

1980

Session Law 80-161

Florida Senate & House of Representatives

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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

Sess. Law #	80-161	Sec. #	LOF cite
Prime Bill #	H 830	Comp./Sim. Bills	S 667
JL/MC Hist. Cites	Senate	Comms. of Ref.	Senate
	House		House

COMMITTEE RECORDS

H/S	Committee	Year	Record Series: Folder title, etc.	Loc. Cite	✓
H	CA		H 830	19/1060	✓
			5/7/80 (ALSO sub-CMT HOUSING)		
H	FT		H 830 5/9/80	19/1760	✓
H	AP		H 830 5/26/80	19/617	✓
S	ECCP		S 667 5/21/80	18/1019	✓
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Senate/House Journals

Page #	?	Date	Page #	?	Date
900	S	6/6/80			
1199-1200	H	5/8/80			

Committee/Floor Tapes

H/S	c/f	Committee/subcommittee name	Date	#	Location Cite

Other Documentation

Record Series Title, folder title, etc.	Location Cite

420,515 - 420,544
(60/100) (100/100)

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Section 7. The intent of this legislation shall be accomplished within funds appropriated for 1976-77.

Section 8. This act shall take effect July 1, 1976.

Became a law without the Governor's approval.

Filed in Office Secretary of State June 24, 1976.

CHAPTER 76-248

House Bill No. 1290

AN ACT relating to authorized state personnel positions; adding subsection (4) to s. 216.262, Florida Statutes; prohibiting an agency from employing more than one full-time officer or employee in the same position except as provided by rules of the Department of Administration; providing an effective date.

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

Section 1. Subsection (4) is added to section 216.262, Florida Statutes, to read:

216.262 Authorized positions.--

(4) No full-time position shall be filled by more than the equivalent of one full-time officer or employee except as provided for in rules to be adopted by the Department of Administration.

Section 2. This act shall take effect July 1, 1976.

Approved by the Governor June 23, 1976.

Filed in Office Secretary of State June 24, 1976.

CHAPTER 76-249

House Bill No. 2010

AN ACT relating to housing; amending section 420.011, Florida Statutes, to provide definitions; amending chapter 420, Florida Statutes, by adding a new part IV to establish a Florida Housing Finance Agency, providing legislative findings, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special conditions and procedures; providing for trust funds; providing effective dates.

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

Section 1. Section 420.011, Florida Statutes, is amended to read:

(15) "Board of directors" means the board of directors of the corporation created pursuant to part II of this chapter.

(16) "Secured loan" means a loan secured by a mortgage or a security interest in a residential housing project.

(17) "Qualified mortgage insurer" means those persons who have qualified to do business in Florida and who meet the standards for federal program qualifications as set by the Federal Home Loan Bank Board and who are approved for the purposes of this chapter by the state board of administration.

(18) "State bond act" means sections 215.57, et seq., Florida Statutes, as the same may be amended from time to time.

(19) "State board of administration" means the state board of administration created by and referred to in Article XII, Section 9, of the State Constitution and section 20.28, Florida Statutes.

(20) "Division of bond finance" means the division of bond finance of the department of general services created by and referred to in the state bond act.

(21) "Pledged revenues" means the revenues referred to and permitted to be pledged under Article VII, Section 16, of the State Constitution, after deducting the estimated annual aggregate cost of collection of such pledged revenues and the estimated annual aggregate cost of operation of the agency for each fiscal year.

(22) "Collateral security" means securities permitted to be accepted as collateral for the deposit of public funds by chapter 18, Florida Statutes.

(23) "Debt service requirements" for each state fiscal year means the amounts of principal, interest, handling charges, required deposits into the debt service reserve account, and any other deposits required by the proceedings authorizing outstanding bonds.

(24) "Surpluses" means any balance remaining each state fiscal year after the requirements of subsection (c) of Section 16, Article VII, of the State Constitution, including all debt service requirements, have been provided for.

Section 2. Chapter 420, Florida Statutes, is amended by adding a new part IV, entitled "Florida Housing Finance Agency," to read:

PART IV FLORIDA HOUSING FINANCE AGENCY

420.301 Short title.--This act shall be known and may be cited as the "Florida Housing Finance Agency Act."

420.302 Legislative findings.--It is hereby found and declared as follows:

(1) There exists 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;

(g) Defining the acts or omissions to act which shall constitute a default in the obligations and duties of the 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, however, that 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.

(8) (a) The bonds issued on behalf of the agency shall be sold at public sale in the manner provided by the state bond act, unless otherwise specifically approved by the state board of administration, which is hereby given the power to waive such requirement.

(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 division of bond finance is authorized to negotiate for the sale of such bonds under such rates and terms as are acceptable; provided however, that no such 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 the terms contained in the notice of public sale if no bids were received at such public sale.

420.341 Exemption from taxes and eligibility as investment.--

(1) The property of the agency which may be acquired on foreclosure, the income therefrom, and the operations thereof shall not be exempt from taxation by the state or any of its political subdivisions.

(2) All bonds of the 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.

420.342 Preference to displaced persons.--Among low income or moderate income persons, preference shall be given to those displaced by governmental action.

420.343 Antidiscrimination.--

(1) No person shall, on the grounds or basis of race, creed, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program of residential housing developed or actually funded in whole or in part with funds made available under this act.

(2) Whenever the secretary of the Department of Community Affairs determines that a recipient of assistance under this act has failed to comply with subsection (1) or an applicable regulation, he shall

notify the chief executive officer of such recipient of the noncompliance and shall request the chief executive officer to secure compliance. If, within a reasonable period of time, not to exceed sixty (60) days, the chief executive officer of the recipient of assistance under this act fails or refuses to secure compliance, the secretary is authorized to:

(a) Refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(b) Exercise the powers provided for in section 420.321, subsections (15) and (16).

(c) Terminate, reduce or limit the availability of payments under this act and demand repayment in full of any payments previously made; or

(d) Take such other action as may be provided by law.

420.351 Inconsistent provisions of other laws superseded.-- Insofar as the provisions of this part are inconsistent with the provisions of any other law, general, special or local, the provisions of this part shall be controlling.

Section 3. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Section 4. This act shall take effect upon approval by the electors of Florida of Section 16 as an amendment to Article VII of the State Constitution relating to bonds for the purposes of this act, except sections 420.311 through 420.321, inclusive, of section 2, and sections 1, 3, and 4, which shall all take effect immediately upon becoming a law. If the amendment submitted to the electors adding section 16 is rejected, this act shall stand repealed immediately following the date of such election.

Approved by the Governor June 23, 1976.

Filed in Office Secretary of State June 24, 1976.

CHAPTER 76-250

House Bill No. 3266

AN ACT relating to traveling expenses of public employees; adding s. 112.061(3)(e), Florida Statutes, to authorize direct payment of actual expenses for meals and lodging to the vendor under certain circumstances; providing a limitation; providing an exception to the operation of the act; providing an effective date.

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

COUNTIES, DISTRIBUTION BE IN EQUAL AMOUNTS, EFFECTIVE 07/01/91. AMENDS S. 7, ART. VII; CREATES S. 18, ART. XII.

04/02/80 HOUSE TARGETED FOR LOCAL FISCAL IMPACT; TARGETED FOR STATE FISCAL IMPACT; PREFILED, REFERRED TO REGULATED INDUSTRIES & LICENSING, FINANCE & TAXATION, APPROPRIATIONS

04/08/80 HOUSE TARGETED FOR LOCAL FISCAL IMPACT; TARGETED FOR STATE FISCAL IMPACT; INTRODUCED, REFERRED TO REGULATED INDUSTRIES & LICENSING, FINANCE & TAXATION, APPROPRIATIONS -HJ 00076; SUBREFERRED TO SUBCOMMITTEE ON PARI-MUTUELS

06/07/80 HOUSE DIED IN COMMITTEE ON REGULATED INDUSTRIES & LICENSING

H 0829 JOINT RESOLUTION/CS BY APPROPRIATIONS, MCPHERSON AND OTHERS (SIMILAR S 0670)

BONDS FOR HOUSING; CONSTITUTIONAL AMENDMENT TO AUTHORIZE ISSUANCE OF REVENUE BONDS TO FINANCE OR REFINANCE HOUSING & RELATED FACILITIES IN FLORIDA, SECURED PRIMARILY BY PLEDGED REVENUES AT LEAST EQUAL TO ANNUAL BOND PAYMENTS. CREATES S. 16, ART. VII, S. 18, ART. XII. EFFECTIVE DATE: HJR-(W/D).

04/02/80 HOUSE TARGETED FOR PRIVATE SECTOR IMPACT; TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR LOCAL FISCAL IMPACT; PREFILED, REFERRED TO COMMUNITY AFFAIRS, FINANCE & TAXATION, APPROPRIATIONS

04/08/80 HOUSE TARGETED FOR PRIVATE SECTOR IMPACT; TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR LOCAL FISCAL IMPACT; INTRODUCED, REFERRED TO COMMUNITY AFFAIRS, FINANCE & TAXATION, APPROPRIATIONS -HJ 00076

04/10/80 HOUSE SUBREFERRED TO SUBCOMMITTEE ON HOUSING

05/01/80 HOUSE COMM. REPORT: FAVORABLE BY COMMUNITY AFFAIRS -HJ 00304; NOW IN FINANCE & TAXATION

05/09/80 HOUSE COMM. REPORT: FAVORABLE BY FINANCE & TAXATION -HJ 00412; NOW IN APPROPRIATIONS

05/13/80 HOUSE SUBREFERRED TO SUBCOMMITTEE ON GENERAL GOVERNMENT

05/27/80 HOUSE COMM. REPORT: C/S PLACED ON CALENDAR BY APPROPRIATIONS -HJ 00698

06/06/80 HOUSE PLACED ON SPECIAL ORDER CALENDAR; C/S READ FIRST AND SECOND TIMES; READ THIRD TIME; C/S PASSED; YEAS 88 NAYS 13 -HJ 01202

06/06/80 SENATE RECEIVED; SUBSTITUTED FOR SJR 670; PASSED; YEAS 29 NAYS 2 -SJ 00901

06/07/80 HOUSE ORDERED ENROLLED

06/11/80 HOUSE SIGNED BY OFFICERS AND FILED WITH SECRETARY OF STATE

06/30/80 SENATE SECRETARY OF STATE REQUESTED TO RETURN; WITHDRAWN BY SJR 5-E; REFER TO SIMILAR SJR 6-E (FILED WITH SECRETARY OF STATE)

H 0830 GENERAL BILL/CS BY COMMUNITY AFFAIRS, MCPHERSON AND OTHERS (SIMILAR CS/S 0667)

HOUSING; ESTABLISHES A FLORIDA HOUSING FINANCE AGENCY; PROVIDES LEGISLATIVE FINDINGS, MEMBERSHIP, POWERS & DUTIES; PROVIDES SPECIAL POWERS RE MORTGAGES & LOANS TO QUALIFIED LENDING INSTITUTIONS FOR AUTHORIZED PURPOSES; PROVIDES FOR GRANTS & ADVANCES FROM CERTAIN FUND, ETC. CREATES 420.501-.551. EFFECTIVE DATE: CONTINGENT.

04/02/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR PRIVATE SECTOR IMPACT; PREFILED, REFERRED TO COMMUNITY AFFAIRS, FINANCE & TAXATION, APPROPRIATIONS

04/08/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR PRIVATE SECTOR IMPACT; INTRODUCED, REFERRED TO COMMUNITY AFFAIRS, FINANCE & TAXATION, APPROPRIATIONS -HJ 00076

04/10/80 HOUSE SUBREFERRED TO SUBCOMMITTEE ON HOUSING

05/07/80 HOUSE COMM. REPORT: C/S BY COMMUNITY AFFAIRS -HJ 00352; NOW IN FINANCE & TAXATION

05/09/80 HOUSE COMM. REPORT: FAVORABLE WITH AMEND. BY FINANCE & TAXATION -HJ 00412; NOW IN APPROPRIATIONS

05/13/80 HOUSE SUBREFERRED TO SUBCOMMITTEE ON GENERAL GOVERNMENT

05/26/80 HOUSE COMM. REPORT: FAVORABLE, PLACED ON CALENDAR BY APPROPRIATIONS -HJ 00679

06/06/80 HOUSE PLACED ON SPECIAL ORDER CALENDAR; C/S READ FIRST AND CONTINUED ON NEXT PAGE

- 06/06/80 SECOND TIMES; AMENDMENTS ADOPTED; READ THIRD TIME; C/S PASSED AS AMENDED; YEAS 89 NAYS 17 -HJ 01200
- 06/06/80 SENATE RECEIVED; SUBSTITUTED FOR C/S SB 667; PASSED; YEAS 31 NAYS 0 -SJ 00900
- 06/07/80 HOUSE ORDERED ENROLLED
- 06/11/80 HOUSE SIGNED BY OFFICERS AND PRESENTED TO GOVERNOR
- 06/23/80 APPROVED BY GOVERNOR CHAPTER NO. 80-161
- H 0831 LOCAL BILL BY JONES, D. L. AND OTHERS (SIMILAR ENG/S 0471)
PINELLAS CO./USE OF NETS; PROHIBITS USE OF NETS OR SEINES EXCEPT CAST NETS IN PINELLAS COUNTY WITHIN 100 YARDS OF ANY BRIDGE, DOCK, PIER, CAUSEWAY, OR JETTY OR WITHIN 100 YARDS OF CERTAIN UPLANDS; PROVIDES A PENALTY. EFFECTIVE DATE: 10/01/80.
- 04/02/80 HOUSE PREFILED, REFERRED TO COMMUNITY AFFAIRS, NATURAL RESOURCES
- 04/08/80 HOUSE INTRODUCED, REFERRED TO COMMUNITY AFFAIRS, NATURAL RESOURCES -HJ 00076
- 04/22/80 HOUSE COMM. REPORT: FAVORABLE WITH AMEND. BY COMMUNITY AFFAIRS -HJ 00226; NOW IN NATURAL RESOURCES
- 04/24/80 HOUSE SUBREFERRED TO SUBCOMMITTEE ON LIVING RESOURCE MANAGEMENT
- 06/07/80 HOUSE DIED IN COMMITTEE ON NATURAL RESOURCES
- H 0832 GENERAL BILL BY LIBERTI AND OTHERS
TRAFFIC CONTROL; REPEALS PROVISION RE REQUIRED PROTECTIVE HEADGEAR & EYE-PROTECTIVE DEVICES FOR MOTORCYCLE RIDERS. REPEALS 316.211. EFFECTIVE DATE: 10/01/80.
- 04/02/80 HOUSE PREFILED, REFERRED TO TRANSPORTATION
- 04/08/80 HOUSE INTRODUCED, REFERRED TO TRANSPORTATION -HJ 00076
- 04/17/80 HOUSE SUBREFERRED TO SUBCOMMITTEE I
- 06/07/80 HOUSE DIED IN COMMITTEE ON TRANSPORTATION
- H 0833 GENERAL BILL/SF BY SAMPLE
SOLAR ENERGY LICENSING; PROPOSAL RE ENACTMENT OF LEGISLATION TO LICENSE SOLAR ENERGY EQUIPMENT INSTALLERS & TO CREATE A LICENSING BOARD TO DEVELOP SHORT & LONG-RANGE STATE SOLAR ENERGY POLICY.
- 04/02/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR PRIVATE SECTOR IMPACT; PREFILED, REFERRED TO SELECT COMMITTEE ON ENERGY
- 04/08/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; TARGETED FOR PRIVATE SECTOR IMPACT; PROPOSED, REFERRED TO SELECT COMMITTEE ON ENERGY -HJ 00076
- 06/07/80 HOUSE DIED IN COMMITTEE ON SELECT COMMITTEE ON ENERGY
- H 0834 GENERAL BILL BY PATCHETT (SIMILAR H 0835)
CORRECTIONS; TRANSFERS ALL TRAINING SCHOOLS FROM H.R.S. TO CORRECTIONS DEPT.; PROVIDES FOR TRANSFER OF POWERS, DUTIES, RECORDS, PERSONNEL, PROPERTY, & UNEXPENDED BALANCES OF CERTAIN FUNDS; PROVIDES FOR CONTINUATION OF CERTAIN EDUCATIONAL PROGRAMS. AMENDS CHS. 39, 402, 959; CREATES 945.31. EFFECTIVE DATE: 07/01/80.
- 04/02/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; PREFILED, REFERRED TO GOVERNMENTAL OPERATIONS, APPROPRIATIONS
- 04/08/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; INTRODUCED, REFERRED TO GOVERNMENTAL OPERATIONS, APPROPRIATIONS -HJ 00076
- 04/18/80 HOUSE ALSO REFERRED TO HEALTH & REHABILITATIVE SERVICES -HJ 00197
- 06/07/80 HOUSE DIED IN COMMITTEE ON GOVERNMENTAL OPERATIONS
- H 0835 GENERAL BILL BY PATCHETT (SIMILAR H 0834)
CORRECTIONS; TRANSFERS FLA. SCHOOL AT OKEECHOBEE FROM H.R.S. TO CORRECTIONS DEPT.; PROVIDES FOR TRANSFER OF POWERS, DUTIES, RECORDS, PERSONNEL, PROPERTY, & UNEXPENDED BALANCES OF CERTAIN FUNDS; PROVIDES FOR CONTINUATION OF CERTAIN EDUCATIONAL PROGRAMS. AMENDS CHS. 39, 402; CREATES 945.31. EFFECTIVE DATE: 07/01/80.
- 04/02/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; PREFILED, REFERRED TO GOVERNMENTAL OPERATIONS, APPROPRIATIONS
- 04/08/80 HOUSE TARGETED FOR STATE FISCAL IMPACT; INTRODUCED, REFERRED TO GOVERNMENTAL OPERATIONS, APPROPRIATIONS -HJ 00076
- 04/18/80 HOUSE ALSO REFERRED TO HEALTH & REHABILITATIVE SERVICES
- CONTINUED ON NEXT PAGE

S 0666 GENERAL BILL/CS BY ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS, THOMAS (SIMILAR H 1824)
 UNIFORM LAND SALES PRACTICES ACT; PROVIDES THAT LEASES OF MORE THAN 5 YEARS SHALL BE CONSIDERED "DISPOSITION" OF INTEREST IN SUBDIVIDED LANDS UNDER SAID LAW; PROVIDES FOR EQUITABLE RELIEF & VENUE FOR ACTIONS COMMENCED BY LAND SALES & CONDOMINIUMS DIV., ETC. AMENDS CH. 498. EFFECTIVE DATE: 07/01/80.
 04/16/80 SENATE INTRODUCED, REFERRED TO ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS, WAYS AND MEANS -SJ 00105
 04/28/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS
 05/13/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS
 05/26/80 SENATE COMM. REPORT: C/S BY ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS -SJ 00409
 05/28/80 SENATE NOW IN WAYS AND MEANS -SJ 00409
 05/29/80 SENATE WITHDRAWN FROM WAYS AND MEANS -SJ 00435; PLACED ON CALENDAR
 06/06/80 SENATE PLACED ON SPECIAL ORDER CALENDAR; C/S READ FIRST TIME; C/S PASSED; YEAS 33 NAYS 0 -SJ 00887
 06/07/80 HOUSE DIED IN MESSAGES

→ S 0667 GENERAL BILL/CS BY ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS, STUART AND OTHERS (SIMILAR CS/H 0830)
 HOUSING; ESTABLISHES A FLORIDA HOUSING FINANCE AGENCY; PROVIDES LEGISLATIVE FINDINGS, MEMBERSHIP, POWERS & DUTIES; PROVIDES SPECIAL POWERS RE MORTGAGES & LOANS TO QUALIFIED LENDING INSTITUTIONS FOR AUTHORIZED PURPOSES; PROVIDES FOR GRANTS & ADVANCES FROM CERTAIN FUND, ETC. CREATES 420.501-.551. EFFECTIVE DATE: CONTINGENT.
 04/16/80 SENATE INTRODUCED, REFERRED TO ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS, GOVERNMENTAL OPERATIONS, WAYS AND MEANS -SJ 00105
 04/28/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS
 05/13/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS
 05/21/80 SENATE COMM. REPORT: C/S BY ECONOMIC, COMMUNITY AND CONSUMER AFFAIRS -SJ 00409
 05/22/80 SENATE WITHDRAWN FROM GOVERNMENTAL OPERATIONS -SJ 00370
 05/23/80 SENATE NOW IN WAYS AND MEANS -SJ 00409
 05/28/80 SENATE WITHDRAWN FROM WAYS AND MEANS -SJ 00411; PLACED ON CALENDAR
 06/06/80 SENATE PLACED ON SPECIAL ORDER CALENDAR; C/S READ FIRST TIME; AMENDMENT ADOPTED; IDEN./SIM. HOUSE BILL SUBSTITUTED; LAID ON TABLE UNDER RULE, IDEN./SIM./COMPARE BILL PASSED, REFER TO C/S HB 830 (CH. 80-161) -SJ 00900

S 0668 GENERAL BILL BY POOLE (IDENTICAL H 1239)
 LEASING OF PERSONAL PROPERTY; PROHIBITS SALE OR PURCHASE OF LEASED PERSONAL PROPERTY WITHOUT LESSOR'S CONSENT; PROVIDES PENALTY; PROVIDES PRIMA FACIE EVIDENCE. AMENDS 818.01,.03. EFFECTIVE DATE: 10/01/80.
 04/16/80 SENATE INTRODUCED, REFERRED TO JUDICIARY-CRIMINAL -SJ 00105
 04/30/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE JUDICIARY-CRIMINAL
 05/14/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE JUDICIARY-CRIMINAL
 05/28/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE JUDICIARY-CRIMINAL
 06/06/80 SENATE WITHDRAWN FROM JUDICIARY-CRIMINAL; REFERRED TO RULES AND CALENDAR -SJ 01010
 06/07/80 SENATE DIED IN COMMITTEE ON RULES AND CALENDAR

S 0669 GENERAL BILL BY SCARBOROUGH (IDENTICAL H 1386)
 CIGARETTE TAX; REQUIRES CIGARETTE TAX STAMPS IN FORM OF HEAT FUSION OF DECALS; DELETES PROVISIONS RE METER IMPRESSION OF STAMPS. AMENDS 210.05,.07,.11,.15,.18. EFFECTIVE DATE: 01/01/81.
 04/16/80 SENATE INTRODUCED; REFERRED TO WAYS & MEANS SUBCOMMITTEE D; WAYS AND MEANS -SJ 00106
 05/05/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE WAYS AND MEANS
 05/13/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE WAYS AND MEANS
 05/26/80 SENATE EXTENSION OF TIME GRANTED COMMITTEE WAYS AND MEANS
 06/06/80 SENATE WITHDRAWN FROM WAYS AND MEANS; SUBCOMMITTEE D, WAYS & CONTINUED ON NEXT PAGE

FLORIDA LEGISLATURE - REGULAR SESSION - 1980

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07/30/80

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414.06 S 1214, H 0778

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(BILLS UNDERLINED HAVE PASSED BOTH HOUSES)

(CITATOR INCLUDES COMMITTEE SUBS & AMENDED BILLS)

By Representative McPherson

This public document was promulgated at a cost of \$10.62 per page for the information of members of the Legislature and the public.

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A bill to be entitled
An act relating to housing; amending s.
420.011, Florida Statutes, to provide
definitions; creating part V of chapter 420,
Florida Statutes, to establish a Florida
Housing Finance Agency; providing legislative
findings, membership, powers and duties;
providing special powers relating to mortgages
and loans to qualified lending institutions for
authorized purposes; providing for grants and
advances from a fund established for such
purpose; providing for the authorization and
issuance of bonds; providing special conditions
and procedures; providing for trust funds;
providing effective dates.

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

Section 1. Section 420.011, Florida Statutes, is
amended to read:

(Substantial rewording of section. See
s. 420.011, F.S., for present text.)

420.011 Definitions.--As used in this chapter, the
following words and terms shall have the following meanings
unless the context shall indicate another or different meaning
or intent:

- (1) "Agency" as used in part V means the Florida
Housing Finance Agency created pursuant to part V.
- (2) "State" means the State of Florida.
- (3) "Bonds" means any bonds, notes, debentures,
interim certificates or other evidences of financial

1 indebtedness issued on behalf of the agency under and pursuant
2 to this act. 1.20

3 (4) "Development costs" means the total of all costs 1.20
4 incurred in connection with residential housing approved by 1.20/1
5 the agency as reasonable and necessary, which costs shall 1.20/2
6 include, but not necessarily be limited to, the following: 1.20/3
7 costs of land acquisition and any building thereon, including 1.20/4
8 payments for options, deposits, or contracts to purchase 1.20/5
9 properties on the proposed housing site or payments for the
10 purpose of such properties; cost of site preparation, 1.20/6
11 demolition and development; fees for architectural, 1.20/7
12 engineering, legal, accounting, and other services paid or
13 payable in connection with the planning, execution and 1.20/8
14 financing of residential housing; costs of necessary studies, 1.20/9
15 surveys, plans and permits; costs of insurance, interest, 1.20/10
16 financing, tax, assessments and other operating and carrying
17 costs during construction; costs of construction, fixtures, 1.20/11
18 furnishings, equipment, machinery and apparatus related to the 1.20/12
19 real property; costs of land improvements including, without 1.20/13
20 being limited to, landscaping and off-site improvements
21 (whether any such cost has been paid in cash or in a form 1.20/14
22 other than cash), necessary expenses in connection with 1.20/15
23 initial occupancy of residential housing, reasonable builder's 1.20/16
24 and developer's profit and risk fee in addition to job
25 overhead, an allowance established by the agency for working 1.20/18
26 capital, contingency reserves, and reserves for any
27 anticipated operating deficits during the early years of 1.20/19
28 occupancy, and the cost of such other items, including tenant 1.20/2
29 relocation, as the agency shall determine to be reasonable and 1.20/22
30 necessary for the development of the residential housing.
31

1 (5) "Eligible persons" means persons or families, 1.4
2 irrespective of race, creed, national origin or sex, 1.4
3 determined by the agency pursuant to a rule to be of low, 1.4
4 moderate or middle income, requiring such assistance as is 1.4
5 made available pursuant to this act on account of insufficient 1.4
6 personal or family income taking into consideration such facts 1.4
7 as:
8 (a) The amount of the total income of such persons and 1.4
9 families available for housing needs. 1.4
10 (b) The size of the family. 1.4
11 (c) The cost and condition of housing facilities 1.4
12 available. 1.4
13 (d) The ability of such persons and families to 1.4
14 compete successfully in the normal private housing market and 1.4
15 to pay the amounts at which private enterprise is providing 1.4
16 sanitary, decent and safe housing.
17 (e) If appropriate, standards established for various 1.5
18 federal programs determining eligibility based on income of 1.5
19 such persons and families.
20 (6) "Governmental agency" means the United States of 1.54
21 America, the State of Florida, the several counties and 1.54
22 municipalities of the state, any other state and any
23 department, division, public corporation, public agency, 1.54
24 political subdivision or other public instrumentality of any 1.54
25 of the foregoing or of any two or more thereof.
26 (7) "Lending institution" means any bank or trust 1.54
27 company, mortgage banker, savings bank, credit union, national 1.60
28 banking association, savings and loan association, building 1.61
29 and loan association, insurance company, the Florida Housing 1.62
30 Development Corporation, or other financial institution or
31 governmental agency authorized to transact business in this 1.63

1	state and which customarily provides service or otherwise aids	1.64
2	in the financing of mortgages located in the state.	
3	(8) "Mortgage" means a mortgage deed, deed of trust,	1.65
4	or other instrument which shall constitute a first lien on	1.66
5	real property in fee simple or on a leasehold under a lease	
6	having a remaining term, at any time such mortgage is	1.67
7	acquired, which does not expire for at least that number of	1.68
8	years beyond the maturity date of the obligation secured by	1.69
9	such mortgage as is established by the agency as necessary to	
10	protect its interest as mortgagee.	1.70
11	(9) "Mortgage loan" means an interest bearing	1.71
12	obligation secured by a federally insured mortgage	
13	constituting a first lien on real property and improvements in	1.72
14	the state.	
15	(10) "Real property" means all lands, including	1.73
16	improvements and fixtures thereon, and property of any nature	1.74
17	appurtenant thereto, or used in connection therewith, and	
18	every estate, interest and right, legal or equitable, therein,	1.74/1
19	including terms of years and liens by way of judgment,	1.74/2
20	mortgage or otherwise and the indebtedness secured by such	2.1
21	liens.	
22	(11) "Residential housing" means one or more new or	2.2
23	existing owner occupied or leased residential dwelling units	2.2/1
24	financed pursuant to the provisions of this act for the	2.2/2
25	primary purpose of providing sanitary, decent and safe	2.2/3
26	dwelling accommodations for eligible persons in need of	
27	housing, including any buildings, land, improvements,	2.2/4
28	equipment, facilities or other real or personal properties	2.2/5
29	which are necessary, convenient or desirable in connection	
30	therewith, and including, but not limited to, related	2.2/6
31	facilities for streets, sewers, utilities, parks, site	

