

By Senators Hargrett and Meadows

21-480A-98

See HB 3111

1                                   A bill to be entitled  
2           An act relating to affordable housing; amending  
3           s. 290.0301, F.S.; changing the title of the  
4           "Community Development Corporation Support and  
5           Assistance Program Act" to the "Invest in  
6           Neighborhood Vitality and Economies Act";  
7           advancing the date of the repeal of the act to  
8           June 30, 2007; amending s. 290.0311, F.S.;  
9           revising language with respect to legislative  
10          findings; providing reference to  
11          community-based development organizations;  
12          amending s. 290.032, F.S.; revising language  
13          with respect to policy and purpose; amending s.  
14          290.033, F.S.; defining terms; amending s.  
15          290.034, F.S.; revising language with respect  
16          to funding; amending s. 290.035, F.S.; revising  
17          language with respect to eligibility for  
18          assistance; amending s. 290.036, F.S.;  
19          providing for the community-based development  
20          organization support program; providing for a  
21          three-tiered funding system; providing for  
22          administrative grants and procedures; amending  
23          s. 290.0365, F.S.; providing for a  
24          community-based development training and  
25          technical assistance program; amending s.  
26          290.037, F.S.; revising language with respect  
27          to the community development deferred payment  
28          loan program; amending s. 290.038, F.S.;  
29          revising language with respect to the authority  
30          and duties of the Department of Community  
31          Affairs; amending s. 290.039, F.S.; revising

1 language with respect to reporting  
2 requirements; amending s. 290.0395, F.S.;  
3 providing for program performance review and  
4 evaluation; providing an effective date.  
5

6 Be It Enacted by the Legislature of the State of Florida:  
7

8 Section 1. Section 290.0301, Florida Statutes, is  
9 amended to read:

10 290.0301 Short title.--Sections 290.0311 through  
11 290.0395 shall be known and may be cited as the "Invest in  
12 Neighborhood Vitality and Economies Act ~~Community Development~~  
13 ~~Corporation Support and Assistance Program Act.~~" This section  
14 shall stand repealed on June 30, 2007 ~~1998~~.

15 Section 2. Subsections (5), (10), and (11) of section  
16 290.0311, Florida Statutes, are amended to read:

17 290.0311 Legislative findings.--The Legislature finds  
18 that:

19 (5) This deterioration contributes to the decline of  
20 neighborhoods in both rural and urban ~~and surrounding~~ areas,  
21 causes a reduction of the value of property comprising the tax  
22 base of local communities, and eventually requires the  
23 expenditure of disproportionate amounts of public funds for  
24 health, social services, and police protection to prevent the  
25 development of slums and the social and economic disruption  
26 found in slum communities.

27 (10) A viable means of eliminating or reducing these  
28 deteriorating economic conditions and encouraging local  
29 resident participation and support is to provide support  
30 assistance and resource investment to community-based  
31 ~~community~~ development organizations ~~corporations~~. The

1 Legislature also finds that community-based development  
2 organizations can contribute to the creation of jobs in  
3 response to federal WAGES legislation and economic development  
4 activities related to state urban and rural initiatives.

5 (11) This section shall stand repealed on June 30,  
6 2007 ~~1998~~.

7 Section 3. Section 290.032, Florida Statutes, is  
8 amended to read:

9 290.032 Policy and purpose.--It is the policy of this  
10 state to provide the necessary means to preserve and improve  
11 the health and vitality of its established communities by  
12 enabling them to restore and expand their affordable housing,  
13 commercial, and industrial base and to reverse the  
14 deterioration of their residential and public-facility assets.  
15 The purpose of this act is to assist community-based  
16 development organizations ~~corporations~~ in undertaking  
17 projects, in concert with state and local government and  
18 private enterprise, designed to create and maintain a sound  
19 industrial base, to revitalize the health of established  
20 commercial areas, to promote and retain employment  
21 opportunities, to preserve and rehabilitate existing  
22 residential neighborhoods, and to provide safe, decent,  
23 affordable housing for residents of these areas. The  
24 Legislature, therefore, declares that the development,  
25 redevelopment, preservation, restoration, and revitalization  
26 of such communities and all the purposes of this act are  
27 public purposes for which public money may be used. This  
28 section shall stand repealed on June 30, 2007 ~~1998~~.

