all assets and liabilities and rights and obligations, including any outstanding contractual obligations, of the agency shall be transferred to the corporation as legal successor in all respects to the agency. The corporation shall thereupon become obligated to the same extent as the agency under any existing agreements and be entitled to any rights and remedies previously afforded the agency by law or contract, including specifically the rights of the agency under chapter 201 and chapter 159, part VI. Effective January 1, 1998, all references under Florida law to the agency are deemed to mean the corporation. The Corporation shall transfer to the General Revenue fund an amount which otherwise would have been deducted as a service charge pursuant to s. 215.20(1) if the Florida Housing Finance Corporation Fund established by s. 420.508(5), the State Apartment Incentive Loan Fund established by s. 420.5087(7), the Florida Homeownership Assistance Fund established by s. 420.5088(5), the HOME Investment Partnership Fund established by s. 420.5089(1) and the Housing Predevelopment Loan Fund established by s. 420.525(1) were each trust funds. For purposes of s. 112.313, the corporation is deemed to be a continuation of the agency, and the provisions thereof are deemed to apply as if the same entity remained in place. Any employees of the agency and agency board members covered by s. 112.313(9)(a)6. shall continue to be entitled to the exemption in that subparagraph, notwithstanding being hired by the corporation or appointed as board members of the corporation. Effective January 1, 1998, all state property in use by the agency shall be transferred to and become the property of the corporation.

Section 11. Section 420.507, Florida Statutes, is amended to read:

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

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

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

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

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

(5) To acquire real and personal property or any interest therein when such acquisition is necessary or appropriate to protect any loan or to participate in any program in which the corporation agency has an interest; to sell, transfer, and convey any such property to a buyer without regard to the provisions of chapters 253 and 270; and, in the event that such sale, transfer, or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property for occupancy ~~by eligible persons~~.

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

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

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

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

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

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

- (a) The repayment of any loans to mortgage lenders or mortgage loans.
- (b) Any project.
- (c) Any bonds of the corporation agency, in such amounts and from such insurers, including the Federal Government, as it may deem necessary or desirable, and to pay any premiums therefor.

(12) To make rules necessary to carry out the purposes of this part and to exercise any power granted in this part pursuant to the provisions of chapter 120.

(13) To engage the services of private consultants on a contract basis for rendering professional and technical assistance and advice.

(14) To make additional conditions respecting the grant of loans or mortgage loans pursuant to this part, including, without limitation, the regulation of eligible persons and the admission of tenants and other occupants or users of projects and residential housing, and to enter into regulatory and other agreements and contracts under the provisions of this part.

(15) To institute any action or proceeding against any eligible person or sponsor receiving a loan or owning any residential housing financed under the provisions of this part in any court of competent jurisdiction to enforce the provisions of this part or the terms and provisions of any agreement or contract between the corporation agency and such person and, in connection with any such action or proceeding, to apply for and accept the appointment, by a court of competent jurisdiction, of a receiver to take over, manage, operate, and maintain such residential housing.

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

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

(18) To make and execute contracts for the administration, servicing, or collection of any mortgage loan or loan agreement or purchase agreement with a mortgage lender or servicing agent for the duration of the loan or agreement and pay the reasonable value of services rendered to the corporation agency pursuant to such contracts. The fees and charges for such services may be paid directly by the borrower to the lender or servicing agent or may be deducted from the interest collected by such lender or servicing agent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Develop criteria for determining the priority for expending the mon-
eys in the State Housing Trust Fund.

(b) Select affordable housing debt to be guaranteed or additionally se-
cured by amounts on deposit in the Affordable Housing Guarantee Trust
Fund.

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

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

(27) Notwithstanding the provisions of part I of chapter 287, to establish
guidelines for and to implement the purchase and procurement of materials
for use by the corporation.

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

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

(30) To prepare and submit to the secretary of the department a budget
request for purposes of the corporation, which request shall, notwithstand-
ing the provisions of chapter 216 and in accordance with s. 216.351, contain
a request for operational expenditures and separate requests for other
authorized corporation programs, each of which shall be classified as a
special category appropriation. The request shall not be required to contain
information on the number of employees, salaries, or any classification
thereof, and the approved operating budget therefor need not comply with
s. 216.181(7)-(9). The secretary is authorized to include within the depart-
ment's budget request the corporation's budget request in the form as
authorized by this section.

(31) Notwithstanding the provisions of s. 216.301, to retain any unused
operational expenditure appropriation for other lawful purposes of the cor-
poration.

(32) To pay pensions and establish pension plans, pension trusts, and
benefit and incentive plans for any and all of its current or former employees
and agents.

(33) To receive federal funding in connection with the corporation's programs directly from the Federal Government.

Section 12. Section 420.508, Florida Statutes, 1996 Supplement, is amended to read:

420.508 Special powers; multifamily and single family projects mortgages and loans to lenders.—The corporation agency shall have the special power to:

(1)(a) Purchase or take assignments of, and enter into commitments to purchase or to take assignments of, mortgage loans and promissory notes accompanying such mortgage loans (including participations therein) from lending institutions acting as a principal or as an agent of the corporation agency; provided, at or before the time of any such purchase or assignment, each lending institution shall represent and warrant to, and covenant with, the corporation agency with respect to each mortgage loan to be so purchased or assigned or in which the corporation agency is to purchase a participation that:

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

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

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

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

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

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

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

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

9. Either:

a. The mortgage loan was originated after such date as the corporation agency shall have specified, for the purpose of selling or assigning such

mortgage loan or a participation therein to the corporation agency, and was made to an eligible person to finance the construction, purchase, or refinancing of residential housing for occupancy by one to four families, all of whom are eligible persons and one of whom is the mortgagor; or

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

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

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

2. Each lending institution shall be liable to the corporation agency for any damage suffered by the corporation agency by reason of the untruth of any representation or the breach of any warranty or covenant and, in the event that any representation shall prove to be untrue when made or in the event of any breach of warranty or covenant, the lending institution shall, at the option of the corporation agency, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the corporation agency may determine.

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

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

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

(b) Require that loans to, or obligations purchased from, lending institutions shall be additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security in such amounts and consisting of such obligations, securities, and mortgage loans as the corporation State Board of Administration shall by resolution determine to be necessary to assure the payment of such loans or securities purchased and the interest thereon as the same become due; ~~provided that in no event shall the fair market value of the collateral security be less than 100 percent of the principal amount of the outstanding loan or obligation, as determined at such time or times, but no less frequently than annually, as the State Board of Administration shall specify. The State Board of Administration may require in the case of any or all lending institutions that any required collateral security be lodged with a bank or trust company, located either within or outside the state, designated by the agency as custodian therefor. In the absence of such a requirement, a lending institution shall, if collateral is to be provided for the loan or obligation purchased, upon receipt of the proceeds from the agency, enter into an agreement with the agency containing such provisions as the State Board of Administration shall deem necessary to adequately identify and maintain such collateral and service the same and shall provide that the lending institution shall hold the collateral as an agent for the agency and shall be held accountable as the trustee of an express trust for the application and disposition thereof and the income therefrom solely to the uses and purposes in accordance with the provisions of the agreement. A copy of each agreement and any revisions or supplements thereto shall be filed with the Secretary of State and no further filing or other action under chapter 679, entitled the Uniform Commercial Code-Secured Transactions, or any other law of the state shall be required to perfect the security interest of the agency in the collateral or any additions thereto or substitutions therefor. The lien and trust so created for the benefit of the agency shall be binding from and after the time made as against all parties having claims of any kind in tort, contract, or otherwise against the lending institution. No loan to a lending institution shall be made and no obligation issued by a lending institution shall be purchased unless the institution shall have certified to the agency that the payment of principal and interest due on the collateral security which shall secure such loan or obligation shall be sufficient to amortize principal and pay interest on the loan or obligation secured by the collateral. The agency or the State Board of Administration may also establish such additional requirements as shall be deemed necessary with respect to the pledging, assigning, setting aside, or holding of the collateral security, the making of substitutions therefor or additions thereto, and the disposition of income and receipts therefrom.~~