1	preparation, landscaping, and such administrative, community,	2.2,
2	transportation, health, recreational, educational, commercial,	2.2,
3	retail, welfare and public facilities as the agency determines	
4	will improve the quality of the residential living for	2.2,
5	eligible persons.	
6	(12) "Financial institution" means any banking	2.9
7	corporation or trust company, savings and loan association,	
8	insurance company, mortgage banker, or any corporation,	2.10
9	partnership, foundation, or other institution engaged	2.11
10	primarily in lending or investing funds.	
11	(13) "Corporation" as used in part II means the	2.11
12	Florida Housing Development Corporation created pursuant to	2.11
13	part II.	
14	(14) "Stockholder" as used in part II means any	2.14
15	financial institution authorized to do business within this	2.15
16	state which shall undertake to lend money to the corporation	2.16
17	created pursuant to part II, upon its call, and in accordance	
18	with the provisions of this chapter.	2.17
19	(15) "Board of directors" means the board of directors	2.18
20	of the corporation created pursuant to part II of this	2.18
21	chapter.	
22	(16) "Secured loan" means a loan secured by a mortgage	2.20
23	or a security interest in a residential housing project.	
24	(17) "Qualified mortgage insurer" means those persons	2.21
25	who have qualified to do business in Florida and who meet the	2.22
26	standards for federal program qualifications as set by the	
27	Federal Home Loan Bank Board and who are approved for the	2.23
28	purposes of this chapter by the state board of administration.	2.24
29	(18) "State Bond Act" means ss. 215.57-215.83, as the	2.24
30	same may be amended from time to time.	2.24
31		

1	(19) "State Board of Administration" means the State	2.24/2
2	Board of Administration created by and referred to in s. 9, of	2.24/3
3	Art. XII, of the State Constitution.	2.24/4
4	(20) "Division" means the Division of Bond Finance of	2.24/4
5	the Department of General Services created by and referred to	2.24/6
6	in the State Bond Act.	
7	(21) "Pledged revenues" means revenues after deducting	2.24/7
8	the estimated annual aggregate cost of collection of such	2.24/8
9	pledged revenues and the estimated annual aggregate cost of	2.24/9
10	operation of the agency for each fiscal year.	2.24/10
11	(22) "Collateral security" means securities permitted	2.24/11
12	to be accepted as collateral for the deposit of public funds	
13	by chapter 18.	2.24/12
14	(23) "Debt service requirements" for each state fiscal	2.38
15	year means the amounts of principal, interest, handling	
16	charges, required deposits into the debt service reserve	2.39
17	account, and any other deposits required by the proceedings	2.40
18	authorizing outstanding bonds.	
19	(24) "Surpluses" means any balance remaining each	2.40/1
20	state fiscal year after the requirements of section 16(c) of	
21	Article VII of the State Constitution including all debt	2.40/3
22	service requirements have been provided for.	
23	Section 2. Part V of chapter 420, Florida Statutes,	2.40/4
24	consisting of sections 420.501, 420.502, 420.511, 420.512,	2.40/7
25	420.513, 420.521, 420.522, 420.523, 420.531, 420.541, 420.542,	2.40/8
26	420.543, and 420.551, is created to read:	2.40/12
27	PART V	2.40/12
28	FLORIDA HOUSING FINANCE AGENCY	2.40/12
29	420.501 Short title.--This act shall be known and may	2.40/13
30	be cited as the "Florida Housing Finance Agency Act."	2.40/14
31		

1	420.502 Legislative findings.--It is hereby found and	2.4
2	declared as follows:	
3	(1) There exist presently and periodically serious	2.4
4	economic dislocations in the construction and building trade	
5	industry resulting in substantial unemployment, business	2.4
6	losses and bankruptcies and a general deterioration of the	2.4
7	economic well-being of Florida residents.	
8	(2) One major cause of these conditions has been	2.5
9	periodic shortages of funds from private sources and failures	2.5
10	due to disintermediation in the federal system of financial	2.5
11	intermediaries, which shortages have contributed to reductions	2.5
12	in construction of new residential housing, and have made the	
13	sale and purchase of existing residential housing a virtual	2.5
14	impossibility in certain parts of the state.	2.5
15	(3) There also exists a serious shortage of decent,	2.5
16	safe and sanitary housing in the state available to persons	
17	and families of low, moderate and middle income, which impairs	2.5
18	the economic value of larger areas, characterized by	2.5
19	depreciated value, impaired investments, reduced capacity to	2.5
20	pay taxes, and lack of new development to meet the needs of	
21	area residents and is a menace to health, safety, morals and	2.5
22	welfare of the citizens of the state.	2.5
23	(4) It is necessary to create inducements and	2.5
24	opportunities for private and public investment in such	2.5
25	activities in this state with appropriate planning, land use	2.5
26	and construction policies, necessary for the public welfare.	
27	(5) A stable supply of adequate funds for housing	2.5
28	financing is required to encourage the construction and	2.5
29	reconstruction of new and rehabilitated housing in an orderly	2.5
30	and sustained manner and, thereby, to meet the shortage and	2.5
31	reduce the results thereof.	

(6) It is necessary to create a state housing finance agency to encourage the investment of private capital in housing and community development through the use of public financing to deal with the problem of disintermediation, to stimulate the construction and rehabilitation of housing, to facilitate the purchase and sale of existing housing, to provide construction and mortgage loans, to make loans to and purchase mortgage loans from private lending institutions, to provide mortgage insurance, and otherwise.

420.511 Agency; creation, membership, terms, expenses.--

(1) There is hereby created within the Department of Community Affairs a state agency and instrumentality, which shall be a public body corporate and politic, to be known as the "Florida Housing Finance Agency." The agency shall consist of the secretary of the Department of Community Affairs, ex officio, and eight members appointed by the Governor subject to confirmation by the Senate from the following:

(a) One citizen actively engaged in the savings and loan industry.

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

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

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

(e) Four citizens of the state who are not members or representatives of the above named groups.

(2) Of the members first appointed, four shall be designated to serve for a term of 2 years, and four for a term

of 4 years from the dates of their appointment, but thereafter members of the agency shall be appointed for a term of 4 years, except that all vacancies shall be filled for the unexpired term.

(3) The chairman of the agency shall be appointed by the Governor, with a vice chairman elected by the members thereof. Any additional officers, who need not be members, as may be deemed necessary by the members of the agency may be designated and elected by the members thereof.

(4) A member of the agency shall receive no compensation for his 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.

420.512 Meetings, quorum and votes.--The powers of the agency shall be vested in the members thereof in office from time to time. Five members of the 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 agency upon a vote of a majority of the members unless this act or a rule of the agency requires a larger number.

420.513 Executive director; agents and employees.--The agency shall employ an executive director pursuant to the provisions of s. 20.18, who shall subsequently employ legal and technical experts and such other agents and employees, permanent and temporary, as the agency may require. The provisions of the state personnel law contained in chapter 110 shall apply, except that no more than 10 policy-making employees of the agency as determined from time to time by the agency may be exempted.

1 420.521 Powers of the agency.--The agency shall have 3.23/14
2 all the powers necessary or convenient to carry out and 3.23/15
3 effectuate the purposes and provisions of this part, including 3.23/16
4 the following powers which are in addition to all other powers 3.23/17
5 granted by other provisions of this part:
6 (1) To sue and be sued; to have a seal; to alter the 3.41
7 same at pleasure and to authorize the use of a facsimile 3.42
8 thereof; to make and execute contracts and other instruments
9 necessary or convenient to the exercise of the powers of the 3.43
10 agency.
11 (2) To undertake and carry out studies and analyses of 3.44
12 housing needs within the state and ways of meeting such needs 3.45
13 upon request of the Governor pursuant to part I of this
14 chapter. 3.46
15 (3) To participate in federal housing assistance and 3.46
16 federal community development, insurance and guarantee 3.47
17 programs and to agree and comply with any conditions attached 3.48
18 to federal financial assistance unless expressly prohibited by 3.49
19 this act.
20 (4) To provide for the collection and payment of fees 3.49/1
21 and charges, regardless of method of payment, in connection
22 with its loans, commitments and servicing; including, but not 3.49/2
23 limited to, reimbursement of costs or financing by the agency, 3.49/3
24 service charges and insurance premiums as the agency shall 3.49/4
25 determine to be reasonable and as shall be approved by the
26 agency. 3.49/5
27 (5) To acquire real and personal property, or any 3.49/6
28 interest therein where such acquisition is necessary or 3.49/7
29 appropriate to protect any loan or to participate in any 3.49/3
30 program in which the agency has an interest; to sell, transfer
31 and convey any such property without regard to the provisions 3.49/9

1 of chapters 253 and 270 to a buyer and in the event that such 3.4
2 sale, transfer or conveyance cannot be effected with 3.6
3 reasonable promptness or at a reasonable price, to lease such 3.6
4 property for occupancy by eligible persons.
5 (6) To borrow money through the issuance of negotiable 3.6
6 bonds for the purposes provided in this part, to provide for 3.6
7 and secure the payment thereof and to provide for the rights 3.6
8 of the holders thereof.
9 (7) To purchase bonds of the agency out of any funds 3.6
10 or moneys of the agency available therefor, and to hold,
11 cancel or resell such bonds. 3.6
12 (8) To invest any funds held in reserves or sinking 3.6
13 funds, or any funds not required for immediate disbursement, 3.6
14 in such investments as may be authorized for trust funds under 3.6
15 s. 215.47, and in any bonds, notes or other obligations of the 3.6
16 Federal National Mortgage Association or any other agency, 3.6
17 corporation or instrumentality of the United States; provided 3.6
18 that such investments will be made on behalf of the agency by 3.5
19 the State Board of Administration or by another trustee
20 appointed for such purpose. 3.6
21 (9) To set standards for residential housing financed 3.6
22 by the agency under this chapter and to provide for 3.7
23 inspections to determine compliance with such standards. 3.7
24 (10) To contract for and to accept gifts, grants, 3.7
25 loans or other aid from the United States Government or any 4.0
26 persons or corporation.
27 (11) To insure, or procure insurance for, any bonds 4.2
28 issued on behalf of the agency or any underlying obligations 4.3
29 thereof, or against any loss in connection with its property
30 and other assets. 4.4
31

1 (12) To make rules necessary to carry out the purposes 4.4
2 of this part and to exercise any power granted in this part 4.4/1
3 pursuant to the provisions of chapter 120. 4.4/2
4 (13) To engage the services of private consultants on 4.7
5 a contract basis for rendering professional and technical
6 assistance and advice. 4.8
7 (14) To grant options to purchase any residential 4.8
8 housing or to renew any leases entered into by it in 4.9
9 connection with any of its residential housing, on such terms 4.10
10 and conditions as it may deem advisable. 4.10/1
11 (15) To make additional conditions respecting the 4.10/1
12 grant of loans or mortgage loans pursuant to this part, 4.10/2
13 including, without limitation, the regulation of eligible
14 persons and the admission of tenants and other occupants or 4.10/3
15 users of residential housing, and to enter into regulatory and 4.10/4
16 other agreements and contracts under the provisions of this 4.10/5
17 part.
18 (16) To institute any action or proceeding against any 4.10/5
19 person receiving a loan or owning any residential housing 4.10/6
20 financed under the provisions of this part in any court of 4.10/7
21 competent jurisdiction to enforce the provisions of this part 4.10/8
22 or the terms and provisions of any agreement or contract
23 between the agency and such persons; and, in connection with 4.10/9
24 any such action or proceeding, to apply for and accept the 4.10/10
25 appointment by a court of competent jurisdiction of a receiver 4.10/11
26 to take over, manage, operate and maintain such residential 4.10/12
27 housing.
28 (17) To do any and all things necessary or convenient 4.10/13
29 to carry out the purposes of and exercise the powers given and 4.10/14
30 granted in this part.
31

1 420.522 Special powers; mortgages and loans to 8.C
2 lenders.--The agency shall have the special power to:
3 (1) (a) Purchase or make commitments to purchase, and 8.2
4 take assignments of, from lending institutions acting as a 8.2
5 principal or as an agent of the agency, mortgage loans and
6 promissory notes accompanying such mortgage loans, including 8.2
7 federally insured mortgage loans or participations with 8.2
8 lending institutions in such promissory notes and mortgage 8.3
9 loans, for the construction, purchase, leasing or refinancing
10 of residential housing for eligible persons within the state; 8.3
11 provided that, at or before the time of purchase, the lending 8.3
12 institution certifies to the agency with respect to all 8.3
13 mortgage loans transferred to the agency:
14 1. That the mortgage loans transferred to the agency 8.3
15 are for residential housing for eligible persons within the 8.3
16 state; provided that the agency, pursuant to rule, may acquire
17 a reasonable number of mortgage loans for residential housing 8.3
18 within the state for occupants other than eligible persons, 8.3
19 upon a determination that sufficient mortgage loans for 8.3
20 eligible persons are not available to adequately serve the
21 purposes of the agency's housing program within the 8.3
22 geographical area served by the lending institution from which 8.3
23 such mortgage loans are to be acquired.
24 2. That the proceeds of sale or equivalent moneys 8.3
25 shall be reinvested in mortgage loans for residential housing 8.3
26 for eligible persons within the state in an aggregate 8.3
27 principal amount equal to the amount of such sale proceeds.
28 (b) Make and enter into contracts and agreements with 8.3
29 lending institutions for the servicing and processing of 8.3
30 mortgage loans purchased by the agency pursuant to this 8.3
31 section.

1 sufficient to amortize principal and pay interest on the loan
2 secured by such collateral. The agency or the State Board of 9.0/20
3 Administration may also establish such additional requirements 9.0/21
4 as shall be deemed necessary with respect to the pledging, 9.0/22
5 assigning, setting aside or holding of such collateral and the
6 making of substitutions therefor or additions thereto and the 9.0/23
7 disposition of income and receipts therefrom. 9.0/24

8 (d) Collect, enforce the collection of, and foreclose 9.0/25
9 on any collateral securing its loan or purchase of securities
10 from lending institutions and acquire or take possession of 9.0/26
11 such collateral and sell the same at public or private sale, 9.0/27
12 with or without public bidding, and otherwise deal with such 9.0/28
13 collateral as may be necessary to protect the interest of the
14 agency therein, all subject to any agreement with bondholders. 9.0/29

15 (e) Adopt, modify or repeal any additional conditions 9.0/29
16 governing the making of loans to, or purchasing of securities 9.31
17 from, lending institutions and the application of the proceeds 9.32
18 thereof.

19 420.523 Housing development funds; advance and 9.32/1
20 grants.--

21 (1) Subject to the prior appropriation of moneys by 9.32/2
22 the Legislature for the express purpose of the fund; or,
23 subject to the requirements of the proceedings authorizing 9.32/3
24 outstanding bonds, upon sufficient surpluses being developed, 9.32/4
25 a housing development fund may be established by the agency 9.32/5
26 from such appropriations or surpluses. The agency shall use
27 the surplus moneys held in the fund to make payments for debt 9.32/6
28 service or reserve requirements if no other moneys are 9.32/7
29 available for such purposes and may use the balance of such 9.32/8
30 moneys to make advances and grants in accordance with the
31 provisions of this part. 9.32/9

1 (2) The agency may use the moneys held in the fund to 9.4
2 make advances to units of state or local government, local
3 housing authorities and nonprofit housing corporations for 9.4
4 development costs, or costs of reconstruction or 9.4
5 rehabilitation, of proposed residential housing projects that 9.4
6 will be financed with mortgage loans containing provisions for
7 insured advances. The proceeds of the advance may be used 9.4
8 only to defray such costs of the project. Each advance shall 9.4
9 be repaid in full by the recipient to the agency concurrent 9.4
10 with receipt of the portion of the mortgage loan paid at the
11 initial closing of the mortgage or construction loan with 9.4
12 interest to be 3 percent.

13 (3) The agency may use the moneys held in the fund to 9.4
14 make grants to units of state or local government and local 9.4
15 housing authorities, in such amounts as the agency determines, 9.4
16 not to exceed the net costs, exclusive of any federal aid or 9.4
17 assistance, as are incurred by the local unit in a plan of
18 housing assistance, including, without limitation, land and 9.4
19 building acquisition, improvements, relocation or 9.4
20 conservation; provided that any moneys granted shall be 9.4
21 matched with an equal amount of local moneys exclusive of any
22 federal aid or assistance. Land and building qualifying for a 9.4
23 grant under this section shall be the site upon which housing 9.4
24 is, or is to be, situated and sites designated for other uses 9.4
25 that are reasonably related to such housing.

26 420.531 Bonds; purpose, terms, approval, 9.4
27 limitations.--

28 (1) The issuance of revenue bonds, as defined by the 9.4
29 State Bond Act, to finance or refinance housing and related 9.4
30 facilities is authorized, subject and pursuant to the 9.4
31 provisions of section 16 of Article VII of the State

1 Constitution and the applicable provisions of this chapter and 9.45/19
2 of the State Bond Act. Revenue bonds, as so defined, shall be 9.45/20
3 payable solely from such pledged revenues. 9.45/2

4 (2) The state board of administration is designated as 9.45/22
5 the state fiscal agency to make the determinations required by 9.45/23
6 section 16 of Article VII of the State Constitution in
7 connection with the issuance of such bonds. 9.45/24

8 (3) All such bonds shall be issued on behalf of the 9.45/24
9 agency by the Division of Bond Finance from time to time, as 9.45/27
10 provided by the State Bond Act, in such principal amounts as 9.45/28
11 shall be necessary to provide sufficient funds to achieve the
12 purposes of the agency in carrying out this part V, and 9.45/29
13 purposes incident thereto.

14 (4) There shall be established from the proceeds of 9.76
15 each issue of bonds a debt service reserve account in an
16 amount substantially equal to and sufficient to pay the 10.0/1
17 greatest amount of principal, interest, and handling charges 10.0/2
18 to become due on such issue in any ensuing state fiscal year,
19 or an amount substantially equal to an average of such annual 10.0/3
20 requirements; provided that the amount of the debt service 10.0/4
21 reserve account established from the proceeds of bond 10.0/5
22 anticipation notes shall be equal to the amount required to be 10.0/6
23 deposited in such account from the proceeds of the issue of
24 bonds in anticipation of which such notes are issued. 10.0/7

25 (5) The provisions of the State Bond Act, including, 10.0/8
26 without limitation, the definitions contained therein, shall 10.0/9
27 be applicable to all bonds issued pursuant to this chapter, 10.0/10
28 where not in conflict with the provisions hereof. In cases of 10.0/1
29 conflict, the provisions of this chapter shall be controlling.

30 (6)(a) Every issue of bonds may be general obligations 10.12
31 of the agency payable out of any revenues or moneys of the 10.13

1 agency, subject only to any agreements with the holders of
2 particular bonds pledging any particular moneys or revenues, 10
3 or special obligations payable from the revenues pledged 10
4 therefor. Any bonds may be additionally secured by a pledge 10
5 of any grant or contribution from the Federal Government or
6 any person or a pledge of any moneys, income or revenues of 10
7 the agency from any source other than ad valorem taxation. 10

8 (b) The debt service reserve account established from 10
9 the proceeds of each issue of bonds, as provided herein, may
10 secure both general and special obligations, or any 10
11 combination thereof.

12 (7) Any resolution or resolutions authorizing any 10
13 bonds issued on behalf of the agency may contain provisions, 10
14 without limitation, which shall be a part of the contract or 10
15 contracts with the holders thereof, as to.

16 (a) Pledging all or any part of the income or revenues 10
17 of the agency to secure the payment of bonds or of any issue 10
18 thereof, subject to such agreements with holders of bonds as
19 may then exist. 10

20 (b) Pledging all or any part of the assets of the 10
21 agency, including mortgages and obligations securing the same, 10
22 to secure the payment of bonds or of any issue of bonds, 10
23 subject to such agreements with holders of bonds as may then
24 exist.

25 (c) The use and disposition of the income from 10
26 mortgages owned by the agency and payment of the principal of 10
27 mortgages owned by the agency.

28 (d) The procedure, if any, by which the terms of any 10
29 contract with holders of bonds may be amended or abrogated,
30 the amount of bonds the holders of which must consent thereto, 10
31 and the manner in which such consent may be given. 10

1 (e) Limitations on the amount of moneys to be expended 10.28/8
 2 by the agency for its operating expenses.

3 (f) Vesting in a trustee or trustees such property, 10.37
 4 rights, powers and duties in trust as the agency may 10.38
 5 determine, which may include any or all of the rights, powers 10.39
 6 and duties of the trustee appointed by the holders of bonds 10.40
 7 pursuant to this part, and limiting or abrogating the right of 10.41
 8 holders of bonds to appoint a trustee under this part or
 9 limiting the rights, powers and duties of such trustee. 10.41/1

10 (g) Defining the acts or omissions to act which shall 10.41/2
 11 constitute a default in the obligations and duties of the 10.41/3
 12 agency to the holders of bonds in providing for the rights and
 13 remedies of holders of bonds in the event of such default, 10.41/4
 14 including as a matter of right the appointment of a receiver; 10.41/5
 15 provided that such rights and remedies shall not be 10.41/6
 16 inconsistent with the general laws of the state and the other 10.41/7
 17 provisions of this part.

18 (h) Any other matters, of like or different character, 10.49
 19 which in any way affect the security or protection of holders
 20 of bonds. 10.50

21 (8)(a) The bonds issued on behalf of the agency shall 10.50
 22 be sold at public sale in the manner provided by the State 10.50/1
 23 Bond Act, unless otherwise specifically approved by the State 10.50/2
 24 Board of Administration, which is hereby given the power to 10.50/3
 25 waive such requirement.

26 (b) In the event an offer of an issue of bonds at 10.50/4
 27 public sale produces no bid, or in the event all bids received 10.50/5
 28 are rejected, the division is authorized to negotiate for the 10.50/7
 29 sale of such bonds under such rates and terms as are
 30 acceptable; provided that no such bonds shall be so sold or 10.50/7
 31 delivered on terms less favorable than the terms contained in 10.50/8

4 any bids rejected at the public sale thereof, or the terms 10
 5 contained in the notice of public sale if no bids were 10
 6 received at such public sale. 10

7 420.541 Exemption from taxes and eligibility as 10
 8 investment.-- 10

9 (1) The property of the agency which may be acquired 10
 10 on foreclosure, the income therefrom, and the operations 10
 11 thereof shall not be exempt from taxation by the state or any 10
 12 of its political subdivisions. 10

13 (2) All bonds of the agency shall be and constitute 10
 14 legal investments without limitation for all public bodies of 10
 15 this state; for all banks, trust companies, savings banks, 10
 16 savings associations, savings and loan associations and 10
 17 investment companies; for all administrators, executors, 10
 18 trustees and other fiduciaries; for all insurance companies 10
 19 and associations and other persons carrying on an insurance 10
 20 business; and for all other persons whatsoever who are now or 10
 21 may hereafter be authorized to invest in bonds or other 10
 22 obligations of the state and shall be and constitute eligible 10
 23 securities to be deposited as collateral for the security of 10
 24 any state, county, municipal or other public funds. This 10
 25 subsection shall be considered as additional and supplemental 10
 26 authority and shall not be limited without specific reference 10
 27 hereto. 10

28 420.542 Preference to displaced persons.--Among low 10
 29 income or moderate income persons, preference shall be given 10
 30 to those displaced by governmental action. 10

31 420.543 Antidiscrimination.-- 10

32 (1) No person shall, on the grounds or basis of race, 11
 33 creed, national origin, or sex, be excluded from participation 11
 34 in, be denied the benefits of, or be subjected to 11

1 discrimination under any program of residential housing
2 developed or actually funded in whole or in part with funds 11.4
3 made available under this act.

4 (2) Whenever the secretary of the Department of 11.5
5 Community Affairs determines that a recipient of assistance 11.5/1
6 under this act has failed to comply with subsection (1) or an 11.5/2
7 applicable regulation, he shall notify the chief executive
8 officer of such recipient of the noncompliance and shall 11.5/3
9 request the chief executive officer to secure compliance. If, 11.5/4
10 within a reasonable period of time, not to exceed 60 days, the 11.5/5
11 chief executive officer of the recipient of assistance under 11.5/6
12 this act fails or refuses to secure compliance, the secretary
13 is authorized to: 11.5/7

14 (a) Refer the matter to the Attorney General with a 11.5/7
15 recommendation that an appropriate civil action be instituted; 11.13
16 (b) Exercise the powers provided for in s. 420.521(15) 11.13/1
17 and (16);
18 (c) Terminate, reduce or limit the availability of 11.13/2
19 payments under this part and demand repayment in full of any 11.13/3
20 payments previously made; or
21 (d) Take such other action as may be provided by law. 11.17
22 420.551 Inconsistent provisions of other laws 11.17/1
23 superseded.--Insofar as the provisions of this part are
24 inconsistent with the provisions of any other law, general, 11.17/2
25 special or local, the provisions of this part shall be 11.17/3
26 controlling.

27 Section 3. This act shall take effect upon approval by 11.17/4
28 the electors of Florida of the creation of section 16, Article
29 VII of the State Constitution relating to bonds for the 11.17/5
30 purposes of this act, except ss. 420.511 through 420.521,
31 inclusive, of section 2, and sections 1 and 3 which shall take 11.17/6

1 effect upon becoming a law. If the amendment submitted to the 11
2 electors creating section 16 is rejected, this act shall stand
3 repealed following the date of such election. 11

HOUSE SUMMARY

4
5
6 Creates the Florida Housing Finance Agency under the
7 Department of Community Affairs. Provides for
8 membership, terms, meetings, and the appointment of an
9 executive director. Provides for powers, including the
10 acquisition of property, borrowing money, purchasing
11 bonds, investing funds, and the special power of handling
12 mortgage loans, housing development funds, and revenue
13 bonds.
14
15 Requires preference be given to displaced low or moderate
16 income persons and prohibits discrimination.
17
18 See bill for details.

SUBCOMMITTEE ON HOUSING
COMMITTEE ON COMMUNITY AFFAIRS
HOUSE OF REPRESENTATIVES

STAFF ANALYSIS

April 15, 1980

HB 830

Sponsor: Rep. McPherson

Companion/Similar: None

Other Committees of Reference:

Relating to: Housing

1. Finance and Taxation

2. _____

I. Summary:

A. Present Situation -- The Florida Housing Act of 1972, Chapter 420, Florida Statutes, created the Florida Housing Development Corporation. This legislation made it possible for savings and loan associations, banks, and insurance companies to come together to form a profit-making corporation which could mobilize capital for financing new or rehabilitated housing for low or moderate income individuals. It was felt that this private enterprise mechanism would achieve the state's housing goals. However, the corporation's efforts have been stymied by the economic downturn and record interest rates.

B. Probable Effect of Proposed Changes -- This bill creates the Florida Housing Finance Agency (HFA) within the Department of Community Affairs, under a nine-member board consisting of:

1. The Secretary of the Department of Community Affairs; and
2. Eight gubernatorially-appointed citizens, four of which must represent housing-related labor and industries.

The bill provides for essentially three types of programs:

1. Mortgage Purchase -- (A program of secondary mortgage activity.) The HFA is authorized to purchase from private lending institutions certain federally insured mortgages on eligible residential housing in Florida (unless the HFA determines that there aren't enough mortgages for eligible persons). An amount equivalent to the mortgages purchased by the HFA must be recycled by the lenders into residential housing for other eligible Floridians.
2. Loans to Lenders -- This provision authorizes the HFA to make loans to and purchase secured obligations from private lending institutions who must, in turn, also use the proceeds to finance more housing. All such loans and obligations must be fully collateralized to at least 100% of the outstanding debt, and approved by the State Board of Administration (i.e., the Governor, Treasurer, and Comptroller). Provisions for collateral are like those used for covering deposits of public funds.
3. Housing Development Funds -- This fund is to be set up either from legislative appropriations or from surplus funds (profits) generated by the

agency's other programs (after provision is made for debt service, costs of collection and operations and maintenance of necessary reserves for retiring its bonds). These monies may be used as loans to local governments, local housing authorities, and non-profit housing cooperatives for certain development costs, which are to be paid back with 3% interest when the local agency closes on its mortgages. Or, they may be held in the fund to make matching grants to local governments and housing authorities to aid them in their housing projects.