29 Section 4. Section 290.033, Florida Statutes, is  
30 amended to read:

31 290.033 Definitions.--As used in this act, the term:

1           (1) "Department" means the Department of Community  
2 Affairs.

3           (2) "Community-based development organization" means a  
4 community-based nonprofit organization that is committed to or  
5 engaged in developing or managing real estate or business  
6 enterprises in economically distressed neighborhoods. To  
7 qualify, an agency must be community-based in that the  
8 majority of the board is elected by a mix of stakeholders,  
9 consisting of area residents, area business and property  
10 owners, and persons employed in the service area, and must  
11 demonstrate an ability to undertake affordable housing,  
12 business assistance, or commercial developments; such an  
13 organization may also be known as a "CBDO."

14           ~~(2) "Community development corporation" means a~~  
15 ~~community-based organization which facilitates or financially~~  
16 ~~supports revenue-generating business for the purpose of~~  
17 ~~community and economic development, based in a specific~~  
18 ~~geographic area controlled by residents, and committed to~~  
19 ~~enhancing community well-being, and which may also be known as~~  
20 ~~a "CDC."~~

21           (3) "Fund" means the Operating Community Development  
22 Support and Assistance Trust Fund.

23           (4) "Neighborhood comprehensive revitalization plan"  
24 means a long-term holistic and collaborative strategic plan  
25 that describes an organization's mission, its strategies to  
26 maintain community involvement and to demonstrate innovation,  
27 efficiency, and accountability for the benefit of service area  
28 stakeholders; its sources of anticipated revenue; a  
29 needs-based plan to redevelop residential and commercial  
30 properties and revitalize area businesses for the benefit of  
31

1 service area stakeholders, and that identifies specific  
2 measurable outcomes.

3 ~~(5)(4)~~ "Project" means a public and private activity  
4 or series of activities, designed to be carried out in a  
5 specific, definable location, which ~~that~~ achieves objectives  
6 ~~that which~~ are consistent with the agency's neighborhood  
7 comprehensive revitalization plan and the provisions and  
8 intent of this act.

9 ~~(6)(5)~~ "Secretary" means the Secretary of Community  
10 Affairs.

11 ~~(7)(6)~~ "Service area" or "target area" means the  
12 entire area in which a community-based ~~community~~ development  
13 organization ~~corporation~~ operates and in which community  
14 development grant and loan funds are to be spent.

15 ~~(8)(7)~~ "Permanent job" means a full-time position, the  
16 duration of which exceeds 12 months and which consists of an  
17 average of at least 30 hours per week of employment.

18 ~~(9)(8)~~ "Temporary job" means a full-time or part-time  
19 position, the duration of which exceeds 45 days, which  
20 consists of an average of at least 15 hours per week of  
21 employment, and which is not a permanent job.

22 ~~(10)(9)~~ This section shall stand repealed on June 30,  
23 2007 ~~1998~~.

24 Section 5. Section 290.034, Florida Statutes, is  
25 amended to read:

26 290.034 Operating Trust Fund; priority of use.--

27 (1) The Legislature shall annually provide funding in  
28 the General Appropriations Act for the Invest in Neighborhood  
29 Vitality and Economies Program ~~Community Development~~  
30 ~~Corporation Support and Assistance Program~~. The funds  
31 appropriated for the program shall be deposited in the State

1 Treasury in a fund established and designated as the Operating  
2 Trust Fund, which shall be administered by the department. The  
3 department shall develop a set of criteria for three-tiered  
4 funding which ensures equitable geographic distribution of the  
5 funding throughout the state. This three-tier plan must  
6 include emerging, intermediate, and mature community-based  
7 development organizations, recognizing the varying needs of  
8 the three tiers. Funding must be provided for core  
9 administrative grants for emerging and intermediate  
10 community-based development organizations only. Project  
11 administrative grants tied to project implementation loans  
12 must be available to all levels of community-based development  
13 organizations, depending upon their capacity. Extensive  
14 training and technical assistance must be available to all  
15 community-based development organizations. ~~The appropriation~~  
16 ~~for the program shall be apportioned by the Legislature~~  
17 ~~between loans and administrative grants to community~~  
18 ~~development corporations.~~ All funds deposited in the trust  
19 fund and not needed for immediate disbursement shall be  
20 invested pursuant to s. 18.125 and the interest earned shall  
21 be deposited in the trust fund. The administrative costs of  
22 the program shall be annually set in the General  
23 Appropriations Act and shall be funded from the trust fund.