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

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

1. Each lending institution submit evidence satisfactory to the corporation agency of the making of the new mortgage loans to eligible persons or to sponsors to finance projects for tenancy by eligible persons and, in connection therewith, permit the corporation agency, through its members, employees, and agents, to inspect the books and records of such lending institution; and

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

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

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

1. Be evidenced by a properly executed note or other evidence of indebtedness and be secured by a properly recorded mortgage;

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

3. Not exceed such percentage of the development costs as the corporation agency may determine pursuant to rule and, in any event, not more than 95 percent of the development costs;

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

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

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

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

1. That a significant number of low-income, moderate-income, or middle-income persons in the local government in which the project is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;

2. That private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing; and

3. That the need for such housing will be alleviated by providing the project.

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

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

(5) Establish with a qualified depository meeting the requirements of chapter 280, a separate fund to be known as the "Florida Housing Finance Corporation Fund," to be administered by the corporation in accordance with the purposes of this chapter. All fees collected by the corporation directly from the Federal Government for administration of the United States Department of Housing and Urban Development Section 8 housing program, all annual administrative fees collected by trustees for bond programs and remitted to the corporation, all expense fees related to costs of bond issuance collected by trustees and remitted to the corporation, and all tax credit program fees must be deposited into the fund. The fund shall be utilized for the purposes of the corporation, including payment of administrative expenses. Effective January 1, 1998, all amounts held in the Housing Finance Agency Trust Fund established pursuant to state law must be transferred to the corporation for deposit in the Florida Housing Finance Corporation Fund, whereupon the Housing Finance Agency Trust Fund must be closed. Expenditures from the Florida Housing Finance Corporation Fund shall not be required to be included in the corporation's budget request or be subject to appropriation by the Legislature.

Section 13. Section 420.5087, Florida Statutes, is amended to read:

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

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

- (a) Counties that have a population of more than 500,000 people;
- (b) Counties that have a population between 100,000 and 500,000 people; and
- (c) Counties that have a population of 100,000 or less.

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

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

- (a) The sponsor uses tax-exempt financing for the first mortgage and at least 20 percent of the units in the project are set aside for persons or families who have incomes which meet the income eligibility requirements of s. 8 of the United States Housing Act of 1937, as amended;
- (b) The sponsor uses taxable financing for the first mortgage and at least 20 percent of the units in the project are set aside for persons or families who have incomes below 50 percent of the state or local median income, whichever is higher, which shall be adjusted by the corporation agency for family size; or
- (c) The sponsor uses the federal low-income housing tax credit, and the project meets the tenant income eligibility requirements of s. 42 of the Internal Revenue Code of 1986, as amended.

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

(3) During the first 6 months of loan or loan guarantee availability, program funds shall be reserved for use by sponsors who provide the housing set-aside required in subsection (2) for tenants in the three tenant groups

designated in this subsection. The reservation of funds to each of these groups shall be determined using the most recent statewide very-low-income rental housing market study available at the time of publication of each notice of fund availability required by paragraph (6)(b). The reservation of funds within each notice of fund availability to the three tenant groups designated in this subsection may not be less than 10 percent of the funds available at that time. Any increase in funding required to reach the 10-percent minimum shall be taken from the tenant group that has the largest reservation. The three tenant groups are:

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

2. Ten percent of the amount reserved pursuant to subparagraph 1. shall be reserved to provide loans to sponsors of housing for the elderly, as defined in s. 420.503, for the purpose of making building preservation, health, or sanitation repairs or improvements which are required by federal, state, or local regulation or code, or lifesafety or security-related repairs or improvements to such housing. A loan for a lifesafety, building preservation, health, sanitation, or security-related repair or improvement may not exceed \$200,000 per housing community for the elderly. In order to receive the loan, the sponsor of the housing community for the elderly must make a commitment to match at least 15 percent of the loan amount to pay the cost of such repair or improvement. The corporation agency shall establish the rate of interest on the loan, which may not exceed 3 percent, and the term of the loan, which may not exceed 15 years. The term of the loan shall be established on the basis of a credit analysis of the applicant. The corporation agency shall establish, by rule, the procedure and criteria for receiving, evaluating, and competitively ranking all applications for loans under this subparagraph. A loan application must include evidence of the first mortgagee's having reviewed and approved the sponsor's intent to apply for a loan. A nonprofit organization or sponsor may not use the proceeds of a loan received pursuant to this subparagraph to pay for administrative costs, routine maintenance, or new construction.

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

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

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

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

(b) The corporation agency shall publish a notice of fund availability in a publication of general circulation throughout the state. Such notice shall be published at least 60 days prior to the application deadline and shall provide notice of the temporary reservations of funds established in subsection (3).

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

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

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

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

4. Sponsor's agreement to reserve more than:

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

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

5. Provision for tenant counseling.

6. Sponsor's agreement to accept rental assistance certificates or vouchers as payment for rent; however, when certificates or vouchers are accepted as payment for rent on units set aside pursuant to subsection (2), the benefit must be divided between the corporation agency and the sponsor, as provided by corporation agency rule.

7. Projects requiring the least amount of a state apartment incentive loan compared to overall project cost.

8. Local government contributions and local government comprehensive planning and activities that promote affordable housing.

9. Project feasibility.

10. Economic viability of the project.

11. Commitment of first mortgage financing.
12. Sponsor's prior experience.
13. Sponsor's ability to proceed with construction.
14. Projects that directly implement or assist welfare-to-work transitioning.

(d) The corporation agency may reject any and all applications.

(e) The corporation agency may approve and reject applications for the purpose of achieving geographic targeting.

(f) The review committee established by corporation agency rule pursuant to this subsection shall make recommendations to the board of directors of the corporation Housing Finance Agency Board regarding program participation under the State Apartment Incentive Loan Program. The corporation agency board shall make the final ranking and the decisions regarding which applicants shall become program participants based on the scores received in the competitive ranking, further review of applications, and the recommendations of the review committee. The corporation agency board shall approve or reject applications for loans and shall determine the tentative loan amount available to each applicant selected for participation in the program. The actual loan amount shall be determined pursuant to rule adopted pursuant to s. 420.507(22)(f).

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

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

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

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

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

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

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

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

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

(7) There is authorized to be established by the corporation with a qualified public depository meeting the requirements of chapter 280 established in the State Treasury a separate trust fund to be named the "State Apartment Incentive Loan Trust Fund," which shall be administered by the corporation agency according to the provisions of this program. Any amounts held in the State Apartment Incentive Loan Trust Fund for such purpose as of January 1, 1998, must be transferred to the corporation for deposit in the State Apartment Incentive Loan Fund and the State Apartment Incentive Loan Trust Fund must be closed. There shall be deposited into the fund moneys from the State Housing Trust Fund as created by s. 420.0005, or moneys received from any other source, for the purpose of this program and all proceeds derived from the use of such moneys. In addition, all loan repayments, proceeds from the sale of any property, and any other proceeds that would otherwise accrue pursuant to the activities conducted under the provisions of the State Apartment Incentive Loan Program shall be deposited in the fund and shall not revert to the General Revenue Fund. Expenditures from the State Apartment Incentive Loan Fund shall not be required to be included in the corporation's budget request or be subject to appropriation by the Legislature. If a loan commitment for program funds is entered into during the state fiscal year for which the program funds were appropriated, the funds shall continue to be made available for use during the entire construction period, even if it extends beyond the fiscal year in which the loan commitment was entered. The budget amendment process created in s. 216.181 shall be used to make funds available throughout the construction period.

(8) If a default on a loan occurs, the corporation agency may foreclose on any mortgage or security interest or commence any legal action to protect

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

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

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

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

(a) The corporation agency may underwrite and make those mortgage loans through the program to persons or families who are eligible to participate in the corporation's agency's single-family mortgage revenue bond programs and who have incomes that do not exceed 80 percent of the state or local median income, whichever is greater, adjusted for family size. If the corporation agency determines that there is insufficient demand for such loans by persons or families who are eligible to participate in the corporation's agency's single-family mortgage revenue bond programs, the corporation agency may make such mortgage loans to other persons or families who have incomes that do not exceed 80 percent of the state or local median income, whichever amount is greater.