The issuance of bonds is authorized pursuant to the provisions of the State Bond Act, Chapter 215, Florida Statutes, except that negotiated sales are permitted under certain circumstances. The State Board of Administration must approve the authorization and sale of all bonds. There is no limit on the amount of bonds that can be outstanding in any one fiscal year. A debt service reserve account must be set up from each issue of bonds. Other security related details are provided in the bill.

The bill provides an anti-discrimination clause, and states that preference must be given to persons displaced by governmental actions.

A portion of the bill goes into effect upon becoming law, but the remainder is contingent upon passage of the constitutional amendment proposed by House Joint Resolution 829. Should the constitutional amendment fail, the entire act would stand repealed.

II. Fiscal Impact:

- A. State Fiscal Impact -- The only subsidy offered by this bill is in the difference in financing costs resulting from lower cost tax-exempt financing. This savings is achieved at no cost to the state. Administrative costs are underwritten by fees charged by the HFA for services it provides. In a sense, it is the federal government which is subsidizing this effort through its willingness to forgo taxation on the income of the revenue bonds that would be issued.
- B. Private Sector Impact -- As stated earlier, part of the function of the HFA would be the purchase of certain types of mortgages, as well as the purchase of secured obligations from private lending institutions. This would help provide more mortgages for individuals, and thereby stimulate the housing market and related industries.

III. Comments:

More than 38 states currently operate a Housing Finance Agency of one form or another. Similar legislation was passed in 1978 and 1976, but the referendum to approve the constitutional amendment was unsuccessful on both occasions.

Federal legislation is now under consideration to limit the ability of state housing finance agencies to issue revenue bonds. A conference committee will convene soon to resolve the differences in the Senate and House bills.

IV. Staff analysis prepared by: Craig A. Dennis *CAD*

V. Staff Director's review: William R. Kynoch *WRK*

VI. Copy to Sponsor: 4/15/80 *CWK*

SUMMARY for PCS/HB 830

The PCS/HB 830 makes many technical changes that serve primarily to clarify and tighten the authority of the Housing Finance Agency established by the act.

This bill creates the Florida Housing Finance Agency (HFA) within the Department of Community Affairs, under a nine-member board consisting of:

- A. The Secretary of the Department of Community Affairs; and
- B. Eight gubernatorially-appointed citizens, four of which must represent housing-related labor and industries.

All members of the board must file full and public financial disclosure. The bill provides for essentially three types of programs:

1. Mortgage Purchase -- (A program of secondary mortgage activity.) The HFA is authorized to purchase from private lending institutions, both out of portfolio and advance commitment, insured or guaranteed mortgages. Any lending institution which desires to participate in this program is required to commit to certain provisions that are standard in the securities market, and which provide the agency with clear and specific protection for mortgages so purchased. Lending institutions are liable for any untruth or breach of covenant regarding the eligibility of the mortgages.
2. Loans to Lenders -- This provision authorizes the HFA to make loans to, and purchase secured obligations from, private lending institutions. These lending institutions must, in turn, use the proceeds to finance more housing. All such loans and obligations must be fully collateralized to at least 100% of the fair market value of the loan. The HFA is mandated to update at least annually the security amount required.
3. Loans to Sponsors -- This provision specifically empowers the HFA to provide direct loans to sponsors for multi-family housing, but only with private financial institutions doing the originating and servicing. The requirement that lending institutions do the initial review, approval, originating, and servicing means that no bureau or division at the state level is required to administer this program. The provisions of the direct loan program provide, among other things:

- a. The agency must require at least 5% equity for a direct loan. No 100% loans are permitted.

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Summary for PCS/HB 830
Page Two
April 30, 1980

- b. The HFA cannot get involved in direct loans if the private sector is able to make similar loans.
- c. The need for such multi-family housing will be alleviated by funding the project.

The HFA may issue only long-term debt. Short-term notes are not permitted. The issuance of bonds is authorized pursuant to the provisions of the State Bond Act, Chapter 215, Florida Statutes, except that negotiated sales are permitted under certain circumstances. There is no limit on the amount of bonds that can be outstanding in any one fiscal year. A debt service reserve account must be set up from each issue of bonds. Other security related details are provided in the bill.

The agency is required to submit an annual report to the Governor, President of the Senate, and Speaker of the House.

A portion of the bill goes into effect upon becoming law, but the remainder is contingent upon passage of the constitutional amendment proposed by HJR 829. Should the constitutional amendment fail, the entire act would stand repealed.

SUBCOMMITTEE REPORT

File with Parent Committee

To: Chairman, Committee on COMMUNITY AFFAIRS

The Subcommittee on Housing

met at 8:00 a.m. o'clock on April 30, 19 80

in Room 314, HOB, and considered PCS/HB 830

On motion to report the bill /X/ FAVORABLE

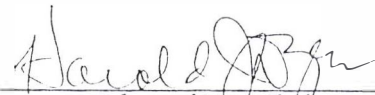
the vote was: / / FAVORABLE WITH AMENDMENTS
(number)

YEA	MEMBER	NAY
X	REP. ALLEN	
X	REP. DERATANY	
X	REP. FLYNN	
X	REP. KUTUN	
	REP. PATCHETT (A)	
X	REP. PRICE	

YEA	MEMBER	NAY
X	REP. WATT	
X	REP. DYER, Ch.	

Total
Yeas 7

Total
Nays 0


Subcommittee Chairman

SUBCOMMITTEE APPEARANCE RECORD

The following persons (other than legislators) appeared before the subcommittee during consideration of this bill:

<u>Name</u>	<u>Representing</u>	<u>Address</u>
<u>Kinney S. Harley</u>	<u>Florida Home Builders Association</u>	<u>Post Office Box 1259 Tallahassee, FL</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(If additional persons, enter on reverse side and check here)

Received by Parent Committee:

Date 4-30-80

Received by 

By Committee on Community Affairs and Representative McPherson and others

This public document was promulgated at an average cost of \$.0106 per single page for the information of members of the Legislature and the public.

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A bill to be entitled
An act relating to housing; creating part VI of chapter 420, Florida Statutes, to establish a Florida Housing Finance Agency; providing legislative findings, definitions, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special conditions and procedures; providing for trust funds; providing tax exemptions; providing an effective date.

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

Section 1. Part VI of Chapter 420, Florida Statutes, consisting of sections 420.501, 420.502, 420.503, 420.511, 420.512, 420.513, 420.521, 420.522, 420.531, 420.541, 420.542, 420.543, 420.544, 420.545, and 420.551, is created to read:

PART VI
FLORIDA HOUSING FINANCE AGENCY

420.501 Short title.--This act shall be known and may be cited as the "Florida Housing Finance Agency Act."

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

- (1) The costs of developing, operating and maintaining multi-family rental housing have increased substantially and have thereby contributed to the new construction of such units being less than that necessary for an adequate supply; the

CODING: Words in struck through type are deletions from existing law; words underlined are additions.

1 conversion of apartment units to condominiums has also
2 contributed to this condition, and the availability of rental
3 housing has become a significant problem in the state.

1.4/17

4 (2) There exist presently and periodically serious
5 economic dislocations in the construction and building trade
6 industry resulting in substantial unemployment, business
7 losses and bankruptcies and a general deterioration of the
8 economic well-being of Florida residents.

1.4/18

1.4/20

1.4/21

1.4/22

9 (3) One major cause of these conditions has been
10 periodic shortages of funds from private sources and failures
11 due to disintermediation in the federal system of financial
12 intermediaries, which shortages have contributed to reductions
13 in construction of new residential housing, and have made the
14 sale and purchase of existing residential housing a virtual
15 impossibility in certain parts of the state.

1.52

1.52/1

1.52/2

1.52/3

1.52/4

1.52/5

16 (4) There also exists a serious shortage of decent,
17 safe and sanitary housing in the state available to persons
18 and families of low, moderate and middle income, which impairs
19 the economic value of larger areas, characterized by
20 depreciated value, impaired investments, reduced capacity to
21 pay taxes, and lack of new development to meet the needs of
22 area residents and is a menace to health, safety, morals and
23 welfare of the citizens of the state.

1.52/6

1.52/7

1.52/8

1.52/9

1.52/10

1.52/11

24 (5) It is necessary to create inducements and
25 opportunities for private and public investment in such
26 activities in this state with appropriate planning, land use
27 and construction policies, necessary for the public welfare.

1.52/11

1.52/12

1.52/13

28 (6) A stable supply of adequate funds for housing
29 financing is required to encourage the construction and
30 reconstruction of new and rehabilitated housing in an orderly
31

1.52/14

1.52/15

1.52/16

1 and sustained manner and, thereby, to meet the shortage and
2 reduce the results thereof.

1.5:

3 (7) It is necessary to create a state housing finance
4 agency to encourage the investment of private capital in
5 residential housing through the use of public financing to
6 deal with the problem of disintermediation, to stimulate the
7 construction and rehabilitation of residential housing, to
8 facilitate the purchase and sale of existing residential
9 housing, to provide construction and mortgage loans for
10 projects, to make loans to and purchase mortgage loans from
11 private lending institutions.

1.5:

1.5:

1.5:

1.5:

1.5:

1.5:

1.5:

1.5:

12 420.503 Definitions.--As used in this part, the
13 following words and terms shall have the following meanings
14 unless the context shall indicate another or different meaning
15 or intent:

1.5:

1.5

16 (1) "Agency" as used in part VI means the Florida
17 Housing Finance Agency created pursuant to part VI.

1.5

1.5

18 (2) "State" means the State of Florida.

1.5

19 (3) "Bonds" means any bonds, debentures, or other
20 evidences of financial indebtedness issued on behalf of the
21 agency under and pursuant to this act, other than notes,
22 interim certificates and other short term obligations.

1.5

1.5

1.5

1.5

23 (4) "Development costs" means the sum total of all
24 costs incurred in the development of a project which are
25 approved by the agency as reasonable and necessary. Such
26 costs may include, but are not limited to:

1.5

1.5

1.5

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

1.5

1.5

1.5

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

1.5

1.5

1	(c) Any expenses relating to the issuance of the	1.52/38
2	agency's bonds.	1.52/39
3	(d) Fees in connection with the planning, execution	1.52/39
4	and financing of the project, such as those of architects,	1.52/40
5	engineers, attorneys, accountants and the agency.	1.52/41
6	(e) The cost of studies, surveys, plans and permits,	1.52/41
7	insurance, interest, financing, tax and assessment costs and	1.52/42
8	other operating and carrying costs during construction,	
9	rehabilitation or reconstruction of the project.	1.52/43
10	(f) The cost of construction, rehabilitation and	1.52/44
11	equipping of the project.	
12	(g) The cost of land improvements, such as landscaping	1.52/45
13	and off-site improvements, whether such costs are paid in	
14	cash, property or services.	1.52/46
15	(h) Expenses in connection with initial occupancy of	1.52/46
16	the project.	1.52/47
17	(i) A reasonable profit and risk fee in addition to	1.52/47
18	job overhead to the general contractor and, if applicable, the	1.52/48
19	sponsor.	
20	(j) Allowances established by the agency for working	1.52/49
21	capital, contingency reserves and reserves for any anticipated	
22	operating deficits during the first 3 years after completion	1.52/50
23	of the project.	
24	(k) The cost of such other items, including relocation	1.52/51
25	costs, indemnity and surety bonds, premiums on insurance and	
26	fees and expenses of trustees, depositories and paying agents	1.52/52
27	for the agency's bonds, as the agency shall determine to be	1.52/53
28	reasonable and necessary for the development of the project.	
29	(5) "Eligible persons" means one or more natural	1.52/54
30	persons or a family, irrespective of race, creed, national	1.52/55
31	origin or sex, determined by the agency pursuant to a rule to	1.52/56

1	be of low, moderate or middle income, requiring such	
2	assistance as is made available pursuant to this part on	1.52/
3	account of insufficient personal or family income to afford	1.52/
4	decent, safe and sanitary housing income taking into	
5	consideration such facts as:	1.52/
6	(a) The amount of the total income and assets of such	1.52/
7	persons and families available for housing needs.	
8	(b) The size of the family.	1.52/
9	(c) The cost and condition of housing facilities	1.52/
10	available.	1.52/
11	(d) The ability of such persons and families to	1.52/
12	compete successfully in the normal private housing market and	1.52/
13	to pay the amounts at which private enterprise is providing	1.52/
14	decent, safe and sanitary housing.	
15	(e) If appropriate, standards established for various	1.52/
16	federal programs determining eligibility based on income of	1.52/
17	such persons and families.	
18		
19	The personal or family income so determined by the agency may	1.52/
20	vary among different areas in the state, in accordance with	1.52/
21	the size of the family unit and according to whether the	
22	determination is for rental or homeownership purposes.	1.52/
23	(6) "Lending institution" means any bank or trust	1.52/
24	company, mortgage banker, savings bank, credit union, national	1.52/
25	banking association, savings and loan association, building	1.52/
26	and loan association, insurance company, the Florida Housing	1.52/
27	Development Corporation, or other financial institution or	
28	governmental agency authorized to transact business in this	1.52/
29	state and which customarily provides service or otherwise aids	1.52/
30	in the financing of mortgages on real property located in the	
31	state.	

1	(7) "Mortgage" means:	1.52/78
2	(a) A mortgage, mortgage deed, deed of trust, or	1.52/78
3	other instrument:	
4	1. Creating a first lien, subject only to such title	1.52/79
5	exceptions as may be acceptable to the agency, on a fee	
6	interest in real property located within the state or on a	1.52/80
7	leasehold on such a fee interest which has a remaining term at	1.52/81
8	the time of computation that exceeds the maturity date of the	
9	mortgage loan by a number of years determined by the agency to	1.52/82
10	be sufficient to protect its interests; and	
11	2. Insured or guaranteed by the United States of	1.52/83
12	America or any agency or instrumentality thereof or by any	1.52/84
13	issuer of private mortgage insurance authorized to do business	
14	in the state or, in the case of a project, accompanied by an	1.52/85
15	undertaking, or commitment therefor, by the United States of	1.52/86
16	America or any agency or instrumentality thereof to provide	
17	interest subsidies on such mortgage or rent supplements for	1.52/87
18	units in such project or such other subsidy with respect to	
19	the mortgage or the project as the agency shall determine will	1.52/88
20	tend to protect its interests and those of the bondholders; or	1.52/89
21	(b) A pledge of stock in a cooperative association and	1.52/89
22	a security interest in the related lease.	1.52/90
23	(8) "Mortgage loan" means a financial obligation	1.52/91
24	secured by a mortgage.	
25	(9) "Local government" means a unit of local general	1.52/92
26	purpose government as defined in s. 118.31(2).	
27	(10) "Project" means any work or improvement located	1.52/93
28	or to be located in the state, including real property,	
29	buildings and any other real and personal property, designed	1.52/94
30	and intended for the primary purpose of providing decent, safe	1.52/96
31	and sanitary residential housing for four or more families who	

1	are eligible persons, whether new construction, the	1.52/
2	acquisition of existing residential housing, or the	
3	remodeling, improvements, rehabilitation or reconstruction of	1.52/
4	existing housing, together with such related nonhousing	
5	facilities as the agency determines to be necessary,	1.52/
6	convenient or desirable.	1.52/
7	(11) "Sponsor" means any individual, association,	1.52/
8	corporation, joint venture, partnership, trust, local	1.52/
9	government or other legal entity or any combination thereof	
10	which:	1.52/
11	(a) Has been approved by the agency as qualified to	1.52/
12	own, construct, acquire, rehabilitate, reconstruct, operate,	1.52/
13	lease, manage or maintain a project; and	
14	(b) Except for a local government, has agreed to	1.52/
15	subject itself to the regulatory powers of the agency.	
16	(12) "Real property" means all lands, including	1.52/
17	improvements and fixtures thereon, and property of any nature	1.52/
18	appurtenant thereto, or used in connection therewith, and	
19	every estate, interest and right, legal or equitable, therein,	1.52/
20	including terms of years and liens by way of judgment,	1.52/
21	mortgage or otherwise and the indebtedness secured by such	1.52/
22	liens.	
23	(13) "Residential housing" means one or more new or	1.52/
24	existing residential dwelling units located or to be located	1.52/
25	in the state, including any buildings, land, improvements,	1.52/
26	equipment, facilities or other real or personal properties	1.52/
27	which are necessary, in connection therewith, including, but	1.52/
28	not limited to, related facilities for streets, sewers and	
29	utilities.	
30	(14) "State Bond Act" means ss. 215.57-215.83, as the	1.52/
31	same may be amended from time to time.	1.52/

1 (15) "State Board of Administration" means the State 1.52/119
2 Board of Administration created by and referred to in s. 9, of 1.52/119
3 Art. XII of the State Constitution. 1.52/121
4 (16) "Division" means the Division of Bond Finance of 1.52/121
5 the Department of General Services created by and referred to 1.52/123
6 in the State Bond Act.
7 (17) "Pledged revenues" means revenues to be derived 1.52/124
8 from the financing of residential housing, mortgages or loan 1.52/125
9 payments and any other revenues or assets that may be legally 1.52/126
10 available to pay the principal of, redemption premium, if any 1.52/127
11 and interest on the bonds derived from sources other than ad 1.52/128
12 valorem taxation, including revenues from other sources or any 1.52/128
13 combination thereof.
14 (18) "Authorized investments" means and includes any 1.52/128
15 of the following securities: 1.52/1
16 (a) Direct obligations of, or obligations guaranteed 1.52/129
17 by, the United States of America. 1.52/130
18 (b) Bonds, debentures, notes or other evidences of 1.52/130
19 indebtedness issued by any of the following: Bank for 1.52/131
20 Cooperatives; Federal Intermediate Credit Banks; Federal Home 1.52/132
21 Loan Banks; Export-Import Bank of the United States; Federal 1.52/133
22 Land Banks; Federal National Mortgage Association; Government 1.52/133
23 National Mortgage Association; Federal Financing Bank; Small 1.52/134
24 Business Administration; or any other agency or 1.52/134
25 instrumentality of the United States of America, created by an 1.52/135
26 Act of Congress, substantially similar to the foregoing in its 1.52/136
27 legal relationship to the United States of America. 1.52/136
28 (c) Public housing bonds issued by public housing 1.52/1
29 agencies and fully secured as to the payment of both principal 1.52/137
30 and interest by a pledge of annual contributions under an 1.52/138
31 annual contributions contract or contracts with the United

1 States of America, and temporary notes, preliminary loan notes 1.52
2 or project notes issued by public housing agencies, in each
3 case fully secured as to the payment of both principal and 1.52
4 interest by a requisition or payment agreement with the United 1.52
5 States of America.
6 (d) Interest-bearing time or demand deposits, 1.52
7 certificates of deposit or other similar banking arrangements 1.52
8 with any bank, trust company, national banking association or 1.52
9 other depository institution, including any trustee or other
10 fiduciary with respect to the bonds of the agency, provided 1.52
11 that:
12 1. Such deposits, certificates and other arrangements 1.52
13 are insured to the satisfaction of the agency by the Federal
14 Deposit Insurance Corporation or the Federal Savings and Loan 1.52
15 Insurance Corporation; 1.52
16 2. Such depository institution has combined capital 1.52
17 and surplus of at least \$10 million and such deposits, 1.52
18 certificates and other arrangements are fully secured by
19 obligations described in paragraphs (a) through (c), 1.52
20 inclusive, or a combination thereof; or 1.52
21 3. Such depository institution has combined capital 1.52
22 and surplus of at least \$25 million. 1.52
23 (e) Contracts, for the purchase and sale of 1.52
24 obligations described in paragraphs (a) and (b), provided that 1.52
25 if the parties with which such contracts are made are not
26 members of the Federal Reserve System or if such parties, 1.52
27 including members of the Federal Reserve System, are not 1.52
28 required to set aside and otherwise identify, to the 1.52
29 satisfaction of the agency, obligations described in paragraph 1.52
30 (a) or (b) to such contracts as security or reserve therefor
31 in an amount at least equal to the face value of each such 1.52

1 contract, such obligations shall be delivered to and held by a 1.52/i59
 2 trustee or other fiduciary with respect to the bonds of the
 3 agency during the term of such contracts. 1.52/160
 4 420.511 Agency; creation, membership, terms, 3.1
 5 expenses.--
 6 (1) There is hereby created within the Department of 3.1/1
 7 Community Affairs a state agency and instrumentality, which 3.1/2
 8 shall be a public body corporate and politic, to be known as
 9 the "Florida Housing Finance Agency." The agency shall 3.1/3
 10 consist of the Secretary of the Department of Community 3.1/4
 11 Affairs as an ex officio and voting member and eight members
 12 appointed by the Governor subject to confirmation by the 3.1/6
 13 Senate from the following:
 14 (a) One citizen actively engaged in the savings and 3.1/7
 15 loan industry.
 16 (b) One citizen actively engaged in the residential 3.1/8
 17 home building industry.
 18 (c) One citizen actively engaged in the banking or 3.1/9
 19 mortgage banking industry.
 20 (d) One citizen who is a representative of those areas 3.1/10
 21 of labor engaged in home building. 3.1/11
 22 (e) Four citizens of the state who are not members or 3.1/12
 23 representatives of the above named groups.
 24 (2) Of the members first appointed, four shall be 3.1/13
 25 designated to serve for a term of 2 years, and four for a term 3.1/14
 26 of 4 years from the dates of their appointment, but thereafter 3.1/15
 27 members of the agency shall be appointed for a term of 4
 28 years, except that all vacancies shall be filled for the 3.1/16
 29 unexpired term.
 30 (3) The chairman and a vice chairman shall be elected 3.1/18
 31 annually by the members thereof. Any additional officers, who 3.1/19

1 need not be members, as may be deemed necessary by the members
 2 of the agency may be designated and elected by the members 3.1
 3 thereof.
 4 (4) A member of the agency shall receive no 3.2
 5 compensation for his services but shall be entitled to the 3.2
 6 necessary expenses, including per diem and travel expenses, 3.2
 7 incurred in the discharge of his duties, as provided by law. 3.2
 8 (5) Each member of the agency shall file full and 3.2
 9 public disclosure of financial interests at the times and 3.2
 10 places and in the same manner required of elected 3.2
 11 constitutional officers under s. 8, Art. II of the State
 12 Constitution and any law implementing s. 8, Art. II of the 3.2
 13 State Constitution.
 14 420.512 Meetings, quorum and votes.--The powers of the 3.2
 15 agency shall be vested in the members thereof in office from 3.2
 16 time to time. Five members of the agency shall constitute a 3.2
 17 quorum for the purpose of conducting its business and
 18 exercising its powers and for all other purposes. Action may 3.2
 19 be taken by the agency upon an affirmative vote of a majority 3.2
 20 of the members present, provided that no action shall be taken
 21 by an affirmative vote of less than four members. 3.2
 22 420.513 Executive director; agents and employees.--The 3.2
 23 appointment and removal of an executive director shall be by 3.2
 24 the Secretary of the Department of Community Affairs with the 3.2
 25 advice and consent of the agency. The executive director 3.2
 26 shall subsequently employ legal and technical experts and such 3.2
 27 other agents and employees, permanent and temporary, as the
 28 agency may require. The provisions of the state personnel law 3.2
 29 contained in chapter 110 shall apply, except that no more than 3.2
 30 10 policy-making employees of the agency as determined from 3.2
 31 time to time by the agency may be exempted. 3.2

1 420.521 Powers of the agency.--The agency shall have 3.22/20
2 all the powers necessary or convenient to carry out and 3.22/21
3 effectuate the purposes and provisions of this part, including 3.22/22
4 the following powers which are in addition to all other powers 3.22/23
5 granted by other provisions of this part:

6 (1) To sue and be sued; to have a seal; to alter the 3.41
7 same at pleasure and to authorize the use of a facsimile 3.42
8 thereof; to make and execute contracts and other instruments
9 necessary or convenient to the exercise of the powers of the 3.43
10 agency.

11 (2) To undertake and carry out studies and analyses of 3.44
12 housing needs within the state and ways of meeting such needs 3.45
13 upon request of the Governor pursuant to part I of this
14 chapter. 3.46

15 (3) To participate in federal housing assistance and 3.46
16 federal community development, insurance and guarantee 3.46/1
17 programs and to agree and comply with any conditions attached 3.46/2
18 to federal financial assistance including, without limitation,
19 the waiver of exemption from Federal income taxation on 3.46/3
20 interest payable on its bonds, unless expressly prohibited by 3.46/4
21 this act.

22 (4) To provide for the collection and payment of fees 3.46/5
23 and charges, regardless of method of payment, in connection
24 with its loans, commitments and servicing; including, but not 3.46/6
25 limited to, reimbursement of costs of financing by the agency, 3.46/7
26 service charges and insurance premiums as the agency shall 3.46/8
27 determine to be reasonable and as shall be approved by the
28 agency. 3.46/9

29 (5) To acquire real and personal property, or any 3.46/10
30 interest therein where such acquisition is necessary or 3.46/11
31 appropriate to protect any loan or to participate in any 3.46/12

1 program in which the agency has an interest; to sell, transfer 3.4
2 and convey any such property without regard to the provisions 3.4
3 of chapters 253 and 270 to a buyer and in the event that such 3.4
4 sale, transfer or conveyance cannot be effected with 3.6
5 reasonable promptness or at a reasonable price, to lease such 3.6
6 property for occupancy by eligible persons.

7 (6) To borrow money through the issuance of bonds for 3.6
8 the purposes provided in this part, to provide for and secure 3.6
9 the payment thereof and to provide for the rights of the 3.6
10 holders thereof.

11 (7) To purchase bonds of the agency out of any funds 3.6
12 or moneys of the agency available therefor, and to hold,
13 cancel or resell such bonds. 3.6

14 (8) To invest any funds held in reserves or sinking 3.6
15 funds, or any funds not required for immediate disbursement,
16 in such investments as may be authorized for trust funds under 3.6
17 s. 215.47, and in any authorized investments, provided that 3.6
18 such investments will be made on behalf of the agency by the 3.6
19 State Board of Administration or by another trustee appointed
20 for such purpose. 3.6

21 (9) To set standards for residential housing financed 3.6
22 by the agency under this chapter and to provide for 3.7
23 inspections to determine compliance with such standards. 3.7
24 (10) To contract for and to accept gifts, grants, 3.7
25 loans or other aid from the United States Government or any 4.0
26 persons or corporation.

27 (11) To insure and procure insurance against any loss 4.0
28 in connection with any bonds of the agency and the agency's 4.0
29 operations, including without limitation:
30 (a) The repayment of any loans to mortgage lenders or 4.0
31 mortgage loans.