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

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

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

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

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

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

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

(e) At least 30 percent of the units in a project financed pursuant to this subsection must be sold to persons or families who have incomes that do not exceed 80 percent of the state or local median income, whichever amount is greater, adjusted for family size; and at least another 30 percent of the units in a project financed pursuant to this subsection must be sold to persons or families who have incomes that do not exceed 50 percent of the state or local median income, whichever amount is greater, adjusted for family size.

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

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

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

1. The affordability of the housing proposed to be built.
2. The direct benefits of the assistance to the persons who will reside in the proposed housing.
3. The demonstrated capacity of the applicant to carry out the proposal, including the experience of the development team.
4. The economic feasibility of the proposal.
5. The extent to which the applicant demonstrates potential cost savings by combining the benefits of different governmental programs and private initiatives, including the local government contributions and local government comprehensive planning and activities that promote affordable housing.
6. The use of the least amount of program loan funds compared to overall project cost.
7. The provision of homeownership counseling.
8. The applicant's agreement to exceed the requirements of paragraph (e).

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

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

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

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

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

(j) The review committee established by corporation agency rule pursuant to this subsection shall make recommendations to the corporation agency board regarding program participation under this subsection. The corporation agency board shall make the final ranking for participation based on the scores received in the ranking, further review of the applications, and the recommendations of the review committee. The corporation agency board shall approve or reject applicants for loans and shall determine the tentative loan amount available to each program participant. The final loan amount shall be determined pursuant to rule adopted under s. 420.507(23)(h).

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

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

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

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

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

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

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

Florida Homeownership Assistance Trust Fund must be closed. There shall be deposited in the fund moneys from the State Housing Trust Fund created by s. 420.0005, or moneys received from any other source, for the purpose of this program and all proceeds derived from the use of such moneys. In addition, all unencumbered funds, loan repayments, proceeds from the sale of any property, existing funds remaining in the Affordable Housing Demonstration Loan Program and the Affordable Housing Trust Fund, and any other proceeds that would otherwise accrue pursuant to the activities of the programs described in this section funded by the Affordable Housing Trust Fund shall be transferred to this fund. In addition, all loan repayments, proceeds from the sale of any property, and any other proceeds that would otherwise accrue pursuant to the activities conducted under the provisions of the Florida Homeownership Assistance Program shall be deposited in the fund and shall not revert to the General Revenue Fund. Expenditures from the Florida Homeownership Assistance Fund shall not be required to be included in the corporation's budget request or be subject to appropriation by the Legislature.

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

Section 15. Section 420.5089, Florida Statutes, is amended to read:

420.5089 HOME Investment Partnership Program; HOME trust fund.—

(1) There is authorized to be established by the corporation with a qualified public depository meeting the requirements of chapter 280 in the State Treasury the HOME Investment Partnership Trust Fund, which shall be administered by the corporation agency according to the provisions of the HOME Investment Partnership Program which is hereby created. Any amounts held in the HOME Partnership Trust Fund for such purposes as of January 1, 1998, must be transferred to the corporation for deposit in the HOME Investment Partnership Fund, whereupon the HOME Partnership Trust Fund must be closed. There shall be deposited into the fund moneys from the State Housing Trust Fund or moneys received from any other source for the purpose of this program, and all proceeds derived from the use of such moneys. In addition, all loan repayments, proceeds from the sale of any property, and any other proceeds that would otherwise accrue pursuant to the activities conducted under the provisions of the HOME Investment Partnership Program shall be deposited into the fund and shall not revert to the General Revenue Fund. Expenditures from the HOME Investment Partnership Fund shall not be required to be included in the corporation's budget request or be subject to appropriation by the Legislature. If a loan commitment for program funds is entered into during the state fiscal year for which the program funds were appropriated, the funds shall continue to be made available for use during the entire construction period of any project financed by the program, even if it extends beyond the fiscal year in which the loan commitment was entered. The budget amendment process created in s. 216.181 shall be used to make funds available throughout the construction period.

~~(2) The corporation agency shall make loans available to eligible housing providers or home buyers on the basis of the competitive selection process established in subsections (5) and (6) and as described by corporation program rules agency rule. Such process must incorporate and provide incentives for welfare-to-work transitioning in coordination with applicable state and federal programs. However, in the first year of this program, the secretary of the department, with the advice and consent of the agency board, may select demonstration pilot programs. Pilot programs shall be monitored by the agency for compliance with program requirements and evaluated to determine what modifications might need to be made to the administration of the HOME Partnership Program in following years. Selection of pilot programs shall be based upon the following criteria:~~

~~(a) Existence of a working local partnership.~~

~~(b) Geographic distribution of the demonstration areas throughout the state to include both urban and rural counties of varying sizes and populations.~~

~~(c) Need and demand for affordable housing stock.~~

~~(d) Conformance to strategies enumerated in the state's Comprehensive Housing Affordability Strategy.~~

(3) The corporation may make loans to home buyers in connection with the corporation's single family mortgage revenue bond program on the basis of "first come-first served" or as described in the program rule.

(4) The corporation's board of directors may approve projects located in a state or federally declared disaster area or demonstration projects based on selection criteria as approved by the board of directors. In addition, as approved by the corporation's board of directors, disaster projects or demonstration projects may be granted or provided a HOME loan with forgivable terms.

~~(5)(3) Loans made under this program shall be made used for eligible applicants and activities as enumerated in 24 C.F.R. part 92, and as enumerated in the program rule approved by the corporation's board of directors, including acquisition, moderate and substantial rehabilitation, new construction, site improvement, demolition and relocation expenses, and rental assistance. Loans shall be made available directly to eligible housing providers for eligible activities relating to rental or homeownership projects the intended beneficiaries of which meet income guidelines and rent and sales price limits specified by agency rule.~~

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

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

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

(b) Corporation Agency portfolio diversification.

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

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

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

(d)(f) Leveraging of HOME funds.

(e) Local match funds.

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

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

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

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

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

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

(8)(7) The loan term shall be for a minimum period equal to the affordability period as stated in 24 C.F.R. part 92 or 15 years for rental rehabilitations and 20 years for rental or homeownership new construction loans. period of not more than 15 years for rental projects and 5 years for homeownership construction or rehabilitation loans. However, if both a program loan and federal low-income housing tax credits are to be used to assist a project, the agency may set the loan term for a period commensurate with the investment requirements associated with the tax credit syndication. The corporation agency may renegotiate and extend the loan in order to extend

the availability of housing for the targeted population. ~~The term of a loan may not extend beyond the period for which the sponsor agrees to set aside units for the target population.~~

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

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

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

Section 16. Section 420.509, Florida Statutes, is amended to read:

420.509 Bonds; purpose, terms, approval, limitations.—

(1) The issuance of revenue bonds, ~~as defined in this part~~, to provide sufficient funds to achieve the purposes of this part; pay interest on bonds; pay expenses incident to the issuance and sale of any bond issued pursuant to this part, including costs of validating, printing, and delivering the bonds, printing the official statement, publishing notices of sale of the bonds, and related administrative expenses; and pay all other capital expenditures of the corporation agency incident to and necessary or convenient to carry out the purposes and powers granted by this part is authorized, subject and pursuant to the provisions of s. 16, Art. VII of the State Constitution ~~and the applicable provisions of this chapter and of the State Bond Act~~. The provisions of ss. 215.57-215.83 shall not be applicable to the corporation. Revenue bonds, ~~as so defined~~, shall be payable solely from pledged revenues and shall not be secured by the full faith and credit of the state.

(2) The State Board of Administration is designated as the state fiscal agency to make the determinations required by s. 16, Art. VII of the State Constitution in connection with the issuance of such bonds that in no state fiscal year will the debt service requirements of the bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for such debt service requirements. The State Board of Administration may delegate to its executive director the authority and power to perform that function without further review of the agency. The determinations pursuant to this paragraph are limited to a review of the matters essential to making the determinations required by s. 16, Art. VII of the State Constitution. The executive director shall report annually

to the State Board of Administration and the Legislature regarding the number of bond issues considered and the determination with respect thereto.

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

(4) Bonds of the corporation may:

(a) Bear interest at a rate or rates not exceeding the interest rate limitation set forth in s. 215.84(3), unless the State Board of Administration authorizes an interest rate in excess of such maximum;

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

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

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

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

(7) Bonds of the corporation may not be issued unless the face or reverse thereof contains a certificate, executed either manually or with a facsimile signature by the secretary of the board, to the effect that the issuance of the bonds has been approved under this act by the board. The certificate is conclusive evidence as to approval of the issuance of the bonds by the corporation and that the requirements of this act and all of the laws relating to the bonds have been complied with.

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

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

~~(4) There shall be established, from the proceeds of each issue of bonds, a debt service reserve account in an amount at least equal to the greatest amount of principal and interest to become due on such issue in any ensuing state fiscal year or an amount at least equal to an average of the annual principal and interest, all as may be determined by the Division of Bond Finance; except that a reserve of a lesser amount may be established if the agency, with the concurrence of the Division of Bond Finance, determines that such reserve, if any, will adequately protect the interests of bondholders.~~

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

(10)(b) Bonds of the corporation may be validated pursuant to chapter 75. In actions to validate such bonds pursuant to chapter 75, the complaint shall be filed in the Circuit Court of Leon County, the notice required by s. 75.06 shall be published only in Leon County and in two newspapers of general circulation in the state, and the complaint and order of the court shall be served only on the state attorney of the Second Judicial Circuit.

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

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

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

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

(d) The procedure, if any, by which the terms of any contract with holders of bonds may be amended or abrogated, the amount of bonds the holders of

which must consent thereto, and the manner in which such consent may be given.

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

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

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

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

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

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

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

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

4. Any management fee charged by the managing underwriter.

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

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

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

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

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

(c) The failure of the corporation ~~agency or division~~ to comply with one or more provisions of this section shall not affect the validity of the bond issue; ~~however, upon such failure to comply, the agency shall sell all future bonds only at public sale as provided for herein, except as provided in paragraph (b).~~

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

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

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

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

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

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

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

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

(19)(14) If the proceeds of an issue of revenue bonds the interest on which is not exempt from federal taxation are used to finance a project, 20 percent of the tenants of the project must have annual income under 80 percent of the state or county median income, whichever is higher.

Section 17. Section 420.5091, Florida Statutes, is amended to read:

420.5091 HOPE Program.—

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

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

Section 18. Section 420.5092, Florida Statutes, 1996 Supplement, is amended to read:

420.5092 Florida Affordable Housing Guarantee Program.—

(1) There is created the Florida Affordable Housing Guarantee Program for the purposes of:

(a) Stimulating creative private sector lending activities to increase the supply and lower the cost of financing or refinancing eligible housing;

(b) Creating security mechanisms to allow lenders to sell affordable housing loans in the secondary market; and

(c) Encouraging affordable housing lending activities that would not have taken place or that serve persons who would not have been served but for the creation of this program.

(2) As used in this section, the term:

(a) “Affordable housing guarantee” means an obligation of the guarantee fund to guarantee the payment of an obligation made to finance or refinance the purchase, construction, or rehabilitation of eligible housing.

~~(b) “Agency” means the Florida Housing Finance Agency.~~

(b)(c) “Annual debt service reserve” means the reserve maintained in the guarantee fund in an amount equal to the maximum reserve amount for each series of revenue bonds issued to establish the guarantee fund.

(c) “Corporation” means the Florida Housing Finance Corporation.

(d) “Eligible housing” means any real and personal property designed and intended for the primary purpose of providing decent, safe, and sanitary residential units for homeownership or rental for eligible persons as determined by the corporation agency pursuant to rule.

(e) “Guarantee fund” means the Affordable Housing Guarantee Fund created and established with proceeds of revenue bonds issued by the corporation or its predecessor agency pursuant to this section to implement the Florida Affordable Housing Guarantee Program.

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

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

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

(5) Pursuant to s. 16, Art. VII of the State Constitution, the corporation agency may issue, in accordance with s. 420.509, revenue bonds of the corporation agency to establish the guarantee fund. Such revenue bonds shall be primarily payable from and secured by annual debt service reserves, from interest earned on funds on deposit in the guarantee fund, from fees, charges, and reimbursements established by the corporation agency for the issuance of affordable housing guarantees, and from any other revenue sources received by the corporation agency and deposited by the corporation agency into the guarantee fund for the issuance of affordable housing guarantees. To the extent such primary revenue sources are considered insufficient by the corporation agency, pursuant to the certification provided in subsection (6), to fully fund the annual debt service reserve, the certified deficiency in such reserve shall be additionally payable from the first proceeds of the documentary stamp tax moneys deposited into the State Housing Trust Fund pursuant to s. 201.15(6)(a) and (7)(a) during the ensuing state fiscal year.

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

(b) If the claims payment obligations under affordable housing guarantees from amounts on deposit in the guarantee fund would cause the claims paying rating assigned to the guarantee fund to be less than the third-highest ~~third highest~~ rating classification of any nationally recognized rating service, which classifications being consistent with s. 215.84(3) and rules adopted thereto by the State Board of Administration, the corporation agency shall certify to the Comptroller the amount of such claims payment obligations. Upon receipt of such certification, the Comptroller shall transfer to the guarantee fund, from the first available taxes distributed to the State

Housing Trust Fund pursuant to s. 201.15(6)(a) and (7)(a) during the ensuing state fiscal year, the amount certified as necessary to meet such obligations, such transfer to be subordinate to any transfer referenced in paragraph (a) and not to exceed 50 percent of the amounts distributed to the State Housing Trust Fund pursuant to s. 201.15(6)(a) and (7)(a) during the preceding state fiscal year.

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

(8) Before establishing the fees, charges, and other obligations and conditions for the issuance of an affordable housing guarantee and defining housing eligible to obtain a guarantee, the corporation agency must perform an affordable housing guarantee feasibility study. Such study must determine the eligible housing for which a guarantee is required for the investment of private capital, the anticipated risk of default for classifications of eligible housing, and the level of fees, charges, and reimbursement conditions necessary to establish a financially sound affordable housing guarantee program that exposes funds deposited into the guarantee fund to a reasonable or acceptable level of risk. Revenue bonds may not be issued to create and establish a guarantee fund until the completion of an initial financial feasibility study.

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

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

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

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

420.5099 Allocation of the low-income housing tax credit.—

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

(2) The corporation agency shall adopt allocation procedures that will ensure the maximum use of available tax credits in order to encourage development of low-income housing in the state, taking into consideration the timeliness of the application, the location of the proposed housing project, the relative need in the area for low-income housing and the availability of such housing, the economic feasibility of the project, and the ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

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

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

(5) For purposes of implementing this program in Florida and in assessing the property for ad valorem taxation under s. 193.011, neither the tax credits, nor financing the value of the equity generated by tax credits allocated to or invested in low-income housing tax credit developments, shall be considered as income to the property, and the rental income from rent restricted units in a low-income tax credit development shall be recognized by the property appraiser ~~the actual rents charged~~.

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

Section 20. Section 420.51, Florida Statutes, is amended to read:

420.51 State and local government not liable on bonds or notes.—The bonds of the corporation agency shall not be a debt of the state or of any local government, and neither the state nor any local government shall be liable thereon. The corporation agency shall not have the power to pledge the credit, the revenues, or the taxing power of the state or of any local government; and neither the credit, the revenues, nor the taxing power of the state or of any local government shall be, or shall be deemed to be, pledged to the payment of any bonds of the corporation agency.