1 (b) Any project. 4.0/5
2 (c) Any bonds of the agency, in such amounts and from 4.0/5
3 such insurers, including the federal government, as it may deem 4.0/6
4 necessary or desirable, and to pay any premiums therefor. 4.0/7
5 (12) To make rules necessary to carry out the purposes 4.0/7
6 of this part and to exercise any power granted in this part 4.0/8
7 pursuant to the provisions of chapter 120. 4.0/9
8 (13) To engage the services of private consultants on 4.7
9 a contract basis for rendering professional and technical
10 assistance and advice. 4.8
11 (14) To make additional conditions respecting the 4.8/1
12 grant of loans or mortgage loans pursuant to this part, 4.8/2
13 including, without limitation, the regulation of eligible
14 persons and the admission of tenants and other occupants or 4.8/3
15 users of projects and residential housing, and to enter into 4.8/4
16 regulatory and other agreements and contracts under the
17 provisions of this part. 4.8/5
18 (15) To institute any action or proceeding against any 4.8/5
19 eligible person or sponsor receiving a loan or owning any 4.8/6
20 residential housing financed under the provisions of this part 4.8/7
21 in any court of competent jurisdiction to enforce the
22 provisions of this part or the terms and provisions of any 4.8/8
23 agreement or contract between the agency and such persons; 4.8/9
24 and, in connection with any such action or proceeding, to 4.8/10
25 apply for and accept the appointment by a court of competent 4.8/11
26 jurisdiction of a receiver to take over, manage, operate and 4.8/12
27 maintain such residential housing.
28 (16) To procure or require the procurement of a policy 4.8/13
29 or policies of group life insurance or disability insurance,
30 or both, to insure repayment of mortgage loans for residential 4.8/14
31 housing in event of the death or disability of the eligible

1 person or persons liable therefor, and to pay any premiums 4.8/
2 therefor.
3 (17) To renegotiate any mortgage loan or any purchase 4.8/
4 agreement with or loan to a lending institution in default; to
5 waive any default or consent to the modification of the terms 4.8/
6 of any mortgage loan or any purchase agreement with or loan to 4.8/
7 a lending institution; and to commence, prosecute and enforce
8 a judgment in any action or proceeding to protect or enforce 4.8/
9 any right conferred upon it by law, mortgage loan, loan
10 agreement or purchase agreement with a lending institution, 4.8/
11 contract or other agreement, including without limitation 4.8/
12 foreclosure of the security interest on the property securing
13 such a mortgage loan or loan to a lending institution; 4.8/
14 provided that any such action or proceeding shall be brought
15 in the name of the entity servicing the mortgage loan on 4.8/
16 behalf of the agency and not in the name of the agency, and in 4.8/
17 connection with any such proceeding, to bid for and purchase
18 the property or acquire or take possession thereof and, in 4.8/
19 such event, complete, administer, pay the principal of and 4.8/
20 interest on any obligations incurred in connection with such
21 property and dispose of and otherwise deal with such property 4.8/
22 in such manner as the agency may deem advisable to protect its
23 interests therein. 4.8/
24 (18) To make and execute contracts for the 4.8/
25 administration, servicing or collection of any mortgage loan 4.8/
26 or loan agreement or purchase agreement with a mortgage lender
27 and pay the reasonable value of services rendered to the 4.8/
28 agency pursuant to such contracts. 4.8/
29 (19) To fix, revise from time to time, charge and 4.8/
30 collect fees and other charges in connection with the making 4.8/
31 of mortgage loans and loans to mortgage lenders, the

1 purchasing of mortgage loans and any other services rendered 4.8/36
 2 by the agency.

3 (20) To make and execute agreements, contracts and 4.8/37
 4 other instruments necessary or convenient in the exercise of
 5 the powers and functions of the agency under this part, 4.8/38
 6 including contracts with any persons, firm, corporation, local 4.8/39
 7 government, or other entity; and all local governments
 8 established under the laws of the state are hereby authorized 4.8/40
 9 to enter into and do all things necessary to perform such
 10 contracts and otherwise cooperate with the agency to 4.8/41
 11 facilitate the accomplishment of purposes of this part. 4.8/42

12 (21) To do any and all things necessary or convenient 4.8/43
 13 to carry out the purposes of and exercise the powers given and 4.8/44
 14 granted in this part.

15 420.522 Special powers; mortgages and loans to 8.0/2
 16 lenders.--The agency shall have the special power to:

17 (1)(a) Purchase or take assignments of, and enter into 8.0/3
 18 commitments to purchase or to take assignments of, mortgage
 19 loans and promissory notes accompanying such mortgage loans 8.0/4
 20 (including participations therein) from lending institutions 8.0/5
 21 acting as a principal or as an agent of the agency, provided 8.0/7
 22 that, at or before the time of any such purchase or 8.0/8
 23 assignment, each lending institution shall represent and
 24 warrant to and covenant with the agency with respect to each 8.0/9
 25 mortgage loan to be so purchased or assigned or in which the 8.0/10
 26 agency is to purchase a participation that:

27 1. The unpaid principal balance of the mortgage loan 8.0/11
 28 and the interest rate thereon have been accurately stated to
 29 the agency; 8.0/12

30 2. The amount of the unpaid principal balance is 8.0/12
 31 justly due and owing; 8.0/13

1 3. The lending institution has no notice of the 8.
 2 existence of any counterclaim, offset or defense asserted by 8.
 3 the mortgagor or his successor in interest;

4 4. The mortgage loan is evidenced by a duly executed 8.
 5 promissory note and a duly executed mortgage which has been
 6 properly recorded with the appropriate public official; 8.
 7

8 5. The mortgage constitutes a valid first lien on the 8.
 9 real property described to the authority subject only to such
 10 title exceptions as are specifically described to the agency 8.
 11 and as are acceptable to the agency; 8.

12 6. The mortgagor is not in default in the payment of 8.
 13 any installment of principal or interest, escrow funds, real 8.
 14 property taxes or otherwise in the performance of his
 15 obligations under the mortgage documents; 8.

16 7. The improvements to the mortgaged real property are 8.
 17 covered by a valid and subsisting policy of insurance issued 8.
 18 by a company authorized to issue such policies in the state 8.
 19 and providing fire and extended coverage in such amounts as
 20 the agency may prescribe by rule; 8.

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

23 9. Either: 8.

24 a. The mortgage loan was originated after such date as 8.
 25 the agency shall have specified, for the purpose of selling or
 26 assigning such mortgage loan or a participation therein to the 8.
 27 agency, and was made to an eligible person to finance the
 28 construction, purchase or refinancing of residential housing 8.
 29 for occupancy by one to four families all of whom are eligible 8.
 30 persons and one of whom is the mortgagor; or 8.

31 b. An amount at least equal to the aggregate proceeds 8.
 received by the lending institution upon such sale or 8.

1 assignment will be invested by the lending institution in new
2 mortgage loans originated after such date as the agency shall 8.0/32
3 specify and will be made to eligible persons to finance the 8.0/33
4 construction, purchase or refinancing of residential housing
5 for occupancy by one to four families all of whom are eligible 8.0/34
6 persons and one of whom is the mortgagor. 8.0/35

7 (b) Provide, as a condition of any such purchase, 8.0/35
8 that:

9 1. Each lending institution shall submit evidence 8.0/36
10 satisfactory to the agency of the making of the new mortgage 8.0/37
11 loans to eligible families and, in connection therewith, shall
12 permit the agency, through its members, employees and agents, 8.0/38
13 to inspect the books and records of such lending institution;
14 and 8.0/39

15 2. Each lending institution shall be liable to the 8.0/39
16 agency for any damage suffered by the agency by reason of the 8.0/40
17 untruth of any representation or the breach of any warranty or
18 covenant and, in the event that any representation shall prove 8.0/41
19 to be untrue when made or in the event of any breach of
20 warranty or covenant, the lending institution shall, at the 8.0/42
21 option of the agency, repurchase the mortgage loan for the 8.0/43
22 original purchase price adjusted for amounts subsequently paid
23 thereon, as the agency may determine. 8.0/44

24 (c) Make and enter into contracts and agreements with 8.0/45
25 lending institutions for the servicing and processing of 8.0/46
26 mortgage loans purchased by the agency pursuant to this 8.0/47
27 section.

28 (d) Sell, at public or private sale, with or without 8.0/48
29 public biddings, any mortgage or other obligation held by the
30 agency. 8.0/49
31

1 (2) (a) Make loans to lending institutions and purchase 8.0/
2 from lending institutions obligations issued by such lending 8.0/
3 institutions and secured by mortgages on residential housing,
4 upon such terms and conditions as the agency may determine, 8.0/
5 which at a minimum shall include a requirement that an amount 8.0/
6 at least equal to the proceeds thereof be invested in new
7 mortgage loans originated after such date as the agency shall 8.0/
8 specify and be made to eligible persons to finance the 8.0/
9 construction, purchase or refinancing of residential housing
10 for occupancy by one to four families all of whom are eligible 8.0/
11 persons and one of whom is the mortgagor.

12 (b) Require that loans to, or obligations purchased 8.0/
13 from, lending institutions shall be additionally secured as to 8.0/
14 payment of both principal and interest by a pledge of and lien 8.0/
15 upon collateral security in such amounts and consisting of 8.0/
16 such obligations, securities, and mortgage loans as the State 8.0/
17 Board of Administration shall by resolution determine to be
18 necessary to assure the payment of such loans or securities 8.0/
19 purchased and the interest thereon as the same become due; 8.0/
20 provided that in no event shall the fair market value of the
21 collateral security be less than 100 percent of the principal 8.0/
22 amount of the outstanding loan or obligation, as determined at 8.0/
23 such time or times, but no less frequently than annually, as 8.0/
24 the State Board of Administration shall specify. The State
25 Board of Administration may require in the case of any or all 8.0/
26 lending institutions that any required collateral security be
27 lodged with a bank or trust company located either within or 8.0/
28 outside the state designated by the agency as custodian 8.0/
29 therefor. In the absence of such requirement, a lending 8.0/
30 institution shall, if collateral is to be provided for the
31 loan or obligation purchased, upon receipt of the proceeds 8.0/

1 from the agency, enter into an agreement with the agency 9.0/1
 2 containing such provisions as the State Board of 9.0/2
 3 Administration shall deem necessary to adequately identify and 9.0/3
 4 maintain such collateral and service the same and shall 9.0/4
 5 provide that such lending institution shall hold such 9.0/5
 6 collateral as an agent for the agency and shall be held 9.0/6
 7 accountable as the trustee of an express trust for the 9.0/7
 8 application and disposition thereof and the income therefrom 9.0/8
 9 solely to the uses and purposes in accordance with the 9.0/9
 10 provisions of such agreement. A copy of each such agreement 9.0/10
 11 and any revisions or supplements thereto shall be filed with 9.0/11
 12 the Secretary of State and no further filing or other action 9.0/12
 13 under chapter 679, entitled the Uniform Commercial Code- 9.0/13
 14 Secured Transactions, or any other law of the state shall be 9.0/14
 15 required to perfect the security interest of the agency in 9.0/15
 16 such collateral or any additions thereto or substitutions 9.0/16
 17 therefor, and the lien and trust for the benefit of the agency 9.0/17
 18 so created shall be binding from and after the time made as 9.0/18
 19 against all parties having claims of any kind in tort, 9.0/19
 20 contract, or otherwise against such lending institution. No 9.0/20
 21 loan to a lending institution shall be made and no obligation 9.0/21
 22 issued by a lending institution shall be purchased unless such 9.0/22
 23 institution shall have certified to the agency that the 9.0/23
 24 payment of principal and interest due on the collateral 9.0/24
 25 security which shall secure such loan, or such obligation shall 9.0/25
 26 be sufficient to amortize principal and pay interest on the 9.0/26
 27 loan or obligation secured by such collateral. The agency or 9.0/27
 28 the State Board of Administration may also establish such 9.0/28
 29 additional requirements as shall be deemed necessary with 9.0/29
 30 respect to the pledging, assigning, setting aside or holding 9.0/30
 31 of such collateral security and the making of substitutions 9.0/31

1 therefor or additions thereto and the disposition of income 9.0/
 2 and receipts therefrom. 9.0/
 3 (c) Collect, enforce the collection of, and foreclose 9.0/
 4 on any collateral security securing a loan made to, or an 9.0/
 5 obligation purchased from, a lending institution and acquire 9.0/
 6 or take possession of such collateral and sell the same at 9.0/
 7 public or private sale, with or without public bidding, and 9.0/
 8 otherwise deal with such collateral as may be necessary to 9.0/
 9 protect the interest of the agency therein, all subject to any 9.0/
 10 agreement with bondholders. 9.0/
 11 (d) Provide, as a condition of any such loan or 9.0/
 12 purchase, that: 9.0/
 13 1. Each lending institution shall submit evidence 9.0/
 14 satisfactory to the agency of the making of the new mortgage 9.0/
 15 loans to eligible families and, in connection therewith, shall 9.0/
 16 permit the agency, through its members, employees and agents, 9.0/
 17 to inspect the books and records of such lending institution; 9.0/
 18 and 9.0/
 19 2. Each lending institution shall be liable to the 9.0/
 20 agency for any damages suffered by the agency by reason of the 9.0/
 21 untruth of any representation or the breach of any warranty or 9.0/
 22 covenant made in connection with any such loan or purchase. 9.0/
 23 (e) Adopt, modify or repeal any additional conditions 9.0/
 24 governing the making of loans to, or purchasing of obligations 9.0/
 25 from, lending institutions and the application of the proceeds 9.0/
 26 thereof. 9.0/
 27 (3)(a) Make and participate in the making of, and 9.0/
 28 contract to make or participate in the making of, mortgage 9.0/
 29 loans to sponsors for the purposes of financing development 9.0/
 30 costs of projects, provided that each mortgage loan for a 9.0/
 31 project made by the agency shall: 9.0/

1 1. Be evidenced by a properly executed note or other 9.0/42
2 evidence of indebtedness and be secured by a properly recorded 9.0/43
3 mortgage; 9.0/43
4 2. Provide for regular amortization to pay the 9.0/43
5 mortgage loan in full not later than the expiration of the 9.0/44
6 useful life of the property financed with the proceeds of the 9.0/45
7 mortgage loan as determined by the agency, and in any event 9.0/46
8 not later than 45 years from the date of the mortgage loan; 9.0/46
9 3. Not exceed such percentage of the development costs 9.0/47
10 as the agency may determine pursuant to rule, and in any event 9.0/48
11 not more than 95 percent of such development costs; 9.0/48
12 4. In the event the mortgage loan is also to provide 9.0/49
13 financing for the construction of a project, have each advance 9.0/51
14 thereof insured or guaranteed by the United States of America 9.0/52
15 or any agency or instrumentality thereof; 9.0/52
16 5. Have the initial review, approval and origination 9.0/53
17 process accomplished by a lending institution in accordance 9.0/54
18 with such procedure as the agency may prescribe, which lending 9.0/55
19 institution shall be paid such fees and charges for its 9.0/55
20 services as the agency may determine; and 9.0/55
21 6. Be serviced by such lending institution or other 9.0/56
22 private entity engaged in the business of servicing mortgage 9.0/57
23 loans in the state as the agency shall approve in accordance 9.0/58
24 with such procedures as the agency may prescribe, which 9.0/58
25 servicer shall be paid such fees and charges for its services 9.0/59
26 as the agency may determine. 9.0/60
27 (b) Make the following determinations, which must be 9.0/60
28 made before the agency may make a mortgage loan to a sponsor 9.0/61
29 for a project: 9.0/61
30 1. That a significant number of low, moderate or 9.0/62
31 middle income persons in the local government in which the 9.0/63

1 project is to be located, or in an area reasonably accessible 9.0
2 thereto, are subject to hardship in finding adequate, safe and 9.0
3 sanitary housing; 9.0
4 2. That private enterprise unaided is not meeting, and 9.0
5 cannot reasonably be expected to meet, the need for such 9.0
6 housing; and 9.0
7 3. That the need for such housing will be alleviated 9.0
8 by providing the project. 9.0
9 (c) Adopt and from time to time modify or repeal rules 9.0
10 for governing the making of and participation in loans to 9.0
11 sponsors for projects to implement the powers authorized and 9.0
12 to achieve the purposes set forth in this part. 9.0
13 420.531 Bonds; purpose, terms, approval, 9.0
14 limitations.-- 9.0
15 (1) The issuance of revenue bonds, as defined in this 9.0
16 part to provide sufficient funds to achieve the purposes of 9.0
17 this part, pay interest on bonds, and pay all other capital 9.0
18 expenditures of the agency incident to and necessary or 9.0
19 convenient to carry out the purposes and powers granted by 9.0
20 this part, is authorized, subject and pursuant to the 9.0
21 provisions of s. 16, Art. VII of the State Constitution and 9.0
22 the applicable provisions of this chapter and of the State 9.0
23 Bond Act. Revenue bonds, as so defined, shall be payable 9.0
24 solely from pledged revenues. 9.0
25 (2) The State Board of Administration is designated as 9.0
26 the state fiscal agency to make the determinations required by 9.0
27 s. 16, Art. VII of the State Constitution in connection with 9.0
28 the issuance of such bonds. 9.0
29 (3) All such bonds shall be issued on behalf of the 9.0
30 agency by the Division of Bond Finance from time to time, as 9.0
31 provided by the State Bond Act, with a term of not less than 5 9.0

1 years nor more than 45 years, and except as otherwise provided 9.0/87
 2 herein, in such principal amounts as shall be necessary to 9.0/88
 3 provide sufficient funds to achieve the purposes of the agency 9.0/89
 4 in carrying out this part VI, and purposes incident thereto.
 5 (4) There shall be established from the proceeds of 9.0/90
 6 each issue of bonds a debt service reserve account in an
 7 amount at least equal to the greatest amount of principal and 10.0/1
 8 interest to become due on such issue in any ensuing state 10.0/2
 9 fiscal year, or an amount at least equal to an average of such 10.0/3
 10 annual principal and interest, all as may be determined by the 10.0/4
 11 Division of Bond Finance.
 12 (5) The provisions of the State Bond Act, including, 10.0/4
 13 without limitation, the definitions contained therein, shall 10.0/5
 14 be applicable to all bonds issued pursuant to this chapter, 10.0/6
 15 where not in conflict with the provisions hereof. In cases of 10.0/7
 16 conflict, the provisions of this chapter shall be controlling.
 17 (6) Any resolution or resolutions authorizing any 10.0/8
 18 bonds issued on behalf of the agency may contain provisions, 10.0/9
 19 without limitation, which shall be a part of the contract or 10.0/10
 20 contracts with the holders thereof, as to:
 21 (a) Pledging all or any part of the income or revenues 10.0/11
 22 of the agency to secure the payment of bonds or of any issue 10.0/12
 23 thereof, subject to such agreements with holders of bonds as 10.0/13
 24 may then exist.
 25 (b) Pledging all or any part of the assets of the 10.0/13
 26 agency, including mortgages and obligations securing the same, 10.28
 27 to secure the payment of bonds or of any issue of bonds, 10.28/1
 28 subject to such agreements with holders of bonds as may then 10.28/2
 29 exist.
 30
 31

1 (c) The use and disposition of the income from 10.
 2 mortgages owned by the agency and payment of the principal of 10.
 3 mortgages owned by the agency.
 4 (d) The procedure, if any, by which the terms of any 10.
 5 contract with holders of bonds may be amended or abrogated,
 6 the amount of bonds the holders of which must consent thereto, 10.
 7 and the manner in which such consent may be given. 10.
 8 (e) Limitations on the amount of moneys to be expended 10.
 9 by the agency for its operating expenses.
 10 (f) Vesting in a trustee or trustees such property, 10.
 11 rights, powers and duties in trust as the agency may 10.
 12 determine, which may include any or all of the rights, powers 10.
 13 and duties of the trustee appointed by the holders of bonds 10.
 14 pursuant to this part, and limiting or abrogating the right of 10.
 15 holders of bonds to appoint a trustee under this part or
 16 limiting the rights, powers and duties of such trustee. 10.
 17 (g) Defining the acts or omissions to act which shall 10.
 18 constitute a default in the obligations and duties of the 10.
 19 agency to the holders of bonds in providing for the rights and
 20 remedies of holders of bonds in the event of such default, 10.
 21 including as a matter of right the appointment of a receiver; 10.
 22 provided that such rights and remedies shall not be 10.
 23 inconsistent with the general laws of the state and the other 10.
 24 provisions of this part.
 25 (h) Any other matters, of like or different character, 10.
 26 which in any way affect the security or protection of holders
 27 of bonds. 10.
 28 (7)(a) The bonds issued on behalf of the agency shall 10.
 29 be sold at public sale in the manner provided by the State 10.
 30 Bond Act.
 31

1 (b) In the event an offer of an issue of bonds at 10.50/2
2 public sale produces no bid, or in the event all bids received 10.50/3
3 are rejected, the division is authorized to negotiate for the 10.50/4
4 sale of such bonds under such rates and terms as are
5 acceptable; provided that no such bonds shall be so sold or 10.50/5
6 delivered on terms less favorable than the terms contained in 10.50/6
7 any bids rejected at the public sale thereof, or the terms 10.50/7
8 contained in the notice of public sale if no bids were
9 received at such public sale. 10.50/8

10 (3) All bonds issued on behalf of the agency shall 10.50/9
11 state on the face thereof that they are payable both as to 10.50/10
12 principal and interest solely out of the assets of the agency
13 and do not constitute an obligation, either general or 10.50/11
14 special, of the state or of any local government. 10.50/12

15 (9) All bonds issued on behalf of the agency are 10.50/12
16 hereby declared to have all the qualities and incidents of 10.50/13
17 negotiable instruments under the applicable laws of the state. 10.50/14

18 (10) It is the intention of the Legislature that any 10.50/14
19 pledge of earnings, revenues or other moneys made by the 10.50/15
20 agency shall be valid and binding from the time when the
21 pledge is made; that the earnings, revenues or other moneys so 10.50/16
22 pledged and thereafter received by the agency shall 10.50/17
23 immediately be subject to the lien of such pledge without any
24 physical delivery thereof or further act, and that the lien of 10.50/18
25 any such pledge shall be valid and binding as against the
26 agency irrespective of whether such parties have notice 10.50/19
27 thereof. Neither the resolution nor any other instrument by 10.50/20
28 which a pledge is created need be recorded. 10.50/21

29 (11) Neither the members of the agency nor any person 10.50/21
30 executing the bonds of the agency shall be liable personally 10.50/22
31

1 on the bonds or be subject to any personal liability or
2 accountability by reason of the issuance thereof. 10.5
3 420.541 State and local government not liable on bonds 10.5
4 or notes.--The bonds of the agency shall not be a debt of the
5 state or of any local government, and neither the state nor 10.5
6 any local government shall be liable thereon. The agency 10.5
7 shall not have the power to pledge the credit, the revenues or
8 the taxing power of the state or of any local government, and 10.5
9 neither the credit, the revenues nor the taxing power of the
10 state or of any local government shall be, or shall be deemed 10.5
11 to be, pledged to the payment of any bonds of the agency. 10.5
12 420.542 Annual report.--The agency shall submit to the 10.5
13 Governor and the presiding officers of each house of the 10.5
14 Legislature, within 6 months after the end of its fiscal year, 10.5
15 a complete and detailed report setting forth:
16 (1) Its operations and accomplishments; 10.5
17 (2) Its receipts and expenditures during such fiscal 10.5
18 year in accordance with the categories or classifications 10.5
19 established by the agency for its operating and capital outlay 10.5
20 purposes;
21 (3) Its assets and liabilities at the end of its 10.5
22 fiscal year and the status of reserve, special or other funds; 10.5
23 and
24 (4) A schedule of its bonds outstanding at the end of 10.5
25 its fiscal year, together with a statement of the principal
26 amounts of bonds issued and redeemed during such fiscal year. 10.5
27 420.543 Conflicts of interest.-- 10.5
28 (1) If any member, officer or employee of the agency 10.5
29 shall have an interest, either direct or indirect, in any 10.5
30 contract to which the agency is, or is to be, a party or in 10.5
31 any sponsor or in any lending institution requesting a loan

1 from, or offering to sell mortgage loans or obligations to, 10.50/42
 2 the agency, such interest shall be disclosed to the agency in
 3 writing and shall be set forth in the minutes of the agency. 10.50/43
 4 The member, officer or employee having such interest shall not 10.50/44
 5 participate in any action by the authority with respect to 10.50/45
 6 such contract, sponsor or lending institution.
 7 (2) Nothing in this section shall be deemed or 10.50/46
 8 construed to limit the right of any member, officer or 10.50/47
 9 employee of the agency to acquire an interest in bonds of the 10.50/48
 10 agency or have an interest in any banking institution in which
 11 the bonds of the agency are, or are to be, deposited or which 10.50/49
 12 is, or is to be, acting as trustee or paying agent under any 10.50/50
 13 bond resolution, trust indenture or similar instrument to
 14 which the agency is a party. 10.50/51
 15 420.544 Exemption from taxes and eligibility as 10.61
 16 investment.--
 17 (1) The property of the agency and the transactions 10.61/1
 18 and operations thereof, and the income therefrom, shall be 10.61/2
 19 exempt from taxation by the state and its political 10.61/3
 20 subdivisions.
 21 (2) All bonds of the agency shall be and constitute 10.65
 22 legal investments without limitation for all public bodies of 10.66
 23 this state; for all banks, trust companies, savings banks,
 24 savings associations, savings and loan associations and 10.67
 25 investment companies; for all administrators, executors, 10.68
 26 trustees and other fiduciaries; for all insurance companies
 27 and associations and other persons carrying on an insurance 10.69
 28 business; and for all other persons whatsoever who are now or 10.70
 29 may hereafter be authorized to invest in bonds or other 10.71
 30 obligations of the state and shall be and constitute eligible
 31 securities to be deposited as collateral for the security of 10.72

1 any state, county, municipal or other public funds. This 10.7
 2 subsection shall be considered as additional and supplemental 10.7
 3 authority and shall not be limited without specific reference
 4 hereto.
 5 420.545 Corporate existence.--The agency and its 10.7
 6 corporate existence shall continue until terminated by law,
 7 provided that no such law shall take effect so long as the 10.7
 8 agency shall have bonds outstanding, unless adequate provision 10.7
 9 has been made for the payment thereof. Upon termination of 10.7
 10 the existence of the agency, all its rights and properties in
 11 excess of its obligations shall pass to and be vested in the 10.7
 12 state.
 13 420.551 Inconsistent provisions of other laws 10.7
 14 superseded.--Insofar as the provisions of this part are
 15 inconsistent with the provisions of any other law, general, 10.7
 16 special or local, the provisions of this part shall be 10.7
 17 controlling.
 18 Section 2. This act shall take effect upon approval by 10.7
 19 the electors of Florida of the creation of section 16, Article
 20 VII of the State Constitution relating to bonds for the 10.7
 21 purposes of this act, except ss. 420.511 through 420.521,
 22 inclusive, of section 1, and section 2 which shall take effect 10.7
 23 upon becoming a law. If the amendment submitted to the 10.7
 24 electors creating section 16 is rejected, this act shall stand
 25 repealed following the date of such election. 10.7
 26
 27
 28
 29
 30
 31

STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared 05/08/80
by the Committee on
Finance and Taxation

1980
FISCAL NOTE

CS/HB 830
Bill Number
As Introduced

STATE GOVERNMENT & PRIVATE SECTOR IMPACT

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State.

I. DESCRIPTION OF BILL:

- A. Fund or Tax Affected General Revenue Fund
- B. Principal Agency Affected Dept. of Community Affairs

C. Sponsor's Statement of Purpose

To increase the supply of multifamily housing in areas where such housing is scarce. To increase the supply of funds for housing financing, and to help stabilize the construction sector of the Florida economy. See "Legislative Findings" in the bill for details.

D. Narrative Summary

This bill creates the Florida Housing Finance Agency (HFA) within the Department of Community Affairs, under a nine-member board consisting of:

- A. The Secretary of the Department of Community Affairs; and
B. Eight gubernatorially-appointed citizens, four of which must represent housing-related labor and industries.

All members of the board must file full and public financial disclosure. The bill provides for essentially three types of programs:

1. Mortgage Purchase -- (A program of secondary mortgage activity.)
The HFA is authorized to purchase from private lending institutions, both out of portfolio and advance commitment, insured or guaranteed mortgages. Any lending institution which desires to participate in this program is required to commit to certain provisions that are standard in the securities market, and which provide the agency with clear and specific protection for mortgages so purchased. Lending institutions are liable for any untruth or breach of covenant regarding the eligibility of the mortgages.
2. Loans to Lenders -- This provision authorizes the HFA to make loans to, and purchase secured obligations from, private lending institutions. These lending institutions must, in turn, use the proceeds to finance more housing. All such loans and obligations must be fully collateralized to at least 100% of the fair market value of the loan. The HFA is mandated to update at least annually the security amount required.
3. Loans to Sponsors -- This provisions specifically empowers the HFA to provide direct loans to sponsors for multifamily housing, but only with private financial institutions doing the originating and servicing. The requirement that lending institutions do the initial review, approval, originating, and servicing means that no bureau or division at the state level is required to administer this program. The provisions of the direct loan program provide, among other things:
 - (a) The agency must require at least 5% equity for a direct loan. No 100% loans are permitted.
 - (b) The HFA cannot get involved in direct loans if the private sector is able to make similar loans.
 - (c) The need for such multifamily housing will be alleviated by funding the project.