Section 21. Section 420.511, Florida Statutes, is amended to read:

420.511 Business plan; strategic plan; annual report.—

(1) The corporation shall develop a business plan for the provision of affordable housing for the state. The plan shall not be inconsistent with the strategic plan prepared pursuant to subsection (2) and shall contain performance measures and specific performance targets for the following:

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

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

(c) The availability of affordable financing programs, including equity and debt products, and programs that reduce gaps in conventional financ-

ing, to increase individual access to housing and stimulate private production of affordable housing.

(d) The stimulus of economic activity created by the affordable housing finance programs administered by the corporation.

(e) The establishment and maintenance of efficiencies in the delivery of affordable housing.

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

(2) The corporation, in equal partnership with the department, shall develop annually a strategic plan for the provision of affordable housing in Florida as part of the department's agency strategic plan required pursuant to chapter 186. In part, the plan shall include provisions that maximize the abilities of the corporation and the department to implement the state housing strategy established under s. 420.0003, to respond to federal housing initiatives, and to develop programs in a manner that is more responsive to the needs of public and private partners. The plan shall be developed on a schedule consistent with that established by ss. 186.021 and 186.022. For purposes of this act, the executive director or his or her designee shall serve as the corporation's representative to achieve a coordinated and integrated planning relationship with the department.

(3) The corporation agency shall submit to the Governor and the presiding officers of each house of the Legislature, within 6 months after the end of its fiscal year, a complete and detailed report setting forth:

(a)(1) Its operations and accomplishments;

(b)(2) Its receipts and expenditures during the fiscal year in accordance with the categories or classifications established by the corporation agency for its operating and capital outlay purposes;

(c)(3) Its assets and liabilities at the end of its fiscal year and the status of reserve, special, or other funds;

(d)(4) A schedule of its bonds outstanding at the end of its fiscal year, together with a statement of the principal amounts of bonds issued and redeemed during the fiscal year; and

(e)(5) Information relating to the corporation's agency's activities in implementing the provisions of ss. 420.5087 and 420.5088. The report required by this subsection shall include, but not be limited to:

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

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

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

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

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

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

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

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

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

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

(4) The corporation shall submit, with the annual report required by this section, a copy of an annual financial audit of its accounts and records and an annual compliance audit of its programs conducted by an independent certified public accountant performed in accordance with generally accepted auditing standards and government auditing standards.

(5) Both the corporation's business plan and annual report shall recognize the different fiscal periods under which the corporation, the state, the Federal Government, and local governments operate.

Section 22. Section 420.512, Florida Statutes, is amended to read:

420.512 Conflicts of interest.—

(1) If any member, officer, or employee of the corporation agency shall have an interest, either direct or indirect, in any contract to which the corporation agency is, or is to be, a party or in any sponsor or in any lending institution requesting a loan from, or offering to sell mortgage loans or obligations to, the corporation agency, such interest shall be disclosed to the corporation agency in writing and shall be set forth in the minutes of the corporation agency. The member, officer, or employee having such interest shall not participate in any action by the corporation agency with respect to the contract, sponsor, or lending institution.

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

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

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

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

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

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

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

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

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

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

(6) Each solicitation for a service provider to provide services shall require the service provider to formally acknowledge the conditions in subsection (5) and to agree, if selected, to abide by the conditions. When appropriate, the acknowledgment must include a statement that the service provider is currently in compliance with the conditions.

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

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

Section 23. Section 420.513, Florida Statutes, is amended to read:

420.513 Exemption from taxes and eligibility as investment.—

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

(2) All bonds of the corporation agency shall be and constitute legal investments without limitation for all public bodies of this state; for all banks, trust companies, savings banks, savings associations, savings and loan associations, and investment companies; for all administrators, executors, trustees, and other fiduciaries; for all insurance companies and associations and other persons carrying on an insurance business; and for all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state and shall be and constitute eligible securities to be deposited as collateral for the security of any state, county, municipal, or other public funds. This subsection shall be considered as additional and supplemental authority and shall not be limited without specific reference hereto.

Section 24. Section 420.514, Florida Statutes, is amended to read:

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

Section 25. Section 420.517, Florida Statutes, is created to read:

420.517 Affordable housing and job training coordination.—The Florida Housing Finance Corporation shall undertake efforts to provide incentives to developers to build housing that encourages onsite job skills training to enable low-income residents to obtain and maintain meaningful employment. To the extent possible, the corporation shall direct all recipients of state housing funds, including municipalities, to work in cooperation with local and regional Job Training Partnerships Boards to provide training to residents and others who may be making the transition from welfare to the workforce. The corporation shall provide incentives through housing policy and program guidelines to prioritize those developments that encourage workforce training and skills development.

Section 26. Subsection (3) of section 420.523, Florida Statutes, is amended to read:

420.523 Purpose.—The purpose of the Predevelopment Loan Program is to:

(3) Create a Housing Predevelopment Trust Fund to be used by eligible sponsors of housing.

Section 27. Section 420.525, Florida Statutes, is amended to read:

420.525 Housing Predevelopment Trust Fund.—

(1) There is authorized to be established by the corporation with a qualified public depository meeting the requirements of chapter 280 in the State Treasury a separate trust fund to be named the “Housing Predevelopment Trust Fund” which shall be administered by the corporation agency according to the provisions of ss. 420.521-420.529. Any amounts held in the Housing Predevelopment Trust Fund for such purposes as of January 1, 1998, must be transferred to the corporation for deposit in the Housing Predevelopment Fund, whereupon the Housing Predevelopment Trust Fund must be closed. There shall be deposited into the fund all moneys from the State Housing Trust Fund as created by s. 420.0005 appropriated by the Legislature, or moneys received from any other source, for the purpose of this program ss. 420.521-420.529 and all proceeds derived from the use of such moneys. Administrative and personnel costs incurred in implementing the provisions of ss. 420.521-420.529 may be paid from the fund. Expenditures from the Housing Predevelopment Fund shall not be required to be included in the corporation’s budget request or be subject to appropriation by the Legislature. If a loan commitment for program funds is entered into during the state fiscal year for which the program funds were appropriated, the funds shall continue to be made available for use during the entire predevelopment period, even if it extends beyond the fiscal year in which the loan commitment was entered. The budget amendment process created in s. 216.181 shall be used to make funds available throughout the predevelopment period.

(2) All unencumbered funds, loan repayments, proceeds from the sale of any property, existing funds remaining in the following programs, and any other proceeds that would otherwise accrue pursuant to the activities conducted under this program and the provisions of the following programs

shall be deposited in the fund and shall not revert to the General Revenue Fund:

- (a) The Rural Housing Land Acquisition and Site Development Act;
- (b) The Farmworker Housing Assistance Act; and
- (c) The Community-Based Organization Loan Program created by the Florida Affordable Housing Act of 1986.

Section 28. Section 420.526, Florida Statutes, is amended to read:

420.526 Predevelopment Loan Program; loans and grants authorized; activities eligible for support.—

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

- (a) A need for housing for the target population exists in the area described in the application; and
- (b) Federal, state, or local public funds or private funds are available or likely to be available to aid in the site acquisition, site development, construction, rehabilitation, maintenance, or support of the housing proposed in the application.

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

(3) The corporation agency shall establish rules for the equitable distribution of the funds in a manner that meets the need and demand for housing for the target population. However, during the first 6 months of fund availability, at least 40 percent of the total funds made available under this program shall be reserved for sponsors of farmworker housing.

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

- (a) Site acquisition.
- (b) Site development.
- (c) Fees for requisite services from architects, engineers, surveyors, attorneys, and other professionals.
- (d) Marketing expenses relating to advertisement.

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

- (a) Administrative expenses.

- (b) Market and feasibility studies.
- (c) Consulting fees.

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

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

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

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

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

(c) Provision of reasonable security for the housing predevelopment loan to ensure the repayment of the principal and any interest accrued within the term specified. Reasonable security shall be a promissory note secured by a mortgage from the sponsor on the property to be purchased, improved, or purchased and improved with the proceeds of the housing predevelopment loan or other collateral acceptable to the corporation agency.

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

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

(f) Provisions to ensure that any land acquired through assistance under ss. 420.521-420.529 for housing for the target population shall not be disposed of or alienated in a manner that violates Title VII of the 1968 Civil Rights Act, which specifically prohibits discrimination based on race, sex, color, religion, or national origin or that violates other applicable federal or state laws.

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

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

(b) Five hundred thousand dollars.

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

Section 29. Section 420.527, Florida Statutes, is amended to read:

420.527 Application procedure.—

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

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

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

(4) By rule, the corporation agency shall establish a review committee composed of representatives of the corporation department ~~and of the agency~~ and a scoring system for evaluating and ranking applications. The corporation agency board shall make the final ranking and shall decide which applicants become program participants based on the scores received in the ranking, further review of applications, and the recommendations of the review committee. The corporation agency board shall approve or reject applications for loans and grants and shall determine the tentative loan or grant amount available to each program participant. The actual loan or grant amount shall be determined pursuant to rule specifying credit underwriting procedures.

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

(a) Income target objectives of the corporation agency.

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

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

(d) Sponsor's prior experience.

(e) Commitments of other financing.

(f) Sponsor's ability to proceed.

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

Section 30. Section 420.528, Florida Statutes, is amended to read:

420.528 Rules; annual reports.—

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

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

Section 31. Section 420.529, Florida Statutes, is amended to read:

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

Section 32. Subsection (5) of section 420.602, Florida Statutes, is redesignated as subsection (4) of said section, and present subsection (4) of said section is amended to read:

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

(5)(4) “Corporation” means the Florida Housing Finance Corporation as created in s. 420.504. “Agency” means the Florida Housing Finance Agency as created in s. 420.504(1).

Section 33. Section 420.606, Florida Statutes, is amended to read:

420.606 Training and technical assistance program.—

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

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

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

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

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

(2) PURPOSE.—The purpose of this section is to provide community-based organizations and staff of state and local governments with the necessary training and technical assistance to meet the needs of very-low-income persons, low-income persons, and moderate-income persons for standard, affordable housing.

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

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

1. The scope of training shall include, but not be limited to, real estate development skills related to affordable housing, including the construction process and property management and disposition, the development of public-private partnerships to reduce housing costs, model housing projects, and management and board responsibilities of community-based organizations.

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

(b) The technical assistance component of the program shall be designed to assist applicants for state-administered programs in developing applica-

tions and in expediting project implementation. Technical assistance activities for the staffs of community-based organizations and local governments who are directly involved in the production of affordable housing may include, but are not limited to, workshops for program applicants, onsite visits, guidance in achieving project completion, and a newsletter to community-based organizations and local governments.

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

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

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

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

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

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

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

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

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

Section 34. Section 420.9071, Florida Statutes, 1996 Supplement, is amended to read:

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

(1) “Adjusted for family size” means adjusted in a manner ~~that~~ which results in an income eligibility level that is lower for households having fewer than four people, or higher for households having more than four people, than the base income eligibility determined as provided in subsection (19), subsection (20), or subsection ~~(28)~~ (25), based upon a formula established by the United States Department of Housing and Urban Development.

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

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

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

~~(5) “Agency” means the Florida Housing Finance Agency created under part V of this chapter.~~

(4) “Annual gross income” means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 813; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes. Counties and eligible municipalities shall calculate income by projecting the prevailing annual rate of income for all adults in the household as the amount of income to be received in a household during the 12 months following the effective date of the determination.

~~(5)(6) “Award” means a loan, grant, or subsidy funded wholly or partially by the local housing assistance trust fund ~~distribution~~.~~

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

(7) “Corporation” means the Florida Housing Finance Corporation.

(8) ~~“Department” means the Department of Community Affairs.~~

(9)(9) “Eligible housing” means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of chapter 553 for home ownership ~~homeownership~~ or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program ~~local housing assistance program~~.

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

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

(11)(12) “Eligible sponsor” means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan ~~program~~ for the purpose of providing eligible housing for eligible persons.

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

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

(14)(15) “Local housing assistance plan” means a concise description of the local housing assistance strategies and local housing incentive strategies ~~program~~ adopted by local government resolution ~~ordinance~~ with an explanation of the way in which the program meets the requirements of ss. 420.907-420.9079 and corporation rule.

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

(16) “Local housing incentive strategies” means local regulatory reform or incentive programs to encourage or facilitate affordable housing production, which include at a minimum, assurance that permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects; an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption; and a schedule for implementing the incentive strategies. Local housing incentive strategies may also include other regulatory reforms, such as those enumerated in s. 420.9076 and adopted by the local governing body.

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

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

(19) “Low-income person” or “low-income household” means one or more natural persons or a family, ~~not including students~~, that has a total annual ~~adjusted~~ gross household income that does not exceed 80 percent of the median annual ~~adjusted gross income adjusted for family size~~ for households within the metropolitan statistical area, the county, or the nonmetropolitan ~~median for the state or 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county, whichever amount is greatest greater~~. With respect to rental units, the low-income household’s ~~person’s~~ annual income at the time of initial occupancy may not exceed 80 percent of the ~~area’s state’s~~ median income adjusted for family size. While occupying the rental unit, a low-income ~~household’s person’s~~ annual income may increase to an amount not to exceed 140 percent of 80 percent of the ~~area’s state’s~~ median income adjusted for family size.

(20) “Moderate-income person” or “moderate-income household” means one or more natural persons or a family, ~~not including students~~, that has a total annual ~~adjusted~~ gross household income that ~~does not exceed is less~~

~~than 120 percent of the median annual adjusted gross income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state or 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county, whichever is greatest greater.~~ With respect to rental units, the moderate-income household's person's annual income at the time of initial occupancy may not exceed 120 percent of the area's state's median income adjusted for family size. While occupying the rental unit, a moderate-income household's person's annual income may increase to an amount not to exceed 140 percent of 120 percent of the area's state's median income adjusted for family size.

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

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

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

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

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

~~(26)~~(23) "Rent subsidies" means ongoing monthly rental assistance. The term does not include initial assistance to tenants, such as grants or loans for security and utility deposits.

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

(27) "Sales price" or "value" means, in the case of acquisition of an existing or newly constructed unit, the amount on the executed sales contract. For eligible persons who are building a unit on land that they own, the sales price is determined by an appraisal performed by a state-certified appraiser.

The appraisal must include the value of the land and the improvements using the after-construction value of the property and must be dated within 12 months of the date construction is to commence. The sales price of any unit must include the value of the land in order to qualify as eligible housing as defined in subsection (8). In the case of rehabilitation or emergency repair of an existing unit, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements.

(28)(25) ~~“Very-low-income person” or “very-low-income household” means one or more natural persons or a family, not including students, that has a total annual adjusted gross household income that does not exceed 50 percent of the median annual adjusted gross income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state or 50 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county, whichever is greatest greater. With respect to rental units, the very-low-income household’s person’s annual income at the time of initial occupancy may not exceed 50 percent of the area’s state’s median income adjusted for family size. While occupying the rental unit, a very-low-income household’s person’s annual income may increase to an amount not to exceed 140 percent of 50 percent of the area’s state’s median income adjusted for family size.~~

Section 35. Section 420.9072, Florida Statutes, is amended to read:

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

(1)(a) In addition to the legislative findings set forth in s. 420.6015, the Legislature finds that affordable housing is most effectively provided by combining available public and private resources to conserve and improve existing housing and provide new housing for very-low-income households ~~persons~~, low-income households ~~persons~~, and moderate-income households ~~persons~~. The Legislature intends to encourage partnerships in order to secure the benefits of cooperation by the public and private sectors and to reduce the cost of housing for the target group by effectively combining all available resources and cost-saving measures. The Legislature further intends that local governments achieve this combination of resources by encouraging active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons, and community groups to produce affordable housing and provide related services. Extending the partnership concept to encompass cooperative efforts among small counties as defined in s. 120.52(17), and among counties and municipalities ~~between local governments~~ is specifically encouraged. Local

governments are also intended to establish an affordable a housing advisory committee to recommend monetary and nonmonetary incentives for affordable housing as provided in s. 420.9076.