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STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

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1980
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CS/HB 830
Bill Number
As Introduced

STATE GOVERNMENT & PRIVATE SECTOR IMPACT

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=====

The HFA may issue only long-term debt. Short-term notes are not permitted. The issuance of bonds is authorized pursuant to the provisions of the State Bond Act, Chapter 215, Florida Statutes, except that negotiated sales are permitted under certain circumstances. There is no limit on the amount of bonds that can be outstanding in any one fiscal year. A debt service reserve account must be set up from each issue of bonds. Other security related details are provided in the bill.

The agency is required to submit an annual report to the Governor, President of the Senate, and Speaker of the House.

A portion of the bill goes into effect upon becoming law, but the remainder is contingent upon passage of the constitutional amendment proposed by HJR 829. Should the constitutional amendment fail, the entire act would stand repealed.

II. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

A. Non-Recurring or First Year Start-up Effects
None

B. Recurring or Annualized Continuation Effects
To the extent that the HFA is successful, housing financing and construction activity in Florida will increase. This will result in revenue growth, primarily in the documentary stamp, intangibles and sales taxes. The amount of revenue growth expected is unknown.

C. Long Run Effects other than Normal Growth
None

D. Appropriations Consequences/Source of Funds
None. Although the HFA will require funds for administration, support staff and capital outlay, proceeds from the revenue bonds will be utilized to cover such costs. The bill contains no appropriation to begin the program.

III. PRIVATE SECTOR IMPACT:

A. Direct Private Costs
None

B. Direct Private Benefits
Because the HFA is able to obtain funds in the tax-exempt market, it will be able to finance mortgages which carry an interest rate below the market rate. Anyone who qualifies for such a mortgage benefit from the lower rate. Reductions in mortgage interest rates of about 3 percentage points are expected.

Lending institutions will also benefit in at least two ways. First, the HFA will provide liquidity to these institutions by purchasing existing mortgages. Secondly, the HFA will make advance commitments to purchase new mortgages and the lending institution will receive both a commission and a service fee.

STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared 05/08/80
by the Committee on
Finance and Taxation

1980
FISCAL NOTE

CS/HB 830
Bill Number
As Introduced

STATE GOVERNMENT & PRIVATE SECTOR IMPACT

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State.

=====
C. Effects on Competition, Private Enterprise and Employment Markets

The HFA has a competitive advantage over private lending institutions because it can obtain funds in the tax-exempt market. However, the purpose of the HFA is not to displace private lending, but rather to extend housing financing to individuals who would not otherwise be able to receive it. Similarly, such financing should enable the construction of multifamily housing which would not otherwise be built.

By increasing the overall supply of mortgage money, the market interest rate on all mortgages is expected to fall somewhat. Also, the construction of new multifamily housing in areas where rental property is scarce can be expected to moderate rent increases.

IV. COMMENTS
None



Staff Director

STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared 5/21/80
by the Committee on
Appropriations

1980
FISCAL NOTE

CS/HB 830
Bill Number

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B. Eight gubernatorially-appointed citizens, four of which must represent housing-related labor and industries.

All members of the board must file full and public financial disclosure. The bill provides for essentially three types of programs:

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The HFA is authorized to purchase from private lending institutions, both out of portfolio and advance commitment, insured or guaranteed mortgages. Any lending institution which desires to participate in this program is required to commit to certain provisions that are standard in the securities market, and which provide the agency with clear and specific protection for mortgages so purchased. Lending institutions are liable for any untruth or breach of covenant regarding the eligibility of the mortgages.
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STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared _____
by the Committee on _____

1980
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The agency is required to submit an annual report to the Governor, President of the Senate, and Speaker of the House.

A portion of the bill goes into effect upon becoming law, but the remainder is contingent upon passage of the constitutional amendment proposed by HJR 829. Should the constitutional amendment fail, the entire act would stand repealed.

II. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

A. Non-Recurring or First Year Start-up Effects

The new agency will need a loan from the General Revenue Fund of \$250,000 to finance the first year of activity. After the sale of the first bond issue, the loan will be repaid and the agency will be financed with proceed from bond sales.

B. Recurring or Annualized Continuation Effects

To the extent that the HFA is successful, housing financing and construction activity in Florida will increase. This will result in revenue growth, primarily in the documentary stamp, intangibles and sales taxes. The amount of revenue growth expected is unknown.

C. Long Run Effects other than Normal Growth

None

D. Appropriations Consequences/Source of Funds

None. Although the HFA will require funds for administration, support staff and capital outlay, proceeds from the revenue bonds will be utilized to cover such costs. The bill contains no appropriation to begin the program.

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Lending institutions will also benefit in at least two ways. First, the HFA will provide liquidity to these institutions by purchasing existing mortgages. Secondly, the HFA will make advance commitments to purchase new mortgages and the lending institution will receive both a commission and a service fee.

STATE OF FLORIDA
HOUSE OF REPRESENTATIVES

Prepared _____
by the Committee on _____

1980
FISCAL NOTE

CS/HB 830
Bill Number

STATE GOVERNMENT & PRIVATE SECTOR IMPACT

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State.

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By increasing the overall supply of mortgage money, the market interest rate on all mortgages is expected to fall somewhat. Also, the construction of new multifamily housing in areas where rental property is scarce can be expected to moderate rent increases.

IV. COMMENTS
None

John T. Hevada
Staff Director

SUBCOMMITTEE REPORT

File with Parent Committee

To: Chairman, Committee on APPROPRIATIONS

The Subcommittee on GENERAL GOVERNMENT (SUBCOMMITTEE II)

met at 8:00 o'clock on MAY 22, 19 80

in Room 214 CAPITOL, and considered HB 830

On motion to report the bill FAVORABLE
the vote was: FAVORABLE WITH 4 AMENDMENTS (TECHNICAL).
(number)

YEA	MEMBER	NAY
	GALLAGHER	
X	GUSTAFSON	
	HATTAWAY	
X	HAZOURI	
X	HODGES	
X	KUTUN	

Total
Yea 7

YEA	MEMBER	NAY
X	LEWIS, JOHN	
X	MALLOY	
X	ROBINSON (Chairman)	

Total
Nays 0

Subcommittee Chairman

SUBCOMMITTEE APPEARANCE RECORD

The following persons (other than legislators) appeared before the subcommittee during consideration of this bill:

Name	Representing	Address

(If additional persons, enter on reverse side and check here)

Received by Parent Committee:
Date _____
Received by _____

If the unit owner or the association initiates any action or interposes any defense other than payment of rent under the lease, the unit owner or the association shall, upon service of process upon the lessor, pay into the registry of the court any allegedly accrued rent and the rent which accrues during the pendency of the proceeding, when due. If the unit owner or the association fails to pay the rent into the registry of the court, it shall constitute an absolute waiver of the unit owner's or association's defenses other than payment, and the lessor shall be entitled to default. The unit owner or the association shall notify the lessor of any deposits. When the unit owner or the association has deposited the required funds into the registry of the court, the lessor may apply to the court for disbursement for all or part of the funds shown to be necessary for the payment of taxes, mortgage payments, maintenance and operating expenses, and other necessary expenses incident to maintaining and equipping the leased facilities, or necessary for the payment of other expenses arising out of personal hardship resulting from the loss of rental income from the leased facilities. The court, after an evidentiary hearing, may award all or part of the funds on deposit to the lessor for such purpose. The court shall require the lessor to post bond or other security, as a condition to the release of funds from the registry, when the value of the leased land and improvements, apart from the lease itself, is inadequate to fully secure the sum of existing encumbrances on the leased property and the amounts released from the court registry.

And renumber subsequent sections.

Mr. Nuckolls moved the adoption of the amendment, which was adopted by two-thirds vote.

Representatives Nuckolls, Kutun, Dunbar, Fox, and Silver offered the following title amendment:

Amendment 2—On page 1, line 2, after the semicolon insert: amending s. 718.111(9)(b), Florida Statutes, providing that certain insurance coverages with respect to condominiums need not apply to replacements of original material contained in the condominium; amending s. 718.112(2)(k), Florida Statutes, providing that members of a condominium association may by majority vote provide no reserves or statutorily inadequate reserves in the condominium annual budget; amending s. 718.202(1), Florida Statutes, relating to condominium sales or reservation deposits; amending ss. 718.401(4)(a) and 719.401(4)(a), Florida Statutes, providing additional purposes for which the court may authorize disbursement to the lessor of leasehold rents deposited into the registry of the court during the course of litigation;

Mr. Nuckolls moved the adoption of the amendment, which was adopted.

Representative Patchett offered the following amendment:

Amendment 3—On page 7, line 13, after the period insert: Notwithstanding any other provisions of this chapter, any agreement, land lease or sub-lease which provides for rental increases of a constant dollar amount or percentage increase, and which increases are specifically set forth in the agreement, land lease or sub-lease, shall be presumed to be conscienable.

Mr. Patchett moved the adoption of the amendment. On motion by Mr. L. J. Smith, the amendment was laid on the table.

The question recurred on the passage of SB 164. The vote was:

Yeas—101

The Chair	Crotty	Fontana	Hawkins, L. R.
Allen	Danson	Foster	Hawkins, M. E.
Bankhead	Davis	Fox	Hazouri
Barrett	Deratany	Gallagher	Healey
Boles	Dunbar	Gardner	Hector
Brantley	Dyer	Girardeau	Hieber
Burrall	Easley	Gordon	Hodges
Campbell	Eckhart	Grant	Hollingsworth
Carlton	Evans	Haben	Jennings
Carpenter	Ewing	Hagler	Johnson, A. E.
Conway	Flinn	Hall	Johnson, B. L.
Cox	Flynn	Hattaway	Johnson, R. C.

Jones, C. F.	Margolis	Pajcic	Smith, J. H.
Jones, D. L.	Martin	Patchett	Smith, L. J.
Kelly	McPherson	Patterson	Spaet
Kershaw	Meek	Plummer	Thomas
Kirkwood	Melby	Price	Thompson
Kiser	Mica	Ready	Tygart
Kutun	Mitchell	Reynolds	Ward
Lehman	Moffitt	Richmond	Warner
Lewis, J. W.	Morgan	Robinson	Weinstock
Lewis, T. F.	Myers	Rosen	Williams
Liberti	Nergard	Ryals	Woodruff
Lockward	Nuckolls	Sample	
Malloy	Ogden	Silver	
Mann	O'Malley	Smith, C. R.	

Nays—2

Meffert Upchurch

So the bill passed, as amended, and was immediately certified to the Senate after engrossment.

Motions Relating to Committee References

On point of order by Mr. Morgan, Chairman, that they do not affect appropriations, SB's 289 and 738 were withdrawn from the Committee on Appropriations. SB 289 was placed on the Calendar and SB 738 remains referred to the Committee on Finance & Taxation.

Subsequently, on point of order by Mr. Pajcic, Chairman, that it does not affect taxation, SB 738 was withdrawn from the Committee on Finance & Taxation and placed on the Calendar.

By the Committee on Community Affairs and Representatives McPherson, Dyer, Margolis, Flynn and Silver—

CS for HB 830—A bill to be entitled An act relating to housing; creating part VI of chapter 420, Florida Statutes, to establish a Florida Housing Finance Agency; providing legislative findings, definitions, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special conditions and procedures; providing for trust funds; providing tax exemptions; providing an effective date.

—was read the first time by title. On motion by Mr. McPherson, the rules were waived and the bill was read the second time by title.

The Committee on Finance & Taxation offered the following amendment:

Amendment 1—On page 18, line 11, strike "families" and insert: persons

Mr. McPherson moved the adoption of the amendment, which was adopted.

The Committee on Finance & Taxation offered the following amendment:

Amendment 2—On page 21, line 15, strike "families" and insert: persons

Mr. McPherson moved the adoption of the amendment, which was adopted.

The Committee on Finance & Taxation offered the following amendment:

Amendment 3—On page 26, line 28, strike the period and insert: or filed pursuant to the Uniform Commercial Code.

Mr. McPherson moved the adoption of the amendment, which was adopted.

The Committee on Finance & Taxation offered the following amendment:

Amendment 4—On page 28, line 5, strike “authority” and insert: agency

Mr. McPherson moved the adoption of the amendment, which was adopted.

Representative McPherson offered the following amendment:

Amendment 5—On page 8, line 13, strike the period and insert: , provided that in no event shall the full faith and credit of the state be pledged to secure such revenue bonds.

Mr. McPherson moved the adoption of the amendment, which was adopted.

On motion by Mr. McPherson, the rules were waived and CS for HB 830, as amended, was read the third time by title. On passage, the vote was:

Yeas—89

The Chair	Fox	Kutun	Patchett
Allen	Gallagher	Lehman	Plummer
Bankhead	Gardner	Lewis, J. W.	Price
Barrett	Girardeau	Lewis, T. F.	Ready
Bell	Grant	Liberti	Robinson
Boles	Gustafson	Lockward	Rosen
Bush	Hall	Malloy	Sample
Campbell	Hattaway	Margolis	Sheldon
Carlton	Hawkins, L. R.	Martin	Silver
Conway	Hawkins, M. E.	Martinez	Smith, J. H.
Cox	Hazouri	McPherson	Smith, L. J.
Crawford	Healey	Meek	Spaet
Davis	Hieber	Mica	Thomas
Deratany	Hieber	Mills	Thompson
Dunbar	Hodges	Mitchell	Ward
Dyer	Hollingsworth	Moffitt	Warner
Easley	Jennings	Morgan	Watt
Eckhart	Johnson, A. E.	Myers	Williams
Evans	Johnson, R. C.	Nergard	Woodruff
Flinn	Jones, C. F.	Nuckolls	Young
Flynn	Jones, D. L.	Ogden	
Fontana	Kirkwood	O'Malley	
Foster	Kiser	Pajcic	

Nays—17

Brantley	Haben	Melby	Tygart
Burrall	Hagler	Patterson	Upchurch
Carpenter	Johnson, B. L.	Reynolds	
Crotty	Kelly	Shackelford	
Danson	Meffert	Smith, C. R.	

Votes after roll call:

Yeas—Weinstock, Batchelor, Lippman

Nays—Ewing

Nays to Yeas—Crotty, Reynolds

So the bill passed, as amended, and was immediately certified to the Senate after engrossment.

By the Committee on Judiciary and Representatives Davis and Fox—

CS for HB 23—A bill to be entitled An act relating to parent and child; creating ss. 742.20-742.42, Florida Statutes; creating the Florida Parentage Act; providing public policy; defining the parent and child relationship, specifying that such relationship is not dependent on marriage, and providing method of establishing such relationship; providing for the father and child relationship with respect to artificial insemination; providing for actions to determine the father and child relationship; providing for jurisdiction and venue; providing parties to the action; providing for pre-trial proceedings and recommendations; providing for blood tests; providing for evidence relating to paternity; specifying that such actions are civil actions; providing for judgments or orders and enforcement and modification thereof; providing for costs; providing right to counsel and free transcripts in certain cases; providing for confidentiality of hearings and records; providing for actions to declare the mother and child relationship; providing effect of promise to render support; repealing ss. 95.051(1)(e) and 95.11(3)(b), Florida Statutes, relating to limitations of actions with respect

to paternity actions and the effect of voluntary payments by alleged father; repealing s. 732.108(2), Florida Statutes, relating to intestate succession with respect to persons born out of wedlock; repealing ss. 742.011, 742.021, 742.031, 742.041, 742.06, 742.07, 742.08, 742.09, 742.091, 742.10, and 742.11, Florida Statutes, relating to determination of paternity; providing an effective date.

—was read the first time by title. On motion by Ms. Davis, the rules were waived and the bill was read the second time by title.

Representative Tygart offered the following amendment:

Amendment 1—On page 9, lines 20-23, strike all of said lines and renumber the subsequent subsections.

Mr. Tygart moved the adoption of the amendment, which was adopted.

Representative Gordon offered the following amendment:

Amendment 2—On page 13, line 20, after the period insert: Section 2. Statewide advisory committee.—There is hereby created a “Statewide Advisory Committee on Adolescent Pregnancy, Parenting, and Pregnancy Prevention” within the Office of the Governor. The Governor shall appoint members to the committee. The committee shall be representative of the interests of public and private agencies and groups directly and indirectly concerned with adolescent pregnancy, including treatment, rehabilitation, and prevention. The committee collectively shall be a strong advocate in ensuring a comprehensive, broad-based approach to the social, economic, health, and legal problems of adolescent pregnancy and parenthood. The committee shall advise the secretary of the Dept. of Health & Rehab. Ser. & Report to the Legislature its findings & recommendations on the problems of adolescent pregnancy and parenthood on or before Dec. 1, 1981.

Ms. Gordon moved the adoption of the amendment, which was adopted.

Representative Gordon offered the following title amendment:

Amendment 3—On page 2, line 5, after the semicolon insert: providing for the creation of a “Statewide Advisory Committee on Adolescent Pregnancy, Parenting, and Pregnancy Prevention”;

Ms. Gordon moved the adoption of the amendment, which was adopted.

On motion by Ms. Davis, the rules were waived and CS for HB 23, as amended, was read the third time by title. On passage, the vote was:

Yeas—41

The Chair	Hieber	Martin	Rosen
Boles	Johnson, A. E.	Martinez	Sheldon
Campbell	Jones, D. L.	McPherson	Silver
Conway	Kirkwood	Meek	Spaet
Davis	Kutun	Mitchell	Thomas
Dunbar	Lehman	Myers	Ward
Evans	Liberti	Nergard	Weinstock
Fox	Lockward	Pajcic	Williams
Gardner	Malloy	Patchett	
Girardeau	Mann	Plummer	
Gordon	Margolis	Price	

Nays—58

Allen	Dyer	Hall	Lewis, J. W.
Bankhead	Easley	Hattaway	Lewis, T. F.
Barrett	Eckhart	Hazouri	Lippman
Bell	Ewing	Hector	Meffert
Brantley	Flinn	Hodges	Melby
Burrall	Flynn	Hollingsworth	Moffitt
Bush	Fontana	Jennings	Nuckolls
Carpenter	Foster	Johnson, B. L.	O'Malley
Cox	Gallagher	Johnson, R. C.	Patterson
Crotty	Grant	Kelly	Ready
Danson	Haben	Kershaw	Richmond
Deratany	Hagler	Kiser	Robinson

HISTORY OF HOUSING FINANCE AGENCY BILL
SINCE 1979 - ENABLING LEGISLATION
AND CONSTITUTIONAL AMENDMENTS

1975

SB 898 (enabling) - Died in committee.

HB 2010 (enabling) - Passed House, as amended (88-25); placed on Senate calendar, indefinitely postponed.

1976

HB 2010 (enabling) - Passed House again, as amended (94-13); passed Senate as further amended (25-9); House concurred, passed as further amended (104-5); approved by Governor, became ch. 76-249, L.O.F. Repealed when constitutional amendment failed.

HJR 1779 (constitutional amendment) - Passed House and Senate; Defeated in statewide election by 49,000 votes - 1,023,416 against, 974,184 for. Bonds were to be payable primarily from revenues of the agency. No prohibition on direct loans to mortgagors was included. Total bonds outstanding in any one fiscal year could not exceed \$100 million.

1977

No Housing Finance Agency bills introduced.

1978

Constitutional Revision Commission proposed a housing revenue bond amendment to Article VII. Defeated in statewide election. The proposed amendment was a minor part of one proposal among many, which were all defeated. The proposed amendment required revenue bonds to be paid by revenues of the agency. Also, direct loans to mortgagors were prohibited. All mortgages had to be guaranteed by the federal government.

1979

HB 25-C (constitutional amendment) - Died in House. The revenue bonds were to be payable primarily from revenues of the agency. Direct loans to mortgagors were prohibited.

1980

SB 667 (enabling legislation) - Virtually the same bill that passed in 1976; no substantive differences.

HB 830 (enabling legislation) - No substantive differences from SB 667.

SJR 670 (constitutional amendment) - Bonds are to be paid primarily from revenues from the agency. Direct loans to mortgagors are not prohibited.

HJR 829 (constitutional amendment) - Identical to SJR 670.

JB 667
Stuart

14-1013-80

1 A bill to be entitled

2 An act relating to housing; creating part VI of
3 chapter 420, Florida Statutes; providing
4 findings; providing definitions; creating the
5 Florida Housing Finance Agency in the
6 Department of Community Affairs; specifying
7 membership, terms, powers, duties, and quorum;
8 providing for personnel; authorizing revenue
9 bonds; providing for investment of funds;
10 providing for loans, grants, and advances;
11 providing that specified property of the agency
12 is not exempt from taxation; providing that
13 bonds of the agency constitute legal
14 investments; providing severability; providing
15 an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Part VI of chapter 420, Florida Statutes,
20 consisting of sections 420.501, 420.5011, 420.502, 420.511,
21 420.512, 420.513, 420.521, 420.522, 420.523, 420.531, 420.541,
22 420.542, and 420.543, Florida Statutes, is created to read:

23 PART VI

24 FLORIDA HOUSING FINANCE AGENCY

25 420.501 Short title.--This part may be cited as the
26 "Florida Housing Finance Agency Act".

27 420.5011 Definitions.--As used in this part:

28 (1) "Agency" means the Florida Housing Finance Agency.

29 (2) "Bond" means any bond, note, debenture, interim
30 certificate, or other evidence of financial indebtedness
31 issued on behalf of the agency under this act.

1 (3) "Development costs" means the total of all costs
2 incurred in connection with residential housing approved by
3 the agency as reasonable and necessary, which costs shall
4 include, but need not be limited to, costs of land acquisition
5 and any building thereon, including payments for options,
6 deposits, or contracts to purchase properties on the proposed
7 housing site or payments for the purpose of such properties;
8 cost of site preparation, demolition, and development; fees
9 for architectural, engineering, legal, accounting, and other
10 services paid or payable in connection with the planning,
11 execution, and financing of residential housing; costs of
12 necessary studies, surveys, plans, and permits; costs of
13 insurance, interest, financing, taxes, assessments, and other
14 operating and carrying costs, during construction; costs of
15 construction, fixtures, furnishings, equipment, machinery, and
16 apparatus related to the property; costs of land improvements
17 including, but not limited to, landscaping and off-site
18 improvements; necessary expenses in connection with initial
19 occupancy of residential housing; reasonable builder's and
20 developer's profit and risk fee in addition to job overhead;
21 an allowance established by the agency for working capital;
22 contingency reserves and reserves for any anticipated
23 operating deficits during the early years of occupancy; and
24 the cost of other items, including tenant relocation.

25 (4) "Eligible persons" means persons or families
26 determined by the agency, pursuant to rule, to be of low,
27 moderate, or middle income, requiring such assistance as is
28 made available pursuant to this part on account of
29 insufficient personal or family income, taking into
30 consideration such factors as:

31

1 (a) The amount of the total income of the person or
2 family available for housing needs.

3 (b) The size of the family.

4 (c) The cost and condition of housing facilities
5 available.

6 (d) The ability of such person or family to compete
7 successfully in the normal private housing market and to pay
8 the amounts at which private enterprise is providing sanitary,
9 decent, and safe housing.

10 (e) Appropriate standards established for federal
11 programs determining eligibility based on income of such
12 persons and families.

13 (5) "Governmental agency" means the United States of
14 America, the state, any county or municipality, any other
15 state, or any department, division, public corporation, public
16 agency, political subdivision, or other public instrumentality
17 of any governmental agency.

18 (6) "Lending institution" means any bank or trust
19 company, any mortgage banker, any savings bank, any credit
20 union, any national banking association, any savings and loan
21 association, any building and loan association, any insurance
22 company, the Florida Housing Development Corporation, or any
23 other financial institution or governmental agency which
24 customarily provides service or otherwise aids in the
25 financing of mortgages of property located in the state.

26 (7) "Mortgage" means a mortgage deed, deed of trust,
27 or other instrument which constitutes a first lien on real
28 property in fee simple or on a leasehold under a lease having
29 a remaining term, at any time such mortgage is acquired, which
30 does not expire for at least that number of years beyond the
31 maturity date of the obligation secured by such mortgage as is

1 established by the agency as necessary to protect its interest
2 as mortgagee.

3 (8) "Mortgage loan" means an interest bearing
4 obligation secured by a federally insured mortgage
5 constituting a first lien on real property and improvements in
6 the state.

7 (9) "Residential housing" means one or more new or
8 existing owner-occupied or leased residential dwelling units,
9 including any buildings, land, improvements, equipment,
10 facilities, or other real or personal property which is
11 necessary in connection therewith, including, but not limited
12 to, related facilities for streets, sewers, and utilities.

13 (10) "Qualified mortgage insurer" means any person who
14 has qualified to do business in the state and who meets the
15 standards for federal program qualifications as set by the
16 Federal Home Loan Bank Board and who is approved for the
17 purposes of this chapter by the State Board of Administration.

18 (11) "Division" means the Division of Bond Finance of
19 the Department of General Services.

20 (12) "Pledged revenues" means revenues after deducting
21 the estimated aggregate cost of collection and the estimated
22 aggregate cost of operation of the agency for each fiscal
23 year.

24 (13) "Debt service requirements" means, for each state
25 fiscal year, the amounts of principal, interest, handling
26 charges, required deposits into the debt service reserve
27 account, and any other deposits required in authorizing
28 outstanding bonds.

29 (14) "Surpluses" means any balance remaining each
30 state fiscal year after the requirements of section 16(c) of
31

1 Article VII of the State Constitution including all debt
2 service requirements have been provided for.

3 420.502 Legislative findings.--

4 (1) There is a less than adequate supply of rental
5 housing in the state because the costs of developing,
6 operating, and maintaining multi-family rental housing have
7 increased substantially, because the new construction of such
8 units is less than that necessary for an adequate supply, and
9 because of the conversion of apartment units to condominiums,
10 and the availability of rental housing has become a
11 significant problem in the state.

12 (2) There exist presently and periodically serious
13 economic dislocations in the construction and building trade
14 industry resulting in substantial unemployment, business
15 losses, bankruptcies, and a general deterioration of the
16 economic well-being of residents of the state.

17 (3) One major cause of these conditions has been
18 periodic shortages of funds from private sources and failures
19 due to disintermediation in the federal system of financial
20 intermediaries, which shortages have contributed to reductions
21 in construction of new residential housing and have made the
22 sale and purchase of existing residential housing a virtual
23 impossibility in certain parts of the state.

24 (4) There also exists a serious shortage of decent,
25 safe, and sanitary housing in the state available to persons
26 and families of low, moderate, and middle income, which
27 impairs the economic value of larger areas, characterized by
28 depreciated value, impaired investments, reduced capacity to
29 pay taxes, and lack of new development to meet the needs of
30 area residents, and is a menace to health, safety, morals and
31 welfare of the citizens of the state.

1 (5) It is necessary to create inducements and
2 opportunities for private and public investment in such
3 activities in this state with appropriate planning, land use,
4 and construction policies, necessary for the public welfare.

5 (6) A stable supply of adequate funds for housing
6 financing is required to encourage the construction and
7 reconstruction of new and rehabilitated housing in an orderly
8 and sustained manner and, thereby, to meet the shortage and
9 mitigate the results thereof.

10 (7) It is necessary to create a state housing finance
11 agency to encourage the investment of private capital in
12 housing and community development through the use of public
13 financing to deal with the problem of disintermediation to
14 increase the availability of rental housing, to stimulate the
15 construction and rehabilitation of housing, to facilitate the
16 purchase and sale of existing housing, to provide construction
17 and mortgage loans, to make loans to and purchase mortgage
18 loans from private lending institutions, to provide mortgage
19 insurance, and otherwise.

20 420.511 Agency; creation, membership, terms,
21 expenses.--

22 (1) There is hereby created within the Department of
23 Community Affairs a state agency and instrumentality, which
24 shall be a public body corporate and politic, to be known as
25 the "Florida Housing Finance Agency". The agency shall
26 consist of the secretary of the Department of Community
27 Affairs, as an ex officio voting member, and eight members
28 appointed by the Governor subject to confirmation by the
29 Senate as follows:

30 (a) One person actively engaged in the savings and
31 loan industry.

1 (b) One person actively engaged in the residential
2 home building industry.

3 (c) One person actively engaged in the banking or
4 mortgage banking industry.

5 (d) One person who is a representative of those areas
6 of labor engaged in home building.

7 (e) Four persons who are not members or
8 representatives of the above named groups.

9 (2) Of the members first appointed, four shall be
10 designated to serve for a term of 2 years, and four for a term
11 of 4 years. Thereafter members of the agency shall be
12 appointed for a term of 4 years, except that all vacancies
13 shall be filled for the unexpired term.

14 (3) The chairman of the agency shall be appointed by
15 the Governor, and a vice-chairman shall be elected by the
16 members. Any additional officers, who need not be members, as
17 may be deemed necessary by the members of the agency may be
18 designated and elected by the members.

19 (4) A member shall receive no compensation for his
20 services but shall be entitled to the necessary expenses,
21 including per diem and travel expenses, incurred in the
22 discharge of his duties, as provided by law.

23 420.512 Meetings, quorum, and votes.--Five members of
24 the agency shall constitute a quorum for the purpose of
25 conducting its business, exercising its powers, and all other
26 purposes. Action may be taken by the agency upon a vote of a
27 majority of the members unless this part or a rule of the
28 agency requires a larger number.

29 420.513 Executive director; agents and employees.--The
30 secretary of the department shall employ an executive director
31 pursuant to the provisions of s. 20.18, who shall subsequently

1 employ legal and technical experts and such other agents and
2 employees, permanent and temporary, as the agency may require.
3 No more than 10 policy-making employees of the agency, as
4 determined from time to time by the agency, may be exempted
5 from the provisions of chapter 110.

6 420.521 Powers.--The agency shall have all the powers
7 necessary or convenient to carry out the provisions of this
8 part, including the following powers, which are in addition to
9 other powers granted by this part:

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

15 (2) To undertake and carry out studies and analyses of
16 housing needs within the state and ways of meeting such needs
17 upon request of the Governor.

18 (3) To participate in federal housing assistance and
19 federal community development, insurance, and guarantee
20 programs and to agree and comply with any conditions attached
21 to federal financial assistance unless expressly prohibited by
22 this part.

23 (4) To provide for the collection and payment of fees
24 and charges, regardless of method of payment, in connection
25 with its loans, commitments, and servicing, including, but not
26 limited to, reimbursement of costs of financing by the agency,
27 service charges, and insurance premiums as approved by the
28 agency.

29 (5) To acquire real and personal property, or any
30 interest therein, if such acquisition is appropriate to
31 protect any loan or to participate in any program in which the

1 agency has an interest; to sell, transfer, and convey any such
2 property without regard to the provisions of chapters 253 and
3 270 to a buyer and in the event that such sale, transfer, or
4 conveyance cannot be effected with reasonable promptness or at
5 a reasonable price; and to lease such property for occupancy
6 by eligible persons.

7 (6) To borrow money through the issuance of negotiable
8 bonds for the purposes provided in this part, to provide for
9 and secure the payment thereof, and to provide for the rights
10 of the holders thereof.

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

14 (8) To invest any funds held in reserves or sinking
15 funds, or any funds not required for immediate disbursement,
16 in such investments as may be authorized for trust funds under
17 s. 215.47, and in any bonds, notes, or other obligations of
18 the Federal National Mortgage Association or any other agency,
19 corporation, or instrumentality of the United States; however,
20 such investments shall be made on behalf of the agency by the
21 State Board of Administration or by another trustee appointed
22 for such purpose.

23 (9) To set standards for residential housing financed
24 by the agency and to provide for inspections to determine
25 compliance with such standards.

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

29 (11) To insure, or procure insurance for, any bonds
30 issued on behalf of the agency or any underlying obligations
31

1 thereof, against any loss in connection with its property and
2 other assets.

3 (12) To make rules necessary to carry out the purposes
4 of this part.

5 (13) To engage the services of private consultants on
6 a contract basis to render professional and technical
7 assistance and advice.

8 (14) To grant options to purchase any residential
9 housing or to renew any leases entered into in connection with
10 any of its residential housing, on such terms and conditions
11 as it may deem advisable.

12 (15) To make additional conditions for the grant of
13 loans or mortgage loans pursuant to this part, including, but
14 not limited to, the regulation of eligible persons and the
15 admission of tenants and other occupants or users of
16 residential housing, and to enter into regulatory and other
17 agreements and contracts under the provisions of this part.

18 (16) To institute an action or proceeding against any
19 person receiving a loan or owning any residential housing
20 financed under the provisions of this part in any court of
21 competent jurisdiction to enforce the provisions of this part
22 or the terms and provisions of an agreement or contract
23 between the agency and such person; and, in connection with
24 such action or proceeding, to apply for and accept the
25 appointment by the court of a receiver to take over, manage,
26 operate, and maintain such residential housing.

27 (17) To do any and all things necessary or convenient
28 to carry out the purposes of and exercise the powers granted
29 in this part.

30 420.522 Special powers; mortgages and loans to
31 lenders.--The agency shall have the special power to:

1 (1)(a) Purchase or make commitments to purchase, and
2 take assignments of, from lending institutions acting as a
3 principal or as an agent of the agency, mortgage loans and
4 promissory notes accompanying such mortgage loans, including
5 federally insured mortgage loans or participations with
6 lending institutions in such promissory notes and mortgage
7 loans, for the construction, purchase, leasing, or refinancing
8 of residential housing for eligible persons within the state;
9 if, at or before the time of purchase, the lending institution
10 certifies to the agency, with respect to all mortgage loans
11 transferred to the agency:

12 1. That the mortgage loans transferred to the agency
13 are for residential housing for eligible persons within the
14 state; however, the agency, pursuant to rule, may acquire a
15 reasonable number of mortgage loans for residential housing
16 within the state for occupants other than eligible persons,
17 upon a determination that sufficient mortgage loans for
18 eligible persons are not available to adequately serve the
19 purpose of the agency's housing program within the
20 geographical area served by the lending institution from which
21 such mortgage loans are to be acquired.

22 2. That the proceeds of sale or equivalent moneys
23 shall be reinvested in mortgage loans for residential housing
24 for eligible persons within the state in an aggregate
25 principal amount equal to the amount of such sale proceeds.

26 (b) Make and enter into contracts and agreements with
27 lending institutions for the servicing and processing of
28 mortgage loans purchased by the agency pursuant to this
29 section.
30
31

1 (c) Sell, at public or private sale, with or without
2 public biddings, any mortgage or other obligation held by the
3 agency.

4 (2)(a) Make loans to lending institutions under terms
5 and conditions requiring the proceeds thereof to be used by
6 such lending institutions for the making of new mortgages for
7 residential housing for eligible persons within the state.

8 (b) Purchase obligations secured by mortgages for
9 residential housing for eligible persons within the state from
10 lending institutions under terms and conditions requiring that
11 the proceeds of such purchases or equivalent moneys finance
12 new mortgages for residential housing for eligible persons
13 within the state; however, the agency, pursuant to rule, may
14 purchase a reasonable number of obligations secured by
15 mortgages for residential housing within the state for
16 occupants other than eligible persons, upon a determination
17 that sufficient obligation secured by mortgages for eligible
18 persons are not available to adequately serve the purposes of
19 the agency's housing program within the geographical area
20 served by the lending institution from which such obligations
21 secured by mortgages are to be purchased.

22 (c) Require that loans to, or mortgaged-backed
23 securities purchased from, lending institutions shall be
24 additionally secured as to payment of both principal and
25 interest by a pledge of and lien upon collateral security in
26 such amounts and consisting of such obligations, securities,
27 and mortgage loans as the State Board of Administration shall
28 by resolution determine to be necessary to assure the payment
29 of such loans or securities purchased and the interest thereon
30 as the same become due; however, in no event may the
31 collateral security be less than 100 percent of the principal

1 amount of the outstanding loan. The State Board of
2 Administration may require in the case of any lending
3 institution that any required collateral be lodged with a bank
4 or trust company designated by the agency as custodian
5 therefor. In the absence of such requirement, a lending
6 institution shall, if collateral is to be provided for the
7 loan or securities purchased, upon receipt of the proceeds
8 from the agency, enter into an agreement with the agency
9 containing such provisions as the State Board of
10 Administration shall deem necessary to adequately identify and
11 maintain such collateral and service the same and shall
12 provide that such lending institution shall hold such
13 collateral as an agent for the agency and shall be held
14 accountable as the trustee of an express trust for the
15 application and disposition thereof and the income therefrom
16 solely to the uses and purposes in accordance with the
17 provisions of such agreement. A copy of each such agreement
18 and any revisions or supplements thereto shall be filed with
19 the Secretary of State, and no further filing or other action
20 under chapter 679 or any other law of the state shall be
21 required to perfect the security interest of the agency in
22 such collateral or any additions thereto or substitutions
23 therefor. The lien and trust for the benefit of the agency so
24 created shall be binding after the time made as against all
25 parties having claims of any kind in tort, contract, or
26 otherwise against such lending institution. No loan to a
27 lending institution shall be made unless such institution has
28 certified to the agency that the payment of principal and
29 interest due on the collateral security which secures such
30 loan shall be sufficient to amortize principal and pay
31 interest on the loan secured by such collateral. The agency

1 or the State Board of Administration may also establish such
2 additional requirements as are necessary with respect to the
3 pledging, assigning, setting aside, or holding of such
4 collateral and the making of substitutions therefor or
5 additions thereto and the disposition of income and receipts
6 therefrom.

7 (d) Subject to any agreement with bondholders,
8 collect, enforce the collection of, and foreclose on any
9 collateral securing its loan or purchase of securities from
10 lending institutions, acquire or take possession of such
11 collateral and sell the same at public or private sale, with
12 or without public bidding, and otherwise deal with such
13 collateral as may be necessary to protect the interest of the
14 agency therein.

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

19 420.523 Housing development funds; advances and
20 grants.--

21 (1) Subject to the prior appropriation of moneys by
22 the Legislature for the express purpose of the fund and
23 subject to the requirements of the proceedings authorizing
24 outstanding bonds, upon sufficient surpluses being developed,
25 a housing development fund may be established by the agency
26 from such appropriations or surpluses. The agency shall use
27 the surplus moneys held in the fund to make payments for debt
28 service or reserve requirements if no other moneys are
29 available for such purposes and may use the balance of such
30 moneys to make advances and grants in accordance with the
31 provisions of this part.

1 (2) The agency may use the moneys held in the fund to
2 make advances to units of state or local government, local
3 housing authorities, and nonprofit housing corporations for
4 development costs or costs of reconstruction or rehabilitation
5 of proposed residential housing projects that will be financed
6 with mortgage loans containing provisions for insured
7 advances. The proceeds of the advance may be used only to
8 defray such costs of the project. Each advance shall be
9 repaid in full by the recipient to the agency concurrent with
10 receipt of the portion of the mortgage loan paid at the
11 initial closing of the mortgage or construction loan, with
12 interest at 3 percent.

13 (3) The agency may use the moneys held in the fund to
14 make grants to units of state or local government and local
15 housing authorities in such amounts as the agency determines,
16 not to exceed the net costs, exclusive of any federal aid or
17 assistance, as are incurred by the unit or authority in a plan
18 of housing assistance, including, but not limited to, land and
19 building acquisition, improvements, relocation or
20 conservation; however, any moneys granted shall be matched
21 with an equal amount of local moneys. Land and building
22 qualifying for a grant under this section shall be the site
23 upon which housing is, or is to be, situated and sites
24 designated for other uses that are reasonably related to such
25 housing.

26 420.531 Bonds; purpose, terms, approval,
27 limitations.--

28 (1) The issuance of revenue bonds to finance or
29 refinance housing and related facilities is hereby authorized
30 subject to the provisions of section 16 of Article VII of the
31 State Constitution and the applicable provisions of this

1 chapter and of the State Bond Act. Revenue bonds shall be
2 payable solely from pledged revenues.

3 (2) The State Board of Administration is designated as
4 the state fiscal agency to make the determinations required by
5 section 16 of Article VII of the State Constitution in
6 connection with the issuance of such bonds.

7 (3) All such bonds shall be issued on behalf of the
8 agency by the Division of Bond Finance of the Department of
9 General Services, as provided by the State Bond Act, in such
10 principal amounts as are necessary to provide sufficient funds
11 to achieve the purposes of this part and purposes incident
12 thereto.

13 (4) There shall be established from the proceeds of
14 each issue of bonds a debt service reserve account in an
15 amount substantially equal to and sufficient to pay the
16 greatest amount of principal, interest, and handling charges
17 to become due on such issue in any ensuing state fiscal year,
18 or an amount substantially equal to an average of such annual
19 requirements; however, the amount of the debt service reserve
20 account established from the proceeds of bond anticipation
21 notes shall be equal to the amount required to be deposited in
22 such account from the proceeds of the issue of bonds in
23 anticipation of which such notes are issued.

24 (5) The provisions of the State Bond Act, including
25 the definitions contained therein, shall be applicable to all
26 bonds issued pursuant to this part, where not in conflict with
27 the provisions hereof. In cases of conflict, the provisions
28 of this part shall be controlling.

29 (6)(a) An issue of bonds may be obligations of the
30 agency payable out of any revenues or moneys of the agency,
31 subject only to any agreements with the holders of particular

1 bonds pledging any particular moneys or revenues, or special
2 obligations payable from the revenues pledged therefor. Any
3 bonds may be additionally secured by a pledge of any grant or
4 contribution from the Federal Government or any person or a
5 pledge of any moneys, income, or revenues of the agency from
6 any source other than ad valorem taxation.

7 (b) The debt service reserve account established from
8 the proceeds of each issue of bonds may secure both general
9 and special obligations, or any combination thereof.

10 (7) Any resolution authorizing any bonds issued on
11 behalf of the agency may contain provisions which shall be a
12 part of the contract with the holders thereof, as to:

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

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

22 (c) The use and disposition of the income from
23 mortgages owned by the agency and payment of the principal of
24 mortgages owned by the agency.

25 (d) The procedure by which the terms of any contract
26 with holders of bonds may be amended or abrogated, the amount
27 of bonds the holders of which must consent thereto, and the
28 manner in which such consent may be given.

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

31

1 (f) Vesting in a trustee or trustees such property,
2 rights, powers, and duties in trust as the agency may
3 determine, which may include any of the rights, powers, and
4 duties of the trustee appointed by the holders of bonds, and
5 limiting or abrogating the right of holders of bonds to
6 appoint a trustee under this act or limiting the rights,
7 powers and duties of such trustee.

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

15 (h) Any other matters which in any way affect the
16 security or protection of holders of bonds.

17 (8)(a) The bonds issued on behalf of the agency shall
18 be sold at public sale in the manner provided by the State
19 Bond Act, unless otherwise specifically approved by the State
20 Board of Administration, which may waive such requirement.

21 (b) If an offer of an issue of bonds at public sale
22 produces no bid, or if all bids received are rejected, the
23 Division of Bond Finance may negotiate for the sale of such
24 bonds under such rates and terms as are acceptable; however,
25 no such bonds shall be so sold or delivered on terms less
26 favorable than the terms contained in any bids rejected at the
27 public sale thereof, or the terms contained in the notice of
28 public sale if no bids were received at such public sale.

29 420.541 Exemption from taxes and eligibility as
30 investment.--

31

1 (1) The property of the agency which may be acquired
2 on foreclosure, the income therefrom, and the operations
3 thereof shall not be exempt from taxation by the state or any
4 of its political subdivisions.

5 (2) Bonds of the agency constitute legal investments
6 without limitation for all public bodies of this state; for
7 all banks, trust companies, savings banks, savings
8 associations, savings and loan associations, and investment
9 companies; for all administrators, executors, trustees, and
10 other fiduciaries; for all insurance companies and
11 associations and other persons carrying on an insurance
12 business; and for all other persons who are authorized to
13 invest in bonds or other obligations of the state. Such bonds
14 constitute eligible securities to be deposited as collateral
15 for the security of any state, county, municipal, or other
16 public funds. This subsection is additional and supplemental
17 authority and shall not be limited without specific reference
18 hereto.

19 420.542 Preference to displaced persons.--Among low
20 income or moderate income persons, the agency shall give
21 preference to those displaced by governmental action.

22 420.543 Antidiscrimination.--

23 (1) No person shall, on the basis of race, creed,
24 national origin, or sex, be excluded from participation in, be
25 denied the benefits of, or be subjected to discrimination
26 under any program of residential housing developed or funded
27 in whole or in part with funds made available under this part.

28 (2) If the Secretary of the Department of Community
29 Affairs determines that a recipient of assistance under this
30 part has failed to comply with subsection (1) or an applicable
31 regulation, he shall notify the chief executive officer of

1 such recipient of the noncompliance and shall request the
2 chief executive officer to secure compliance. If, within a
3 reasonable period of time, not to exceed 60 days, the chief
4 executive officer of the recipient fails or refuses to secure
5 compliance, the secretary may:

6 (a) Refer the matter to the Attorney General with a
7 recommendation that an appropriate civil action be instituted:

8 (b) Exercise the powers provided in s. 420.521(15) or
9 (16);

10 (c) Terminate, reduce, or limit the availability of
11 payments under this part and demand repayment in full of any
12 payments previously made; or

13 (d) Take such other action as may be provided by law.

14 Section 2. If any provision of this act or the
15 application thereof to any person or circumstance is held
16 invalid, the invalidity shall not affect other provisions or
17 applications of the act which can be given effect without the
18 invalid provision or application, and to this end the
19 provisions of this act are declared severable.

20 Section 3. This act, except for this section which
21 shall take effect upon becoming a law, shall take effect on
22 the effective date of an amendment to the State Constitution
23 authorizing exercise of the powers provided herein. However,
24 powers provided in this act relating to appointment of
25 members, employment of staff, and adoption of rules may be
26 exercised prior to such approval.

27 *****

28
29 SENATE SUMMARY

30 Creates the Florida Housing Finance Authority in the
31 Department of Community Affairs to finance low, moderate,
and middle income housing. Authorizes the agency to

1 acquire property, issue and purchase bonds, invest funds,
2 grant and enforce mortgage loans, issue grants and
3 advances, and participate in housing assistance and
community development programs. Prohibits discrimination
in housing programs financed by the agency.

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SUMMARY OF SJR 670

CONSTITUTIONAL AMENDMENT TO CREATE
SECTION 16 OF ARTICLE VII

- o Amendment provides for the finance and refinance of housing and related facilities in Florida through the issuance of revenue bonds when authorized by law. The bonds shall be secured by a pledge of, and shall be payable primarily from, the financing, operation, or sale of such facilities, mortgage or loan payments, or other non-ad valorem revenues. No bonds shall be issued unless a state fiscal agency determines that the debt service requirements of the proposed bond and all other bonds secured by the same pledged revenues will not exceed revenues available for debt service requirements.

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SUMMARY OF SB 667

FLORIDA HOUSING FINANCE AGENCY ACT

- o An agency is created within Department of Community Affairs, consisting of the Secretary and eight members appointed by the Governor subject to Senate confirmation. Four members are to be from the home building and finance industry, four are not. No compensation is authorized.
- o Action may be taken by a majority vote of the members. A quorum of five members is needed to conduct business.
- o Department Secretary hires an executive director, who hires technical experts as needed.
- o Powers granted are typical for a body politic and corporate:
 - 1) To sue and be sued.
 - 2) To invest funds.
 - 3) To regulate eligibility to participate in program.
 - 4) To make rules.Etc.

- o Special powers granted:
 - 1) To purchase residential mortgage loans from lending institutions. The mortgages must be for residential housing for eligible persons, unless such mortgages are not in sufficient amounts in the lending institute's portfolio. Proceeds of the sales must be invested in mortgage loans for eligible persons.
 - 2) To make loans to lending institutions, provided that the proceeds are used to make new mortgages for residential housing for eligible persons.

- o The agency is authorized to use legislative appropriations or surpluses, if so designated, for the following housing development purposes:
 - 1) Make advances to units of state and local government, local housing authorities, etc., for development costs of proposed residential housing projects that will be financed with mortgage loans containing provisions for insured advances. Each advance would have to be repaid in full, with interest at three percent.
 - 2) Make matching grants to units of state and local government and local housing authorities, etc. for carrying out land and building acquisition, relocation, etc. to provide sites for housing.

- o Revenue bonds may be issued to finance and refinance housing and related facilities (subject to provisions of Article 16, Florida Constitution, the State Bond Act, and the provisions of this act). Bonds are to be paid solely from pledged revenue. A debt service reserve account is established from the proceeds of each bond issue equal to the principal interest, etc. coming due in the following fiscal year. A bond may be additionally secured by a pledge of any contribution from the federal government or a pledge of revenue of the agency (e.g., assets, including mortgages and obligations securing mortgages).

- o Bonds are issued by the Division of Bond Finance at a public sale, unless the State Board of Administration waives that requirement. If no bids are received or all bids are rejected, the bonds may be negotiated; however, the terms must be as favorable as those contained in the rejected bids.
- o Property which may be acquired by the agency on foreclosure shall be exempt from taxation by the state and its political subdivisions.
- o The agency shall give preference to low and moderate income persons displaced by governmental action.
- o Any program developed or funded under this act must comply with the antidiscrimination clause.
- o The act shall take effect on the effective date of the constitutional amendment; however, powers provided in the act relating to appointment of members, employment of staff, and adoption of rules may be exercised prior to approval of the amendment.
- o "Eligible persons" are low, moderate, or middle income, requiring assistance. Factors must be taken into account in making eligibility determinations (by rule). They are as follows:
 - 1) Total income available for housing needs.
 - 2) Family size.
 - 3) Cost and condition of available housing facilities.
 - 4) Ability of person to compete in private housing market.
 - 5) Income standards established in federal housing programs.

DIFFERENCES BETWEEN SB 667 AND
PROPOSED COMMITTEE SUBSTITUTE

SUMMARY OF THE MAJOR PROGRAMMATIC DIFFERENCE

A new program is added: Mortgage Loans to Sponsors. Sponsors are housing developers. Only multifamily rental projects of four or more units are permitted. Each mortgage loan must: 1) have the initial review, approval, and origination process accomplished by a lending institution; and 2) be serviced by a lending institution. Before a mortgage loan can be made to a sponsor, the agency must: 1) determine that private enterprise unaided is not meeting the need for housing among low, moderate, or middle income persons; and 2) determine that the need for such housing will be alleviated by providing the project.

DETAILED LIST OF DIFFERENCES

Page(s)

- 3 "Bonds" is redefined to authorize only long term obligations.
- 3-4 "Development Costs" is redefined by adding some costs which are capital assets in accountancy and are capitalized items for tax purposes as determined by the Internal Revenue Service.
- 4-5 "Eligible Persons" is redefined to:
1. Be more specific (e.g., natural persons).
 2. Provide an assets test in addition to income.
 3. Allow consideration of geographic differences in income when determining eligibility, and of whether the assistance is for rental or homeownership purposes.
- 6 "Mortgage" is redefined, adding privately insured mortgages. With respect to multifamily rental housing, instruments that are accompanied by federal commitments of mortgage interest subsidies and rent supplements (e.g., Sec. 236, Sec. 8) are included.
- "Local Government" definition is added.
- 6-7 "Project" definition is added to mean multifamily housing of four or more units (used in new section regarding the financing of rental units).
- 7 "Sponsor" definition is added to define the developer of multifamily housing ("project").
- "Real Property" definition added.
- 8 "Pledged revenues" is redefined to emphasize that ad valorem tax revenues will not be pledged for bonds under this act.
- "Debt service requirements" and "Surpluses" are not needed in the PCS, and are deleted.

Page(s)

- 8-10 "Authorized Investments" definition added to:
1. Make more specific the collateral security required for Housing Finance Agency investments.
 2. Expand the list of authorized investments for HFA funds.
- 10-11 HFA membership section is altered to:
1. Provide that the chairman and vice-chairman shall be elected annually by the agency members.
 2. Provide that agency members shall file full and public disclosure of financial interests.
- 11 Agency action requires a majority vote of the members present; provided, however, that at least four members vote in the affirmative.
- 11 The Executive Director section is changed to clarify that the director shall be appointed and removed by the DCA Secretary with the advice and consent of the agency.
- 12-16 Agency powers are expanded and clarified. The HFA is specifically empowered to:
1. Comply with any condition attached to federal financial assistance, including waiver of the exemption from federal income taxation on interest payable on its bonds.
 2. Insure against any loss in connection with any bonds of the agency and the agency's operations.
 3. Procure or require the procurement of life insurance or disability insurance to insure repayment of all mortgages.
 4. Deal with defaults in a number of ways; provided, however, that the entity servicing the mortgage loan, not the agency, is involved in default proceedings.
 5. Execute contracts for the servicing or collection of mortgage loans.
 6. Charge fees for making loans.
- 16-18 Mortgage Purchase Program--The agency's mortgage purchase powers are almost completely rewritten from SB 667 to clearly provide for purchase of mortgages out of portfolio or through an advance commitment. Additional provisions provide the agency clear and specific protection for mortgages purchased through this program. Lending institutions are held liable for any breach of covenant regarding the eligibility of mortgages.

Page(s)

19-21 Loans to Lenders Program--The agency's powers under this program are also rewritten to provide the same type of protection for the agency as in the Mortgage Purchase Program. The agency's power to require collateral security is altered to make it clear that the fair market value of the collateral security shall be no less than 100% of the principal amount of the outstanding loan, with the agency mandated to update at least annually the security amount required.

21-23 Loans to Sponsors for Multifamily Housing--This is an entirely new authority. The agency is empowered to provide loans to sponsors for multifamily housing. Private financial institutions must originate and service the loans. The agency must require at least 5% equity for these loans to sponsors. Before such a loan can be made, the agency must first determine that the private sector is not meeting the need for such housing.

The Housing development funds section in SB 667 has been deleted.

23-27 Bonds--The bond issuance provisions are revised to provide:

1. For the issuance of only long-term debt (a term of not less than five years nor more than 45 years).
2. That the debt service reserve account must be at least equal to the greatest amount of principal and interest due on an issue in the following fiscal year.
3. That the reference in SB 667 regarding the State Board of Administration's authority to waive the requirement for public sale of bonds is not included in this bill.
4. That bond issues state on their face that they do not constitute an obligation of the state or of any local government.
5. That a pledge of the agency is immediately binding and valid (i.e., there is an automatic closing of a pledge).
6. That members of the agency are not personally liable.

27 Annual Report--The agency is required to submit an annual financial report to the Governor, Speaker of the House, and the President of the Senate.

27-28 Conflict of Interest--A new section.

28 Exemption from taxes--The property of the agency, and income therefrom, shall be exempt from taxation by the state and its political subdivisions.

Preference to Displaced Persons and Anti-Discrimination--Both provisions are deleted from SB 667.

29 Corporate Existence--This is a new section which addresses termination of the agency and repayment of outstanding bonds.