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

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

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

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

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

(b) A county or an eligible municipality seeking approval to receive its share of the local housing distribution must adopt an ordinance containing the following provisions:

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

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

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

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

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

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

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

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

(4) Moneys in the Local Government Housing Trust Fund shall be distributed by the corporation ~~agency~~ to each approved county and eligible

municipality within the county as provided in s. 420.9073. Distributions shall be allocated to the participating county and to each eligible municipality within the county according to an interlocal agreement between the county governing authority and the governing body of the eligible municipality or, if there is no interlocal agreement, according to population. The portion for each eligible municipality is computed by multiplying the total moneys earmarked for a county by a fraction, the numerator of which is the population of the eligible municipality and the denominator of which is the total population of the county. The remaining revenues shall be distributed to the governing body of the county.

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

(b) If a county or eligible municipality enters into an interlocal agreement with a municipality that becomes eligible as a result of entering into that interlocal agreement, the county or eligible municipality that has agreed to transfer the control of funds to a municipality that was not originally eligible must ensure through its local housing assistance plan and through the interlocal agreement that all program funds are used in a manner consistent with ss. 420.907-420.9079. This must be accomplished by:

1. Providing that the use of the portion of funds transferred to the municipality meets all requirements of ss. 420.907-420.9079, or

2. Providing that the use of the portion of funds transferred to the municipality, when taken in combination with the use of the local housing distribution from which funds were transferred, meets all requirements of ss. 420.907-420.9079.

(6) The moneys that otherwise would be distributed pursuant to s. 420.9073 to a local government that does not meet the program's requirements for receipts of such distributions shall remain in the Local Government Housing Trust Fund to be administered used by the corporation ~~agency to administer the affordable housing production program~~ pursuant to s. 420.9078.

(7) A county or an eligible municipality must expend its portion of the local housing distribution only to implement a local housing assistance plan program.

A county or an eligible municipality may not expend its portion of the local housing distribution to provide rent subsidies; however, this does not prohibit the use of funds for security and utility deposit assistance.

(8) Funds distributed under this program may not be pledged to pay the debt service on any bonds.

(9) The corporation shall ~~agency may~~ adopt rules necessary to implement ss. 420.907-420.9079.

Section 36. Subsection (3) of section 420.9073, Florida Statutes, is amended to read:

420.9073 Local Housing Distributions.—

(3) Calculation of guaranteed amounts:

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

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

Section 37. Section 420.9075, Florida Statutes, is amended to read:

420.9075 Local housing assistance plans ~~programs~~; partnerships.—

(1)(a) Each county or eligible municipality participating in the State Housing Initiatives Partnership Program shall ~~develop and implement establish~~ a local housing assistance plan ~~program~~ created to make affordable residential units available to persons of very low income, low income, or moderate income and to persons who have special housing needs, including, but not limited to, homeless people, ~~the elderly,~~ and migrant farmworkers. The plans ~~programs~~ are intended to increase the availability of affordable residential units by combining local resources and cost-saving measures into a local housing partnership and using private and public funds to reduce the cost of housing.

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

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

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

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

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

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

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

1. Lending institutions.
2. Housing builders and developers.
3. Nonprofit and other community-based housing and service organizations.
4. Providers of professional services relating to affordable housing.
5. Advocates for low-income persons.
6. Real estate professionals.

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

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

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

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

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

(c) In accordance with the provisions of ss. 760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital

status, familial status, national origin, or handicap in the award application process for eligible housing.

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

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

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

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

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

(c) The sales price or value of new or existing eligible housing may not exceed 90 percent of the median area purchase price in the area where the eligible housing is located, as established by the United States Department of Treasury ~~in accordance with s. 3(b)(2) of the United States Housing Act of 1937.~~

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

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

(f) Loans or grants for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund ~~program~~ moneys must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of the assistance, whichever period is longer. Eligible sponsors that offer rental housing for sale before

15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons recipients.

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

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

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

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

(k) Funds from the local housing distribution not used to meet the criteria established in paragraph (a) or paragraph (b) or not used for the administration of a local housing assistance plan program must be used for housing production and finance activities, including, but not limited to, financing the purchase of existing units, providing rental housing, and providing home ownership homeownership training to prospective home buyers homebuyers and owners of homes assisted through the local housing assistance plan program. Notwithstanding the provisions of paragraphs (a) and (b), program income as defined in s. 420.9071(24) may also be used to fund activities described in this paragraph.

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

(5) Each county or eligible municipality receiving local housing distribution moneys shall establish and maintain a local housing assistance trust fund. All moneys of a county or an eligible municipality received from its share of the local housing distribution, program income, recaptured funds, and other funds received or budgeted to implement provide the local housing assistance plan program shall be deposited into the trust fund; however, local housing distribution moneys used to match federal HOME program

moneys may be repaid to the HOME program ~~trust~~ fund if required by federal law or regulations. Expenditures other than for the administration and implementation of the local housing assistance plan program may not be made from the ~~trust~~ fund.

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

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

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

~~(9)~~(8) Each county or eligible municipality shall submit to the corporation department and to the agency by ~~September~~ November 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's or eligible municipality's chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation. The report must include, but is not limited to:

(a) The number of households served by income category, age, family size, and race, and data regarding any special needs populations such as farmworkers, ~~rural residents~~, homeless persons, and the elderly. Counties shall report this information separately for households served in the unincorporated area and each municipality within the county.

(b) The number of units and the average cost of producing units under each local housing assistance strategy program.

(c) The average sales price or value of a single-family unit and the amount of rent charged for a rental unit based on unit size.

(d) By income category, the number of mortgages made, the average mortgage amount, and the rate of default.

(e) A description of the status of implementation of each local housing incentive strategy, or if applicable, the local the affordable housing incentive plan as set forth in the local government's adopted schedule for implementation and the resulting reduction in housing costs.

(f) A concise description of the support services that are available to the residents of affordable housing provided by local programs.

(g) The sales price or appraised value of housing produced and an accounting of what percentage was financed by the local housing distribution, other public moneys, and private resources.

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

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

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

(12)(a)(44) If, as a result of the review of the annual such report or public comment and written response from the county or eligible municipality, or at any other time, the corporation agency or the department determines that a county or eligible municipality may have established a pattern of violation of the criteria for a local housing assistance plan program established under ss. 420.907-420.9079 or that an eligible sponsor or eligible person has violated the applicable award conditions, the corporation agency or department shall report such pattern of violation of criteria or violation of award conditions to its compliance monitoring agent and the Executive Office of the Governor and the department's inspector general appointed pursuant to s. 20.055. The corporation's compliance monitoring agent department's inspector general must determine within 60 days whether the county or eligible municipality has violated program criteria and shall issue a written report thereon. If a violation has occurred, the distribution of program funds to the county or eligible municipality must be suspended until the violation is corrected.

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

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

2. The corporation shall consider the local response that extenuating circumstances precluded implementation and grant an extension to the timeframe for implementation. Such an extension shall be made in the form of an extension agreement that provides a timeframe for implementation. The chief elected official of a county or eligible municipality or his or her designee shall have the authority to enter into the agreement on behalf of the local government.

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

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

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

c. Any county or eligible municipality whose local distribution share has been terminated may subsequently elect to receive directly its local distribution share by adopting the ordinance, resolution, and local housing assistance plan in the manner and according to the procedures provided in ss. 420.907-420.9079.

Section 38. Section 420.9076, Florida Statutes, is amended to read:

420.9076 Adoption of affordable housing incentive ~~strategies~~ plans; committees.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) The approval by the advisory committee of its local affordable housing incentive strategies recommendations must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing. Notice of the time, date, and place of the public hearing of the advisory committee to adopt final local affordable housing incentive strategies recommendations must be published in a newspaper of general paid circulation in the county. Such notice must contain a short and concise summary of the local housing incentives strategies affordable housing initiative recommendations to be considered by the advisory committee. The notice must state the public place where a copy of the tentative advisory committee recommendations can be obtained by interested persons.

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

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

(a) If the corporation agency fails to receive timely the approved amended local housing assistance plan to incorporate local housing incentive strategies affordable housing incentive plan, a notice of termination of its share of the local housing distribution shall be sent by certified mail by the corporation agency to the affected county or eligible municipality. The notice of termination must specify a date of termination of the funding if the affected county or eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies affordable housing incentive plan. If the county or the eligible municipality has not adopted an amended local housing assistance plan to incorporate local housing incentive strategies affordable housing incentive plan by the

termination date specified in the notice of termination, the local distribution share terminates; and any uncommitted local distribution funds held by the affected county or eligible municipality in its local housing assistance trust fund shall be transferred to the Local Government State Housing Trust Fund to the credit of the corporation agency to administer the local government housing program pursuant to s. 420.9078.

(b) ~~If a county fails to timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies affordable housing incentive plan but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement within the county does timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies a plan, the corporation agency, after receipt of a notice of termination, shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in s. 420.9072 s. 420.9071.~~

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

Section 39. Section 420.9078, Florida Statutes, is amended to read:

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

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

(2) If subsection (1) does not apply, the corporation shall distribute the remaining funds proportionately as provided in s. 420.9072 and s. 420.9073(2)(b) among all counties and eligible municipalities that have fully expended their local housing distributions for the immediately preceding state fiscal year on eligible activities and have an approved local housing assistance plan. A county or eligible municipality that receives local housing distributions pursuant to this subsection shall expend those funds in accordance with the provisions of ss. 420.907-420.9079, corporation rule, and its local housing assistance plan.

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

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

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

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

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

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

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

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

~~2. Counseling to assist tenants in improving their economic well-being, which may address educational opportunities, job placement, management of personal finances, and related concerns.~~

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

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

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

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

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

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

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

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

Section 40. Section 420.9079, Florida Statutes, is amended to read:

420.9079 Local Government Housing Trust Fund.—

(1) There is created in the State Treasury the Local Government Housing Trust Fund, which shall be administered by the corporation on behalf of the department agency according to the provisions of ss. 420.907-420.9078 and this section. There shall be deposited into the fund a portion of the documentary stamp tax revenues as provided in s. 201.15, moneys received from any other source for the purposes of ss. 420.907-420.9078 and this section, and all proceeds derived from the investment use of such moneys. Moneys in the ~~trust~~ fund that are not currently needed for the purposes of the programs administered pursuant to ss. 420.907-420.9078 and this section shall be deposited ~~with the Treasurer~~ to the credit of the ~~trust~~ fund and may be invested as provided by law. The interest received on any such investment shall be credited to the ~~trust~~ fund.

(2) The corporation shall administer the fund exclusively for the purpose of implementing the programs described in ss. 420.907-420.9078 and this section. With the exception of monitoring the activities of counties and eligible municipalities to determine local compliance with program requirements, the corporation shall not receive appropriations from the fund for administrative or personnel costs. For the purpose of implementing the compliance monitoring provisions of s. 420.9075(8), the corporation may request a maximum of \$200,000 per fiscal year. When such funding is appropriated, the corporation shall deduct the amount appropriated prior to calculating the local housing distribution pursuant to ss. 420.9072 and 420.9073.

Section 41. Sections 420.5085 and 420.5094, Florida Statutes, are repealed.

Section 42. Subsection (4) of section 239.505, Florida Statutes, 1996 Supplement, is amended to read:

239.505 Florida constructive youth programs.—

(4) FUNDING.—Each district school board or community college board of trustees wishing to implement a constructive youth program must submit a comprehensive plan to the Department of Education no later than October 1 of the preceding school year, which plan must include a list of all funding sources, including, but not limited to:

(a) Funds available for programs authorized under the Dropout Prevention Act, as provided in s. 230.2316, and dropout prevention programs funded pursuant to the provisions of s. 236.081(1)(c).

(b) The Vocational Improvement Program, as provided in s. 239.225.

(c) Florida private sector and education partnerships, as provided in s. 229.602.

(d) The Job Training Partnership Act, as provided in Pub. L. No. 97-300, as it may be amended.

- (e) The Housing Predevelopment Trust Fund, as provided in s. 420.525.
- (f) Local government contributions.
- (g) Appropriations, donations, gifts, and grants from private individuals or corporations.
- (h) Grants provided by the United States Department of Housing and Urban Development.
- (i) Grants provided by the United States Department of Agriculture - Rural Development ~~Farmers Home Administration~~.
- (j) Any grant or other financial assistance from the Federal Government for or in aid of any dropout prevention or retrieval, adult education, community education, career education, housing, neighborhood renewal or revitalization, or historic restoration or preservation project or program.
- (k) Any grant or other financial assistance from the state for or in aid of any dropout prevention or retrieval, adult education, community education, career education, housing, neighborhood renewal or revitalization, or historic restoration or preservation project or program.

Section 43. Section 285.11, Florida Statutes, is amended to read:

285.11 Reservation; improvement leases.—The trustee shall have the right to lease any part or parts of the reservation to any person willing to enter into an improvement lease. Such lease shall not exceed 15 years, unless such a lease is entered into with a Florida Indian, in which case it may be for a term not to exceed 25 years, and may include an option on the part of the lessee to renew such lease for an additional term of 25 years or less. Notwithstanding the foregoing, if such lease is entered into with a Florida Indian for housing development and residential purposes, it may be for a term not to exceed 50 years. The lessee shall be required to make such improvements to or on the property as are agreed upon in the lease. The improvements shall become a part of the lands of the reservation thereby accruing to the benefit of the tribe upon expiration of the lease. For the purposes of this section a “Florida Indian” is defined as a member of either the Seminole Tribe of Florida or the Miccosukee Tribe of Indians of Florida or an Indian who is eligible for enrollment as a member of either of the foregoing tribes.

Section 44. Subsection (5) of section 381.0081, Florida Statutes, is amended read:

381.0081 Permit required to operate a migrant labor camp or residential migrant housing; penalties for unlawful establishment or operation; allocation of proceeds.—

(5) SEIZURE.—

(a) In addition to other penalties provided by this section, the buildings, personal property, and land used in connection with a felony violation of this

section may be seized and forfeited pursuant to the Contraband Forfeiture Act.

(b) After satisfying any liens on the property, the remaining proceeds from the sale of the property seized under this section shall be allocated as follows if the department participated in the inspection or investigation leading to seizure and forfeiture under this section:

1. One-third of the proceeds shall be allocated to the law enforcement agency involved in the seizure, to be used as provided in s. 932.7055.

2. One-third of the proceeds shall be allocated to the department, to be used for purposes of enforcing the provisions of this section.

3. One-third of the proceeds shall be deposited in the State Apartment Incentive Loan ~~Trust~~ Fund, to be used for the purpose of providing funds to sponsors who provide housing for farmworkers.

(c) After satisfying any liens on the property, the remaining proceeds from the sale of the property seized under this section shall be allocated equally between the law enforcement agency involved in the seizure and the State Apartment Incentive Loan ~~Trust~~ Fund if the department did not participate in the inspection or investigation leading to seizure and forfeiture.

Section 45. This act shall take effect July 1, 1997, provided that a transitional period shall occur prior to the transfer of all assets and liabilities from the agency to the corporation on January 1, 1998. During this transitional period, by action of the members of the agency on the corporation's behalf, the corporation shall be entitled to execute contracts as an entity in organization and do any other things necessary to assist in the formal establishment of the corporation as a working organization on January 1, 1998. The agency's auditors shall conduct a final audit of the agency for the period beginning July 1, 1997, and ending December 31, 1997, and the corporation's auditors shall conduct an audit of the corporation for the period beginning January 1, 1998, and ending June 30, 1998. The agency shall be entitled to expend unencumbered amounts deposited into the Florida Housing Finance Agency Trust Fund for payment of transition and startup costs with respect to the establishment of the corporation.

Approved by the Governor May 29, 1997.

Filed in Office Secretary of State May 29, 1997.