DETAILED SUMMARY OF SB 667

- page 1, line 27 Definitions are provided.
- page 5, line 3 Legislative findings are provided.
- page 6, line 20 A Housing Finance Agency is created within the Department of Community Affairs, consisting of the Secretary (voting member) and eight members appointed by the Governor subject to Senate confirmation. Four members are to be from the home building and finance industry, four are not. The chairman is appointed by the Governor, and the vice-chairman is elected by the members. No compensation is authorized.
- page 7, line 23 Five members constitute a quorum. Action requires a majority vote of the members.
- page 7, line 29 Department Secretary hires an executive director, who hires a professional staff.
- page 8, line 6 Powers granted include:
- a) To sue and be sued.
 - b) To study housing needs in the state.
 - c) To participate in federal housing assistance, insurance, and guarantee programs.
 - d) To provide for the collection and payment of charges in connection with loans and commitments.
 - e) To acquire real and personal property if appropriate to protect any loan.
 - f) To issue bonds.
 - g) To invest funds.
 - h) To regulate eligibility to participate in programs.
 - i) To make rules.
 - j) To contract for consulting services.
 - k) To take legal action against any person receiving a loan or owning any residential housing financed by the agency in order to enforce terms and provisions of contracts between the agency and such person.
 - l) etc.
- page 10, line 30 Special powers include:
- a) Mortgage Purchase Program - - To purchase residential mortgage loans (as defined on page 4, line 3) from lending institutions. Mortgages must be for residential housing for eligible persons, unless such mortgages are not in sufficient amounts in the lender's portfolio. In any case, proceeds of the sale must be invested in mortgage loans for eligible persons (as defined on page 2, line 25).
 - b) Loans-to-Lenders Program - - To make loans to, or purchase obligations secured by mortgages from, lending institutions, provided that the proceeds are used to make new mortgages for residential housing for eligible persons. The agency may further require, as additional security, a lien upon

collateral security in such amounts as necessary to assure payment of such loans or securities purchased and the interest thereon. In no event may collateral security be less than 100% of the principal amount of the outstanding loan. The agency has the power to collect and foreclose on collateral securing its loan or purchase of securities.

page 14, line 19 The agency is authorized to use surpluses (as defined on page 4, line 29) or legislative appropriations, if so designated, for the following housing development purposes:

- a) To make advances to state or local government entities, local housing authorities, and nonprofit housing corporations to defray the costs of proposed residential housing projects that will be financed with mortgage loans containing provisions for insured advances. Each advance shall be repaid in full, with interest at 3%.
- b) To make matching grants to state and local government entities, local housing authorities, and nonprofit housing corporations for carrying out land and building acquisition, improvements, relocation, etc. to provide housing sites as part of a local plan of housing assistance.

page 15, line 26 Revenue bonds may be issued to finance and refinance housing and related facilities. Issuance is subject to provisions of Article 7, section 16, Florida Constitution (proposed amendment, SJR 670), the State Bond Act, and provisions of this act. Bonds are to be payable solely from pledged revenues (as defined on page 4, line 20). A debt service reserve account is established from the proceeds of each bond issue equal to the principal, interest, etc. coming due in the following fiscal year. A bond may be additionally secured by a pledge of any contribution from the federal government or any person, or a pledge of any moneys, income, or revenues of the agency from any source other than ad valorem taxation.

page 18, line 17 Bonds are sold at public sale, unless the State Board of Administration waives such requirement. If no bids are received or all bids are rejected, the bonds may be negotiated for sale by the Division of Bond Finance; however, the terms must be as favorable as those contained in the bids rejected at the public sale, or those contained in the notice of public sale if no bids were received at such public sale.

page 19, line 1 Property acquired by the agency on foreclosure shall not be exempt from taxation by the state and its political subdivisions.

page 19, line 19 The agency shall give preference to low and moderate income persons displaced by governmental action.

page 19, line 22 Any program developed or funded under this act must comply with the act's antidiscrimination clause. Procedures of enforcement are provided.

page 20, line 20 This act shall take effect on the effective date of the constitutional amendment (SJR 670) authorizing the exercise of powers provided herein; however, powers relating to appointment of members, employment of staff, and adoption of rules may be exercised prior to the amendment's passage or defeat in a statewide referendum. Should the constitutional amendment fail, the entire act is repealed.

1 A bill to be entitled

2 An act relating to housing; creating part VI of
3 chapter 420, Florida Statutes, to establish a
4 Florida Housing Finance Agency; providing
5 legislative findings, definitions, membership,
6 powers and duties; providing special powers
7 relating to mortgages and loans to qualified
8 lending institutions for authorized purposes;
9 providing for grants and advances from a fund
10 established for such purpose; providing for the
11 authorization and issuance of bonds; providing
12 special conditions and procedures; providing
13 for trust funds; providing tax exemptions;
14 providing an effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Part VI of Chapter 420, Florida Statutes,
19 consisting of sections 420.501, 420.502, 420.503, 420.511,
20 420.512, 420.513, 420.521, 420.522, 420.531, 420.541, 420.542,
21 420.543, 420.544, 420.545, and 420.551, is created to read:

22 PART VI

23 FLORIDA HOUSING FINANCE AGENCY

24 420.501 Short title.--This act shall be known and may
25 be cited as the "Florida Housing Finance Agency Act."

26 420.502 Legislative findings.--It is hereby found and
27 declared as follows:

28 (1) The costs of developing, operating and maintaining
29 multi-family rental housing have increased substantially and
30 have thereby contributed to the new construction of such units
31 being less than that necessary for an adequate supply; the

1 conversion of apartment units to condominiums has also
2 contributed to this condition, and the availability of rental
3 housing has become a significant problem in the state.

4 (2) There exist presently and periodically serious
5 economic dislocations in the construction and building trade
6 industry resulting in substantial unemployment, business
7 losses and bankruptcies and a general deterioration of the
8 economic well-being of Florida residents.

9 (3) One major cause of these conditions has been
10 periodic shortages of funds from private sources and failures
11 due to disintermediation in the federal system of financial
12 intermediaries, which shortages have contributed to reductions
13 in construction of new residential housing, and have made the
14 sale and purchase of existing residential housing a virtual
15 impossibility in certain parts of the state.

16 (4) There also exists a serious shortage of decent,
17 safe and sanitary housing in the state available to persons
18 and families of low, moderate and middle income, which impairs
19 the economic value of larger areas, characterized by
20 depreciated value, impaired investments, reduced capacity to
21 pay taxes, and lack of new development to meet the needs of
22 area residents and is a menace to health, safety, morals and
23 welfare of the citizens of the state.

24 (5) It is necessary to create inducements and
25 opportunities for private and public investment in such
26 activities in this state with appropriate planning, land use
27 and construction policies, necessary for the public welfare.

28 (6) A stable supply of adequate funds for housing
29 financing is required to encourage the construction and
30 reconstruction of new and rehabilitated housing in an orderly
31

1 and sustained manner and, thereby, to meet the shortage and
2 reduce the results thereof.

3 (7) It is necessary to create a state housing finance
4 agency to encourage the investment of private capital in
5 residential housing through the use of public financing to
6 deal with the problem of disintermediation, to stimulate the
7 construction and rehabilitation of residential housing, to
8 facilitate the purchase and sale of existing residential
9 housing, to provide construction and mortgage loans for
10 projects, to make loans to and purchase mortgage loans from
11 private lending institutions.

12 420.503 Definitions.--As used in this part, the
13 following words and terms shall have the following meanings
14 unless the context shall indicate another or different meaning
15 or intent:

16 (1) "Agency" as used in part VI means the Florida
17 Housing Finance Agency created pursuant to part VI.

18 (2) "State" means the State of Florida.

19 (3) "Bonds" means any bonds, debentures, or other
20 evidences of financial indebtedness issued on behalf of the
21 agency under and pursuant to this act, other than notes,
22 interim certificates and other short term obligations.

23 (4) "Development costs" means the sum total of all
24 costs incurred in the development of a project which are
25 approved by the agency as reasonable and necessary. Such
26 costs may include, but are not limited to:

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

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

1 (c) Any expenses relating to the issuance of the
2 agency's bonds.

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

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

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

12 (g) The cost of land improvements, such as landscaping
13 and off-site improvements, whether such costs are paid in
14 cash, property or services.

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

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

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

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

29 (5) "Eligible persons" means one or more natural
30 persons or a family, irrespective of race, creed, national
31 origin or sex, determined by the agency pursuant to a rule to

1 be of low, moderate or middle income, requiring such
 2 assistance as is made available pursuant to this part on
 3 account of insufficient personal or family income to afford
 4 decent, safe and sanitary housing income taking into
 5 consideration such facts as:

6 (a) The amount of the total income and assets of such
 7 persons and families available for housing needs.

8 (b) The size of the family.

9 (c) The cost and condition of housing facilities
 10 available.

11 (d) The ability of such persons and families to
 12 compete successfully in the normal private housing market and
 13 to pay the amounts at which private enterprise is providing
 14 decent, safe and sanitary housing.

15 (e) If appropriate, standards established for various
 16 federal programs determining eligibility based on income of
 17 such persons and families.

18

19 The personal or family income so determined by the agency may
 20 vary among different areas in the state, in accordance with
 21 the size of the family unit and according to whether the
 22 determination is for rental or homeownership purposes.

23 (6) "Lending institution" means any bank or trust
 24 company, mortgage banker, savings bank, credit union, national
 25 banking association, savings and loan association, building
 26 and loan association, insurance company, the Florida Housing
 27 Development Corporation, or other financial institution or
 28 governmental agency authorized to transact business in this
 29 state and which customarily provides service or otherwise aids
 30 in the financing of mortgages on real property located in the
 31 state.

1 (7) "Mortgage" means:

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

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

11 2. Insured or guaranteed by the United States of
12 America or any agency or instrumentality thereof or by any
13 issuer of private mortgage insurance authorized to do business
14 in the state or, in the case of a project, accompanied by an
15 undertaking, or commitment therefor, by the United States of
16 America or any agency or instrumentality thereof to provide
17 interest subsidies on such mortgage or rent supplements for
18 units in such project or such other subsidy with respect to
19 the mortgage or the project as the agency shall determine will
20 tend to protect its interests and those of the bondholders; or

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

23 (8) "Mortgage loan" means a financial obligation
24 secured by a mortgage.

25 (9) "Local government" means a unit of local general
26 purpose government as defined in s. 218.31(2).

27 (10) "Project" means any work or improvement located
28 or to be located in the state, including real property,
29 buildings and any other real and personal property, designed
30 and intended for the primary purpose of providing decent, safe
31 and sanitary residential housing for four or more families who

1 are eligible persons, whether new construction, the
2 acquisition of existing residential housing, or the
3 remodeling, improvements, rehabilitation or reconstruction of
4 existing housing, together with such related nonhousing
5 facilities as the agency determines to be necessary,
6 convenient or desirable.

7 (11) "Sponsor" means any individual, association,
8 corporation, joint venture, partnership, trust, local
9 government or other legal entity or any combination thereof
10 which:

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

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

16 (12) "Real property" means all lands, including
17 improvements and fixtures thereon, and property of any nature
18 appurtenant thereto, or used in connection therewith, and
19 every estate, interest and right, legal or equitable, therein,
20 including terms of years and liens by way of judgment,
21 mortgage or otherwise and the indebtedness secured by such
22 liens.

23 (13) "Residential housing" means one or more new or
24 existing residential dwelling units located or to be located
25 in the state, including any buildings, land, improvements,
26 equipment, facilities or other real or personal properties
27 which are necessary, in connection therewith, including, but
28 not limited to, related facilities for streets, sewers and
29 utilities.

30 (14) "State Bond Act" means ss. 215.57-215.83, as the
31 same may be amended from time to time.

1 (15) "State Board of Administration" means the State
2 Board of Administration created by and referred to in s. 9, of
3 Art. XII of the State Constitution.

4 (16) "Division" means the Division of Bond Finance of
5 the Department of General Services created by and referred to
6 in the State Bond Act.

7 (17) "Pledged revenues" means revenues to be derived
8 from the financing of residential housing, mortgages or loan
9 payments and any other revenues or assets that may be legally
10 available to pay the principal of, redemption premium, if any
11 and interest on the bonds derived from sources other than ad
12 valorem taxation, including revenues from other sources or any
13 combination thereof.

14 (18) "Authorized investments" means and includes any
15 of the following securities:

16 (a) Direct obligations of, or obligations guaranteed
17 by, the United States of America.

18 (b) Bonds, debentures, notes or other evidences of
19 indebtedness issued by any of the following: Bank for
20 Cooperatives; Federal Intermediate Credit Banks; Federal Home
21 Loan Banks; Export-Import Bank of the United States; Federal
22 Land Banks; Federal National Mortgage Association; Government
23 National Mortgage Association; Federal Financing Bank; Small
24 Business Administration; or any other agency or
25 instrumentality of the United States of America, created by an
26 Act of Congress, substantially similar to the foregoing in its
27 legal relationship to the United States of America.

28 (c) Public housing bonds issued by public housing
29 agencies and fully secured as to the payment of both principal
30 and interest by a pledge of annual contributions under an
31 annual contributions contract or contracts with the United

1 States of America, and temporary notes, preliminary loan notes
2 or project notes issued by public housing agencies, in each
3 case fully secured as to the payment of both principal and
4 interest by a requisition or payment agreement with the United
5 States of America.

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

12 1. Such deposits, certificates and other arrangements
13 are insured to the satisfaction of the agency by the Federal
14 Deposit Insurance Corporation or the Federal Savings and Loan
15 Insurance Corporation;

16 2. Such depository institution has combined capital
17 and surplus of at least \$10 million and such deposits,
18 certificates and other arrangements are fully secured by
19 obligations described in paragraphs (a) through (c),
20 inclusive, or a combination thereof; or

21 3. Such depository institution has combined capital
22 and surplus of at least \$25 million.

23 (e) Contracts, for the purchase and sale of
24 obligations described in paragraphs (a) and (b), provided that
25 if the parties with which such contracts are made are not
26 members of the Federal Reserve System or if such parties,
27 including members of the Federal Reserve System, are not
28 required to set aside and otherwise identify, to the
29 satisfaction of the agency, obligations described in paragraph
30 (a) or (b) to such contracts as security or reserve therefor
31 in an amount at least equal to the face value of each such

1 contract, such obligations shall be delivered to and held by a
2 trustee or other fiduciary with respect to the bonds of the
3 agency during the term of such contracts.

4 420.511 Agency; creation, membership, terms,
5 expenses.--

6 (1) There is hereby created within the Department of
7 Community Affairs a state agency and instrumentality, which
8 shall be a public body corporate and politic, to be known as
9 the "Florida Housing Finance Agency." The agency shall
10 consist of the Secretary of the Department of Community
11 Affairs as an ex officio and voting member and eight members
12 appointed by the Governor subject to confirmation by the
13 Senate from the following:

14 (a) One citizen actively engaged in the savings and
15 loan industry.

16 (b) One citizen actively engaged in the residential
17 home building industry.

18 (c) One citizen actively engaged in the banking or
19 mortgage banking industry.

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

22 (e) Four citizens of the state who are not members or
23 representatives of the above named groups.

24 (2) Of the members first appointed, four shall be
25 designated to serve for a term of 2 years, and four for a term
26 of 4 years from the dates of their appointment, but thereafter
27 members of the agency shall be appointed for a term of 4
28 years, except that all vacancies shall be filled for the
29 unexpired term.

30 (3) The chairman and a vice chairman shall be elected
31 annually by the members thereof. Any additional officers, who

1 need not be members, as may be deemed necessary by the members
2 of the agency may be designated and elected by the members
3 thereof.

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

8 (5) Each member of the agency shall file full and
9 public disclosure of financial interests at the times and
10 places and in the same manner required of elected
11 constitutional officers under s. 8, Art. II of the State
12 Constitution and any law implementing s. 8, Art. II of the
13 State Constitution.

14 420.512 Meetings, quorum and votes.--The powers of the
15 agency shall be vested in the members thereof in office from
16 time to time. Five members of the agency shall constitute a
17 quorum for the purpose of conducting its business and
18 exercising its powers and for all other purposes. Action may
19 be taken by the agency upon an affirmative vote of a majority
20 of the members present, provided that no action shall be taken
21 by an affirmative vote of less than four members.

22 420.513 Executive director; agents and employees.--The
23 appointment and removal of an executive director shall be by
24 the Secretary of the Department of Community Affairs with the
25 advice and consent of the agency. The executive director
26 shall subsequently employ legal and technical experts and such
27 other agents and employees, permanent and temporary, as the
28 agency may require. The provisions of the state personnel law
29 contained in chapter 110 shall apply, except that no more than
30 10 policy-making employees of the agency as determined from
31 time to time by the agency may be exempted.

1 420.521 Powers of the agency.--The agency shall have
2 all the powers necessary or convenient to carry out and
3 effectuate the purposes and provisions of this part, including
4 the following powers which are in addition to all other powers
5 granted by other provisions of this part:

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

11 (2) To undertake and carry out studies and analyses of
12 housing needs within the state and ways of meeting such needs
13 upon request of the Governor pursuant to part I of this
14 chapter.

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

22 (4) To provide for the collection and payment of fees
23 and charges, regardless of method of payment, in connection
24 with its loans, commitments and servicing; including, but not
25 limited to, reimbursement of costs of financing by the agency,
26 service charges and insurance premiums as the agency shall
27 determine to be reasonable and as shall be approved by the
28 agency.

29 (5) To acquire real and personal property, or any
30 interest therein where such acquisition is necessary or
31 appropriate to protect any loan or to participate in any

1 program in which the agency has an interest; to sell, transfer
2 and convey any such property without regard to the provisions
3 of chapters 253 and 270 to a buyer and in the event that such
4 sale, transfer or conveyance cannot be effected with
5 reasonable promptness or at a reasonable price, to lease such
6 property for occupancy by eligible persons.

7 (6) To borrow money through the issuance of bonds for
8 the purposes provided in this part, to provide for and secure
9 the payment thereof and to provide for the rights of the
10 holders thereof.

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

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

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

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

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

30 (a) The repayment of any loans to mortgage lenders or
31 mortgage loans.

1 (b) Any project.

2 (c) Any bonds of the agency, in such amounts and from
3 such insurers, including the federal government, as it may deem
4 necessary or desirable, and to pay any premiums therefor.

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

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

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

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

28 (16) To procure or require the procurement of a policy
29 or policies of group life insurance or disability insurance,
30 or both, to insure repayment of mortgage loans for residential
31 housing in event of the death or disability of the eligible

1 person or persons liable therefor, and to pay any premiums
2 therefor.

3 (17) To renegotiate any mortgage loan or any purchase
4 agreement with or loan to a lending institution in default; to
5 waive any default or consent to the modification of the terms
6 of any mortgage loan or any purchase agreement with or loan to
7 a lending institution; and to commence, prosecute and enforce
8 a judgment in any action or proceeding to protect or enforce
9 any right conferred upon it by law, mortgage loan, loan
10 agreement or purchase agreement with a lending institution,
11 contract or other agreement, including without limitation
12 foreclosure of the security interest on the property securing
13 such a mortgage loan or loan to a lending institution;
14 provided that any such action or proceeding shall be brought
15 in the name of the entity servicing the mortgage loan on
16 behalf of the agency and not in the name of the agency, and in
17 connection with any such proceeding, to bid for and purchase
18 the property or acquire or take possession thereof and, in
19 such event, complete, administer, pay the principal of and
20 interest on any obligations incurred in connection with such
21 property and dispose of and otherwise deal with such property
22 in such manner as the agency may deem advisable to protect its
23 interests therein.

24 (18) To make and execute contracts for the
25 administration, servicing or collection of any mortgage loan
26 or loan agreement or purchase agreement with a mortgage lender
27 and pay the reasonable value of services rendered to the
28 agency pursuant to such contracts.

29 (19) To fix, revise from time to time, charge and
30 collect fees and other charges in connection with the making
31 of mortgage loans and loans to mortgage lenders, the

1 purchasing of mortgage loans and any other services rendered
2 by the agency.

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

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

15 420.522 Special powers; mortgages and loans to
16 lenders.--The agency shall have the special power to:

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

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

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

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

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

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

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

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

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

22 9. Either:

23 a. The mortgage loan was originated after such date as
24 the agency shall have specified, for the purpose of selling or
25 assigning such mortgage loan or a participation therein to the
26 agency, and was made to an eligible person to finance the
27 construction, purchase or refinancing of residential housing
28 for occupancy by one to four families all of whom are eligible
29 persons and one of whom is the mortgagor; or

30 b. An amount at least equal to the aggregate proceeds
31 received by the lending institution upon such sale or

1 assignment will be invested by the lending institution in new
2 mortgage loans originated after such date as the agency shall
3 specify and will be made to eligible persons to finance the
4 construction, purchase or refinancing of residential housing
5 for occupancy by one to four families all of whom are eligible
6 persons and one of whom is the mortgagor.

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

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

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

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

28 (d) Sell, at public or private sale, with or without
29 public biddings, any mortgage or other obligation held by the
30 agency.
31

1 (2)(a) Make loans to lending institutions and purchase
2 from lending institutions obligations issued by such lending
3 institutions and secured by mortgages on residential housing,
4 upon such terms and conditions as the agency may determine,
5 which at a minimum shall include a requirement that an amount
6 at least equal to the proceeds thereof be invested in new
7 mortgage loans originated after such date as the agency shall
8 specify and be made to eligible persons to finance the
9 construction, purchase or refinancing of residential housing
10 for occupancy by one to four families all of whom are eligible
11 persons and one of whom is the mortgagor.

12 (b) Require that loans to, or obligations purchased
13 from, lending institutions shall be additionally secured as to
14 payment of both principal and interest by a pledge of and lien
15 upon collateral security in such amounts and consisting of
16 such obligations, securities, and mortgage loans as the State
17 Board of Administration shall by resolution determine to be
18 necessary to assure the payment of such loans or securities
19 purchased and the interest thereon as the same become due;
20 provided that in no event shall the fair market value of the
21 collateral security be less than 100 percent of the principal
22 amount of the outstanding loan or obligation, as determined at
23 such time or times, but no less frequently than annually, as
24 the State Board of Administration shall specify. The State
25 Board of Administration may require in the case of any or all
26 lending institutions that any required collateral security be
27 lodged with a bank or trust company located either within or
28 outside the state designated by the agency as custodian
29 therefor. In the absence of such requirement, a lending
30 institution shall, if collateral is to be provided for the
31 loan or obligation purchased, upon receipt of the proceeds

1 from the agency, enter into an agreement with the agency
2 containing such provisions as the State Board of
3 Administration shall deem necessary to adequately identify and
4 maintain such collateral and service the same and shall
5 provide that such lending institution shall hold such
6 collateral as an agent for the agency and shall be held
7 accountable as the trustee of an express trust for the
8 application and disposition thereof and the income therefrom
9 solely to the uses and purposes in accordance with the
10 provisions of such agreement. A copy of each such agreement
11 and any revisions or supplements thereto shall be filed with
12 the Secretary of State and no further filing or other action
13 under chapter 679, entitled the Uniform Commercial Code-
14 Secured Transactions, or any other law of the state shall be
15 required to perfect the security interest of the agency in
16 such collateral or any additions thereto or substitutions
17 therefor, and the lien and trust for the benefit of the agency
18 so created shall be binding from and after the time made as
19 against all parties having claims of any kind in tort,
20 contract, or otherwise against such lending institution. No
21 loan to a lending institution shall be made and no obligation
22 issued by a lending institution shall be purchased unless such
23 institution shall have certified to the agency that the
24 payment of principal and interest due on the collateral
25 security which shall secure such loan or such obligation shall
26 be sufficient to amortize principal and pay interest on the
27 loan or obligation secured by such collateral. The agency or
28 the State Board of Administration may also establish such
29 additional requirements as shall be deemed necessary with
30 respect to the pledging, assigning, setting aside or holding
31 of such collateral security and the making of substitutions

1 therefor or additions thereto and the disposition of income
2 and receipts therefrom.

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

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

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

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

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

27 (3)(a) Make and participate in the making of, and
28 contract to make or participate in the making of, mortgage
29 loans to sponsors for the purposes of financing development
30 costs of projects, provided that each mortgage loan for a
31 project made by the agency shall:

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

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

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

12 4. In the event the mortgage loan is also to provide
13 financing for the construction of a project, have each advance
14 thereof insured or guaranteed by the United States of America
15 or any agency or instrumentality thereof;

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

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

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

30 1. That a significant number of low, moderate or
31 middle income persons in the local government in which the

1 project is to be located, or in an area reasonably accessible
2 thereto, are subject to hardship in finding adequate, safe and
3 sanitary housing;

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

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

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

13 420.531 Bonds; purpose, terms, approval,
14 limitations.--

15 (1) The issuance of revenue bonds, as defined in this
16 part to provide sufficient funds to achieve the purposes of
17 this part, pay interest on bonds, and pay all other capital
18 expenditures of the agency incident to and necessary or
19 convenient to carry out the purposes and powers granted by
20 this part, is authorized, subject and pursuant to the
21 provisions of s. 16, Art. VII of the State Constitution and
22 the applicable provisions of this chapter and of the State
23 Bond Act. Revenue bonds, as so defined, shall be payable
24 solely from pledged revenues.

25 (2) The State Board of Administration is designated as
26 the state fiscal agency to make the determinations required by
27 s. 16, Art. VII of the State Constitution in connection with
28 the issuance of such bonds.

29 (3) All such bonds shall be issued on behalf of the
30 agency by the Division of Bond Finance from time to time, as
31 provided by the State Bond Act, with a term of not less than 5

1 years nor more than 45 years, and except as otherwise provided
 2 herein, in such principal amounts as shall be necessary to
 3 provide sufficient funds to achieve the purposes of the agency
 4 in carrying out this part VI, and purposes incident thereto.

5 (4) There shall be established from the proceeds of
 6 each issue of bonds a debt service reserve account in an
 7 amount at least equal to the greatest amount of principal and
 8 interest to become due on such issue in any ensuing state
 9 fiscal year, or an amount at least equal to an average of such
 10 annual principal and interest, all as may be determined by the
 11 Division of Bond Finance.

12 (5) The provisions of the State Bond Act, including,
 13 without limitation, the definitions contained therein, shall
 14 be applicable to all bonds issued pursuant to this chapter,
 15 where not in conflict with the provisions hereof. In cases of
 16 conflict, the provisions of this chapter shall be controlling.

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

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

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

1 (c) The use and disposition of the income from
2 mortgages owned by the agency and payment of the principal of
3 mortgages owned by the agency.

4 (d) The procedure, if any, by which the terms of any
5 contract with holders of bonds may be amended or abrogated,
6 the amount of bonds the holders of which must consent thereto,
7 and the manner in which such consent may be given.

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

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

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

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

28 (7)(a) The bonds issued on behalf of the agency shall
29 be sold at public sale in the manner provided by the State
30 Bond Act.

31

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

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

15 (9) All bonds issued on behalf of the agency are
16 hereby declared to have all the qualities and incidents of
17 negotiable instruments under the applicable laws of the state.

18 (10) It is the intention of the Legislature that any
19 pledge of earnings, revenues or other moneys made by the
20 agency shall be valid and binding from the time when the
21 pledge is made; that the earnings, revenues or other moneys so
22 pledged and thereafter received by the agency shall
23 immediately be subject to the lien of such pledge without any
24 physical delivery thereof or further act, and that the lien of
25 any such pledge shall be valid and binding as against the
26 agency irrespective of whether such parties have notice
27 thereof. Neither the resolution nor any other instrument by
28 which a pledge is created need be recorded or filed pursuant
29 to the Uniform Commercial Code.

30 (11) Neither the members of the agency nor any person
31 executing the bonds of the agency shall be liable personally

1 on the bonds or be subject to any personal liability or
2 accountability by reason of the issuance thereof.

3 420.541 State and local government not liable on bonds
4 or notes.--The bonds of the agency shall not be a debt of the
5 state or of any local government, and neither the state nor
6 any local government shall be liable thereon. The agency
7 shall not have the power to pledge the credit, the revenues or
8 the taxing power of the state or of any local government, and
9 neither the credit, the revenues nor the taxing power of the
10 state or of any local government shall be, or shall be deemed
11 to be, pledged to the payment of any bonds of the agency.

12 420.542 Annual report.--The agency shall submit to the
13 Governor and the presiding officers of each house of the
14 Legislature, within 6 months after the end of its fiscal year,
15 a complete and detailed report setting forth:

16 (1) Its operations and accomplishments;

17 (2) Its receipts and expenditures during such fiscal
18 year in accordance with the categories or classifications
19 established by the agency for its operating and capital outlay
20 purposes;

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

24 (4) A schedule of its bonds outstanding at the end of
25 its fiscal year, together with a statement of the principal
26 amounts of bonds issued and redeemed during such fiscal year.

27 420.543 Conflicts of interest.--

28 (1) If any member, officer or employee of the agency
29 shall have an interest, either direct or indirect, in any
30 contract to which the agency is, or is to be, a party or in
31 any sponsor or in any lending institution requesting a loan

1 from, or offering to sell mortgage loans or obligations to,
2 the agency, such interest shall be disclosed to the agency in
3 writing and shall be set forth in the minutes of the agency.
4 The member, officer or employee having such interest shall not
5 participate in any action by the agency with respect to such
6 contract, sponsor or lending institution.

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

15 420.544 Exemption from taxes and eligibility as
16 investment.--

17 (1) The property of the agency and the transactions
18 and operations thereof, and the income therefrom, shall be
19 exempt from taxation by the state and its political
20 subdivisions.

21 (2) All bonds of the agency shall be and constitute
22 legal investments without limitation for all public bodies of
23 this state; for all banks, trust companies, savings banks,
24 savings associations, savings and loan associations and
25 investment companies; for all administrators, executors,
26 trustees and other fiduciaries; for all insurance companies
27 and associations and other persons carrying on an insurance
28 business; and for all other persons whatsoever who are now or
29 may hereafter be authorized to invest in bonds or other
30 obligations of the state and shall be and constitute eligible
31 securities to be deposited as collateral for the security of

1 any state, county, municipal or other public funds. This
 2 subsection shall be considered as additional and supplemental
 3 authority and shall not be limited without specific reference
 4 hereto.

5 420.545 Corporate existence.--The agency and its
 6 corporate existence shall continue until terminated by law,
 7 provided that no such law shall take effect so long as the
 8 agency shall have bonds outstanding, unless adequate provision
 9 has been made for the payment thereof. Upon termination of
 10 the existence of the agency, all its rights and properties in
 11 excess of its obligations shall pass to and be vested in the
 12 state.

13 420.551 Inconsistent provisions of other laws
 14 superseded.--Insofar as the provisions of this part are
 15 inconsistent with the provisions of any other law, general,
 16 special or local, the provisions of this part shall be
 17 controlling.

18 Section 2. This act shall take effect upon approval by
 19 the electors of Florida of the creation of section 16, Article
 20 VII of the State Constitution relating to bonds for the
 21 purposes of this act, except ss. 420.511 through 420.521,
 22 inclusive, of section 1, and section 2 which shall take effect
 23 upon becoming a law. If the amendment submitted to the
 24 electors creating section 16 is rejected, this act shall stand
 25 repealed following the date of such election.

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DETAILED SUMMARY OF CS/SB 667

Legislative findings are provided.

Definitions are provided.

A Housing Finance Agency is created within the Department of Community Affairs, consisting of the Secretary (voting member) and eight members appointed by the Governor subject to Senate confirmation. Four members are to be from the home building and finance industry, four are not. The chairman and vice-chairman are elected by the members. No compensation is authorized. Members must disclose financial interests.

Five members constitute a quorum. Action requires a majority vote of the members present; provided, however, that at least four members vote in the affirmative.

Department Secretary hires an executive director, who hires a professional staff.

Powers granted include:

- a) To sue and be sued.
- b) To study housing needs in the state.
- c) To participate in federal housing assistance, insurance, and guarantee programs.
- d) To provide for the collection and payment of charges in connection with loans and commitments.
- e) To acquire real and personal property if appropriate to protect any loan.
- f) To issue bonds.
- g) To invest funds.
- h) To regulate eligibility to participate in programs.
- i) To make rules.
- j) To contract for consulting services.
- k) To take legal action against any person receiving a loan or owning any residential housing financed by the agency in order to enforce terms and contracts between the agency and such person.
- l) To deal with defaults in a number of ways; provided, however, that the entity servicing the mortgage loan, not the agency, is involved in default proceedings.
- m) To charge fees for making loans.
- n) etc.

Special powers include:

- a) Mortgage Purchase Program - To purchase residential mortgage loans from lending institutions. Such purchase is directly out-of-portfolio or through an advance commitment. In any case, proceeds must be used by the lending institution to provide mortgages to eligible persons.
- b) Loans-to-Lenders Program - To make loans to, or purchase obligations secured by mortgages from, lending institutions, provided that the proceeds are used to make new mortgages for residential housing for eligible persons. The agency may further require, as additional security, a lien upon collateral security in such amounts as necessary to assure payment of such loans or securities purchased and the interest thereon. In no event may collateral security be less than 100% of the principal amount of the outstanding loan.

- c) Loans to Sponsors for Multifamily Housing - To provide loans to sponsors (developers) for multifamily housing. Private financial institutions must originate and service the loans. The agency must require at least 5% equity for these loans to sponsors. Before such a loan can be made, the agency must first determine that the private sector is not meeting the need for such housing.

Revenue bonds may be issued to finance and refinance housing and related facilities. Issuance is subject to provisions of Article 7, section 16, Florida Constitution (proposed amendment, SJR 670), the State Bond Act, and provisions of this act. Bonds are to be payable solely from pledged revenues. A debt service reserve account is established from the proceeds of each bond issue equal to the principal, interest, etc., coming due in the following fiscal year. A bond may be additionally secured by a pledge of any contribution from the federal government or any person, or a pledge of any moneys, income, or revenues of the agency from any source other than ad valorem taxation.

Bonds are sold at public sale. If no bids are received or all bids are rejected, the bonds may be negotiated for sale by the Division of Bond Finance; however, the terms must be as favorable as those contained in the bids rejected at the public sale, or those contained in the notice of public sale if no bids were received at such public sale.

The agency is required to submit an annual financial report to the Governor, Speaker of the House, and the President of the Senate.

Property acquired by the agency on foreclosure shall be exempt from taxation by the state and its political subdivisions.

This act shall take effect on the effective date of the constitutional amendment (SJR 670) authorizing the exercise of powers provided herein; however, powers relating to appointment of members, employment of staff, and adoption of rules may be exercised prior to the amendment's passage or defeat in a statewide referendum. Should the constitutional amendment fail, the entire act is repealed.

DATE: May 22, 1980 (Revised)

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Richardson</u>	<u>Burnside</u> <i>me</i>	1. <u>ECCA</u>	<u>FAV/CS</u>
2. _____	_____	2. <u>G.O.</u>	_____
3. _____	_____	3. <u>W&M</u>	_____

SUBJECT: State Housing Finance Agency

BILL NO. AND SPONSOR:
CS/SB 667 by ECCA and
Senator Stuart

I. SUMMARY:

A. Present Situation:

An increasingly higher percentage of Florida's families are being excluded from the housing market because of rising costs due to inflation, demand, and unprecedented interest rates. In addition, the increasing demand for rental housing by families unable to purchase new homes has reduced the supply of available rental units.

B. Effect of Proposed Changes:

The bill creates the Florida Housing Finance Agency within the Department of Community Affairs. The agency is authorized to issue revenue bonds to finance housing for persons of low, moderate, and middle income.

SEE ATTACHMENT FOR A DETAILED SUMMARY OF THE BILL.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

To the extent that the agency is able to purchase mortgages and make loans to lenders and sponsors, additional mortgages will be made available to individuals. This would stimulate the housing industry and related industries.

B. Government:

It is the federal government which subsidizes tax-exempt municipal bonds by providing an income tax exemption on interest income earned on the bonds. Administrative costs to the agency are covered by proceeds from the revenue bonds.

III. COMMENTS:

More than 40 states currently operate a housing finance agency of one form or another.

Similar enabling legislation passed in 1976, but the necessary constitutional amendment failed in a statewide referendum by about 49,000 votes, 2-1/2% of the total vote. The Constitutional Revision Commission proposed another housing revenue bond amendment in 1978, which failed in the statewide referendum along with numerous other multi-subject proposals.

While no appropriations are included in this bill, the Governor's office has requested a supplemental appropriation of \$250,000 as a loan to enable the agency to begin operation immediately upon approval of the constitutional amendment.

IV. AMENDMENTS:

None

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR SENATE BILL 667

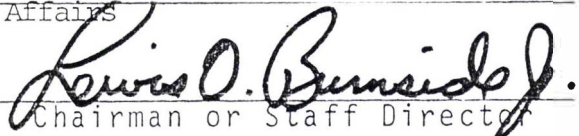
A new authority is added. The agency is empowered to provide loans to sponsors (developers) for multifamily housing. Private financial institutions must originate and service the loans. The agency must require at least 5% equity for these loans to sponsors. Before such a loan can be made, the agency must first determine that the private sector is not meeting the need for such housing.

The members of the Housing Finance Agency must file public disclosure of financial interests.

An annual report requirement is added.

The sections in SB 667 concerning housing development funds, giving preference to displaced persons, and anti-discrimination are deleted.

Committee on Economic, Community, & Consumer
Affairs


Chairman or Staff Director

submitted to the department for the years 1980, 1981, and 1982. Excessive profits shall be calculated in accordance with section 26 of this act; however, refunds shall only be made for excessive profits realized in the years 1981 and 1982. Thereafter, excessive profits shall be calculated and refunded on the basis of 3 years as set forth in section 26 of this act.

The Committee on Commerce offered the following amendments which were moved by Senator MacKay and adopted:

Amendment 3—On page 39, line 20, after "exchanges" insert: , with one or more offices each,

Amendment 4—On page 41, lines 8-11, strike all of said lines and insert: of fourteen ~~seven~~ members, three appointed by the Insurance Commissioner and Treasurer, three ~~two~~ by the Speaker of the House of Representatives, three ~~and two~~ by the President of the Senate, one by the minority leader of the House of Representatives, one by the minority leader of the Senate, and three by the Governor of Florida, to serve until

The Committee on Commerce offered the following amendments which were moved by Senator MacKay and failed:

Amendment 5—On page 69, lines 11-14, hyphen through all of said lines from "The" to the (.).

Amendment 6—On page 1 in title, line 22, after the semicolon insert: prohibiting any change in the medical fee schedule until the peer review system becomes fully operational;

The Committee on Commerce offered the following amendment which was moved by Senator MacKay and adopted:

Amendment 7—On page 5 in title, line 7, after the semicolon insert: providing for one appointment each by the minority leaders of the Senate and House of Representatives;

On motion by Senator MacKay, by two-thirds vote HB 1677 as amended was read the third time by title, passed and certified to the House. The vote on passage was:

Yeas—33

Anderson	Gorman	McClain	Stuart
Barron	Grizzle	McKnight	Tobiassen
Beard	Hair	Neal	Trask
Carlucci	Hill	Peterson	Vogt
Chamberlin	Holloway	Poole	Williamson
Childers, D.	Jenne	Scarborough	Winn
Childers, W. D.	Johnston	Scott	
Fechtcl	MacKay	Skinner	
Frank	Maxwell	Steinberg	

Nays—None

Vote after roll call:

Yea—Myers

By the Committee on Economic, Community and Consumer Affairs and Senators Stuart and Neal—

→ CS for SB 667—A bill to be entitled An act relating to housing; creating part VI of chapter 420, Florida Statutes, to establish a Florida Housing Finance Agency; providing legislative findings, definitions, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special conditions and procedures; providing for trust funds; providing tax exemptions; providing an effective date.

—was read the first time by title and SB 667 was laid on the table.

On motion by Senator Stuart, by two-thirds vote CS for SB 667 was read the second time by title.

Senator Stuart moved the following amendment which was adopted:

Amendment 1—On page 8, line 13, after the word "thereof" insert: , provided that in no event shall the full faith and credit of the state be pledged to secure such revenue bonds

On motion by Senator Stuart, the rules were waived and the Senate reverted to—

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has passed as amended CS for HB 830 and requests the concurrence of the Senate.

Allen Morris, Clerk

By the Committee on Community Affairs and Representative McPherson and others—

CS for HB 830—A bill to be entitled An act relating to housing; creating part VI of chapter 420, Florida Statutes, to establish a Florida Housing Finance Agency; providing legislative findings, definitions, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special conditions and procedures; providing for trust funds; providing tax exemptions; providing an effective date.

—was read the first time by title. On motion by Senator Stuart, the rules were waived and the bill was placed on the calendar.

SPECIAL ORDER, continued

Pending further consideration of CS for SB 667 as amended, on motion by Senator Stuart, CS for HB 830, a companion measure, was substituted for CS for SB 667. On motions by Senator Stuart by two-thirds vote CS for HB 830 was read the second time by title, and by two-thirds vote read the third time by title, passed and certified to the House. The vote on passage was:

Yeas—31

Anderson	Frank	MacKay	Skinner
Beard	Gorman	Maxwell	Stuart
Carlucci	Grizzle	McClain	Tobiassen
Chamberlin	Hair	Neal	Trask
Childers, D.	Hill	Peterson	Vogt
Childers, W. D.	Holloway	Poole	Williamson
Dunn	Jenne	Scarborough	Winn
Fechtcl	Johnston	Scott	

Nays—None

Vote after roll call:

Yea—Myers

CS for SB 667 was laid on the table.

SJR 670—A joint resolution proposing the creation of Section 16 of Article VII of the State Constitution, relating to bonds for housing and related facilities.

—was read the second time by title.

Senator Stuart moved the following amendment which was adopted:

Amendment 1—On page 1, line 27, strike the period and insert: provided that in no event shall the full faith and credit of the state be pledged to secure such revenue bonds.

On motion by Senator Stuart, the rules were waived and the Senate reverted to—

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has passed by the required Constitutional three-

(3) Plan and implement cultural and social activities for visiting foreign heads of state, diplomats, dignitaries and exchange groups.

(4) Encourage and cooperate with other public and private organizations or groups in their efforts to promote the cultural advantages of Florida.

(5) Serve as the liaison with all foreign consular and ambassadorial corps, as well as international organizations that are consistent with the purposes of this section.

(6) Provide, arrange and make expenditures for the achievement for any or all of the purposes specified in this section.

15.19 Florida's state protocol officer.--The Secretary of State shall serve as the state's protocol officer. In consultation with the Governor and other governmental officials, the Secretary of State shall develop, maintain, publish and distribute Florida's protocol manual.

Section 2. There is hereby created the Museum of Florida History Trust Fund to be administered by the Department of State for the purposes set forth in this act.

Section 3. Paragraphs (d) and (e) are added to subsection (1) of section 267.071, Florida Statutes, to read:

267.071 Bureau of Historical Museums.--

(1) It shall be the duty of the Bureau of Historical Museums to:

(d) Establish and administer a museum store in the Museum of Florida History to provide to the public information and materials relating to museum exhibits, collections, and programs. The store may produce, acquire, and sell craft products, replicas and reproductions of artifacts, documents, and other merchandise relating to historical and cultural resources; and may make a reasonable charge for such merchandise. All profits received from sales shall be deposited to the Museum of Florida History Trust Fund to be used exclusively by the museum for the acquisition and production of exhibits or products for resale in the museum store.

(e) Support the establishment of a nonprofit organization or association to promote and encourage the knowledge and appreciation of Florida history and the programs of the Museum of Florida History, and to cooperate with historical societies and other organizations to provide funding and promotional support for the programs of the museum. Such organization or association may, with the consent of the bureau, operate the museum store or conduct special events and programs in the museum. All proceeds shall be used to support the programs of the Museum of Florida History.

Section 4. Subsections (3) and (4) are added to section 267.071, Florida Statutes, to read:

(3) The museum store of the Museum of Florida History is hereby authorized to enter into agreements and accept credit card payments as compensation for goods and products sold; however, no discount shall be given and no service charge assessed. The bureau is further

authorized to establish accounts in credit card banks for the deposit of credit card sales invoices.

(4) The bureau is authorized to accept gifts and donations, which shall be deposited in the Museum of Florida History Trust Fund to be used exclusively for the acquisition and production of exhibits or for the purchase of items for resale in the museum store.

Section 5. This act shall take effect upon becoming a law.

Approved by the Governor June 23, 1980.

Filed in Office Secretary of State June 24, 1980.

CHAPTER 80-160

Senate Bill No. 1041

An act relating to the waters of the state; creating s. 861.045, Florida Statutes, to make it unlawful to fail to stop a boat upon the direction of a law enforcement officer or an attempt to elude such an effective date.

Be *ENACTED* of the State of Florida:

As 929.599 Florida Statutes, is created to read:
P. 323
attempting to elude a law enforcement operator of any boat plying the knowledge that he has been directed to stop in compliance with such directive or, compliance with such a directive, will, in an attempt to elude such officer, and any person violating this section is guilty of a misdemeanor of the first degree, punishable as provided in ss. 775.082, 775.083, or 775.084.

Section 2. This act shall take effect October 1, 1980.

Approved by the Governor June 23, 1980.

Filed in Office Secretary of State June 24, 1980.

CHAPTER 80-161

Committee Substitute for House Bill No. 830

An act relating to housing; creating part VI of chapter 420, Florida Statutes, to establish a Florida Housing Finance Agency; providing legislative findings, definitions, membership, powers and duties; providing special powers relating to mortgages and loans to qualified lending institutions for authorized purposes; providing for grants and advances from a fund established for such purpose; providing for the authorization and issuance of bonds; providing special

.conditions and procedures; providing for trust funds; providing tax exemptions; providing an effective date.

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

Section 1. Part VI of Chapter 420, Florida Statutes, consisting of sections 420.501, 420.502, 420.503, 420.511, 420.512, 420.513, 420.521, 420.522, 420.531, 420.541, 420.542, 420.543, 420.544, 420.545, and 420.551, is created to read:

PART VI
FLORIDA HOUSING FINANCE AGENCY

420.501 Short title.--This act shall be known and may be cited as the "Florida Housing Finance Agency Act."

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

(1) The costs of developing, operating and maintaining multi-family rental housing have increased substantially and have thereby contributed to the new construction of such units being less than that necessary for an adequate supply; the conversion of apartment units to condominiums has also contributed to this condition, and the availability of rental housing has become a significant problem in the state.

(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.

(3) One major cause of these conditions has been periodic shortages of funds from private sources and failures due to disintermediation in the federal system of financial intermediaries, which shortages have contributed to reductions in construction of new residential housing, and have made the sale and purchase of existing residential housing a virtual impossibility in certain parts of the state.

(4) There also exists a serious shortage of decent, safe and sanitary housing in the state available to persons and families of low, moderate and middle income, which impairs the economic value of larger areas, characterized by depreciated value, impaired investments, reduced capacity to pay taxes, and lack of new development to meet the needs of area residents and is a menace to health, safety, morals and welfare of the citizens of the state.

(5) It is necessary to create inducements and opportunities for private and public investment in such activities in this state with appropriate planning, land use and construction policies, necessary for the public welfare.

(6) A stable supply of adequate funds for housing financing is required to encourage the construction and reconstruction of new and rehabilitated housing in an orderly and sustained manner and, thereby, to meet the shortage and reduce the results thereof.

(7) It is necessary to create a state housing finance 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, to make loans to and purchase mortgage loans from private lending institutions.

420.503 Definitions.--As used in this part, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(1) "Agency" as used in part VI means the Florida Housing Finance Agency created pursuant to part VI.

(2) "State" means the State of Florida.

(3) "Bonds" means any bonds, debentures, or other evidences of financial indebtedness issued on behalf of the agency under and pursuant to this act, other than notes, interim certificates and other short term obligations.

(4) "Development costs" means the sum total of all costs incurred in the development of a project which are approved by the 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 agency's bonds.

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

(e) The cost of studies, surveys, plans and 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 construction, rehabilitation and equipping of the project.

(g) The cost of land improvements, such as landscaping and off-site 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 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 agency's bonds, as the agency shall determine to be reasonable and necessary for the development of the project.

(5) "Eligible persons" means one or more natural persons or a family, irrespective of race, creed, national origin or sex, determined by the agency pursuant to a rule to be of low, moderate or middle income, requiring such assistance as is made available pursuant to this part on account of insufficient personal or family income to afford decent, safe and sanitary housing income taking into consideration such facts as:

(a) The amount of the total income and assets of such persons and families available for housing needs.

(b) The size of the family.

(c) The cost and condition of housing facilities available.

(d) The ability of such persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing.

(e) If appropriate, standards established for various federal programs determining eligibility based on income of such persons and families.

The personal or family income so determined by the agency may vary among different areas in the state, in accordance with the size of the family unit and according to whether the determination is for rental or homeownership purposes.

(6) "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.

(7) "Mortgage" means:

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

1. Creating a first lien, subject only to such title exceptions as may be acceptable to the 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 agency to be sufficient to protect its interests; and

2. Insured or guaranteed by the United States of America or any agency or instrumentality thereof or by any issuer of private mortgage insurance authorized to do business in the state or, in the case of a project, accompanied by an undertaking, or commitment therefor, by the United States of America or any agency or

instrumentality thereof to provide interest subsidies on such mortgage or rent supplements for units in such project or such other subsidy with respect to the mortgage or the project as the agency shall determine will tend to protect its interests and those of the bondholders; or

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

(8) "Mortgage loan" means a financial obligation secured by a mortgage.

(9) "Local government" means a unit of local general purpose government as defined in s. 218.31(2).

(10) "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 four or more families who are eligible persons, whether new construction, the acquisition of existing residential housing, or the remodeling, improvements, rehabilitation or reconstruction of existing housing, together with such related nonhousing facilities as the agency determines to be necessary, convenient or desirable.

(11) "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 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 agency.

(12) "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.

(13) "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.

(14) "State Bond Act" means ss. 215.57-215.83, as the same may be amended from time to time.

(15) "State Board of Administration" means the State Board of Administration created by and referred to in s. 9, of Art. XII of the State Constitution.

(16) "Division" means the Division of Bond Finance of the Department of General Services created by and referred to in the State Bond Act.

(17) "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, provided that in no event shall the full faith and credit of the state be pledged to secure such revenue bonds.

(18) "Authorized investments" means and includes any of the following securities:

(a) Direct obligations of, or obligations guaranteed by, the United States of America.

(b) 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 that:

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

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

(e) Contracts, for the purchase and sale of obligations described in paragraphs (a) and (b), provided that if the parties with which such contracts are made are not members of the Federal Reserve System or if such 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 (b) to such contracts as security or reserve therefor in an amount at least equal to the face value of each such contract, such 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 such contracts.

420.511 Agency; creation, membership, terms, expenses.--

(1) There is hereby created within the Department of Community Affairs a state agency and instrumentality, which shall be a public body corporate and politic, to be known as the "Florida Housing Finance Agency." The agency shall consist of the Secretary of the Department 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 savings and loan industry.

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

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

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

(e) Four citizens of the state who are not members or representatives of the above named groups.

(2) Of the members first appointed, four shall be designated to serve for a term of 2 years, and four for a term of 4 years from the dates of their appointment, but thereafter members of the agency shall be appointed for a term of 4 years, except that all vacancies shall be filled for the unexpired term.

(3) The chairman and a vice 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 agency may be designated and elected by the members thereof.

(4) A member of the agency shall receive no compensation for his 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.

(5) Each member of the 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.

420.512 Meetings, quorum and votes.--The powers of the agency shall be vested in the members thereof in office from time to time. Five members of the 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 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.

420.513 Executive director; agents and employees.--The appointment and removal of an executive director shall be by the

Secretary of the Department of Community Affairs with the advice and consent of the agency. The executive director shall subsequently employ legal and technical experts and such other agents and employees, permanent and temporary, as the agency may require. The provisions of the state personnel law contained in chapter 110 shall apply, except that no more than 10 policy-making employees of the agency as determined from time to time by the agency may be exempted.

420.521 Powers of the agency.--The 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; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the agency.

(2) To undertake and carry out studies and analyses of housing needs within the state and ways of meeting such needs upon request of the Governor pursuant to part I of this chapter.

(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 agency, service charges and insurance premiums as the agency shall determine to be reasonable and as shall be approved by the agency.

(5) To acquire real and personal property, or any interest therein where such acquisition is necessary or appropriate to protect any loan or to participate in any program in which the agency has an interest; to sell, transfer and convey any such property without regard to the provisions of chapters 253 and 270 to a buyer 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 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 agency out of any funds or moneys of the 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 that such investments will be made on behalf of the agency by the State Board of Administration or by another trustee appointed for such purpose.

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

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

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

(a) The repayment of any loans to mortgage lenders or mortgage loans.

(b) Any project.

(c) Any bonds of the 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 agency and such persons; 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 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 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 agency and not in the name of the 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 such property and dispose of and otherwise deal with such property in such manner as the 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 and pay the reasonable value of services rendered to the agency pursuant to such contracts.

(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 agency.

(20) To make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the agency under this part, including contracts with any persons, 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 agency to facilitate the accomplishment of purposes of this part.

(21) 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.

420.522 Special powers; mortgages and loans to lenders.--The 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 agency, provided that, at or before the time of any such purchase or assignment, each lending institution shall represent and warrant to and covenant with the agency with respect to each mortgage loan to be so purchased or assigned or in which the 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 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 authority subject only to such title

exceptions as are specifically described to the agency and as are acceptable to the 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 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 agency shall have specified, for the purpose of selling or assigning such mortgage loan or a participation therein to the 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 such sale or assignment will be invested by the lending institution in new mortgage loans originated after such date as the 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 agency of the making of the new mortgage loans to eligible persons and, in connection therewith, shall permit the agency, through its members, employees and agents, to inspect the books and records of such lending institution; and

2. Each lending institution shall be liable to the agency for any damage suffered by the 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 agency, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the 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 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 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, upon such terms and conditions as the 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 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.

(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 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 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 such lending institution shall hold such 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 such agreement. A copy of each such 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 such collateral or any additions thereto or substitutions therefor, and the lien and trust for the benefit of the agency so created shall be binding from and after the time made as against all parties having claims of any kind in tort, contract, or otherwise against such lending institution. No loan to a lending institution shall be made and no obligation issued by a lending institution shall be purchased unless such 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 such obligation shall be sufficient to amortize principal and pay interest on the loan or obligation secured by such 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 such collateral security and 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 agency therein, all subject to any agreement with bondholders.

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

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

2. Each lending institution shall be liable to the agency for any damages suffered by the 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 to sponsors for the purposes of financing development costs of projects, provided that each mortgage loan for a project made by the 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 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 agency may determine pursuant to rule, and in any event not more than 95 percent of such development costs;

4. In the event the mortgage loan is also to provide financing for the construction of a project, have each advance thereof insured or guaranteed by the United States of America or any agency or instrumentality thereof;

5. Have the initial review, approval and origination process accomplished by a lending institution in accordance with such procedure as the agency may prescribe, which lending institution shall be paid such fees and charges for its services as the 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 agency shall approve in accordance with such procedures as the 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 agency may make a mortgage loan to a sponsor for a project:

1. That a significant number of low, moderate 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.

420.531 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, and pay all other capital expenditures of the 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. Revenue bonds, as so defined, shall be payable solely from pledged revenues.

(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.

(3) All such bonds shall be issued on behalf 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 less than 5 years nor 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 agency in carrying out this part VI, and purposes incident thereto.

(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 such annual principal and interest, all as may be determined by the Division of Bond Finance.

(5) 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, where not in conflict with the provisions hereof. In cases of conflict, the provisions of this chapter shall be controlling.

(6) Any resolution or resolutions authorizing any bonds issued 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 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 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 agency and payment of the principal of mortgages owned by the 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 agency for its operating expenses.

(f) Vesting in a trustee or trustees such property, rights, powers and duties in trust as the 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 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 that 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.

(7)(a) The bonds issued on behalf of the agency shall be sold at public sale in the manner provided by the State Bond Act.

(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 division is authorized to negotiate for the sale of such bonds under such rates and terms as are acceptable; provided that no such 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 the terms contained in the notice of public sale if no bids were received at such public sale.

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

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

(10) It is the intention of the Legislature that any pledge of earnings, revenues or other moneys made by the 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 agency shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against the agency irrespective of whether such 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.

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

420.541 State and local government not liable on bonds or notes.--The bonds of the 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 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 agency.

420.542 Annual report.--The 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:

- (1) Its operations and accomplishments;
- (2) Its receipts and expenditures during such fiscal year in accordance with the categories or classifications established by the agency for its operating and capital outlay purposes;
- (3) Its assets and liabilities at the end of its fiscal year and the status of reserve, special or other funds; and
- (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 such fiscal year.

420.543 Conflicts of interest.--

(1) If any member, officer or employee of the agency shall have an interest, either direct or indirect, in any contract to which the 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 agency, such interest shall be disclosed to the agency in writing and shall be set forth in the minutes of the agency. The member, officer or employee having such interest shall not participate in any action by the agency with respect to such 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 agency to acquire an interest in bonds of the agency or have an interest in any banking institution in which the bonds of the 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 agency is a party.

420.544 Exemption from taxes and eligibility as investment.--

(1) The property of the agency and the transactions and operations thereof, and the income therefrom, shall be exempt from taxation by the state and its political subdivisions.

(2) All bonds of the 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.

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

420.551 Inconsistent provisions of other laws superseded.--Insofar as the provisions of this part are inconsistent with the provisions of any other law, general, special or local, the provisions of this part shall be controlling.

Section 2. This act shall take effect upon approval by the electors of Florida of the creation of section 16, Article VII of the State Constitution relating to bonds for the purposes of this act, except ss. 420.511 through 420.521, inclusive, of section 1, and section 2 which shall take effect upon becoming a law. If the amendment submitted to the electors creating section 16 is rejected, this act shall stand repealed following the date of such election.

Approved by the Governor June 23, 1980.

Filed in Office Secretary of State June 24, 1980.

CHAPTER 80-162

Committee Substitute for House Bill No. 874

An act relating to saltwater fishing; creating a Saltwater Fisheries Study and Advisory Council; providing for membership and duties; providing for development of a comprehensive saltwater fishery conservation and management policy; providing for public hearings; providing for coordination with federal councils and interstate commissions; providing effective and expiration dates.

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