24 (2) The department shall give priority for loans and  
25 administrative grants to those community-based ~~community~~  
26 ~~development organizations corporations~~ the service areas of  
27 which include a state an enterprise zone as designated on or  
28 after July 1, 1995, in accordance with s. 290.0065 or a  
29 federal empowerment zone and enterprise community designated  
30 ~~pursuant to s. 290.0065.~~

31

1           (3) This section shall stand repealed on June 30, 2007  
2 ~~1998~~.

3           Section 6. Section 290.035, Florida Statutes, is  
4 amended to read:

5           290.035 Eligibility for assistance.--Community-based  
6 ~~community~~ development organizations ~~corporations~~ meeting the  
7 following requirements shall be eligible for assistance:

8           (1) The community-based ~~community~~ development  
9 organization ~~corporation~~ must be a nonprofit corporation under  
10 ~~state law or a local development company established under~~  
11 ~~state law and certified to be eligible to participate in the~~  
12 ~~Small Business Administration Loan Program under s. 502 of the~~  
13 ~~Small Business Investment Act of 1958, as amended, and must~~  
14 meet the following ~~further~~ requirements:

15           (a) Its membership must be open to all service area  
16 residents 18 years of age or older.

17           (b) A majority of its board members must be elected by  
18 those members of the organization ~~corporation~~ who are  
19 stakeholders, comprising a mix of service area residents, area  
20 business and property owners, and area employees.

21           ~~(c) Elections must be held annually for at least a~~  
22 ~~third of the elected board members so that elected members~~  
23 ~~serve terms of no more than 3 years.~~

24           ~~(d) Elections must be adequately publicized within the~~  
25 ~~service area, and ample opportunity must be provided for full~~  
26 ~~participation.~~

27           ~~(e) At least one of the board members shall be~~  
28 ~~appointed by the Governor.~~

29           (2) The community-based ~~community~~ development  
30 organization ~~corporation~~ shall maintain a service area in  
31

1 which economic development projects are located which meets  
2 one or more of the following criteria:

3 (a) The area has been designated pursuant to s.  
4 163.355 as a slum area or a blighted area as defined in s.  
5 163.340(7) or (8) or is located completely within the  
6 boundaries of a slum or blighted area.

7 (b) The area is a community development block grant  
8 program area in which community development block grant funds  
9 are currently being spent or have been spent during the last 3  
10 years as certified by the local government in which the  
11 service area is located.

12 (c) The area is a neighborhood housing service  
13 district.

14 (d) The area is contained within a state an enterprise  
15 zone designated on or after July 1, 1995, in accordance with  
16 pursuant to s. 290.0065.

17 (e) The area is contained in federal empowerment zones  
18 and enterprise communities.

19 (3) This section shall stand repealed on June 30, 2007  
20 ~~1998~~.

21 Section 7. Section 290.036, Florida Statutes, is  
22 amended to read:

23 290.036 Community-based ~~Community~~ development  
24 organization corporation support program; administrative  
25 grants and procedures.--

26 (1) The department ~~secretary~~ is authorized to award  
27 core and project administrative grants and project  
28 implementation loans, within the limits of specific  
29 appropriations in accordance with s. 290.034(1).7  
30 Administrative grants must be used to eligible applicants for  
31 staff salaries and administrative expenses for eligible



1 community-based development organizations selected through a  
2 competitive three-tiered process as provided in s. 290.034(1).  
3 Persons, equipment, supplies, and other resources funded in  
4 whole or in part by grant funds shall then be utilized to  
5 further the purposes of this act. Eligible activities include,  
6 but are not limited to:

7 (a) Preparing grant and loan applications, proposals,  
8 fundraising letters, and other documents essential to securing  
9 additional administrative or venture funds to further the  
10 purposes of this act.

11 (b) Monitoring and administering grants and loans,  
12 providing technical assistance to businesses, and any other  
13 administrative tasks essential to maintaining funding  
14 eligibility or meeting contractual obligations.

15 (c) Developing local programs to encourage the  
16 participation of financial institutions, insurance companies,  
17 attorneys, architects, engineers, planners, law enforcement  
18 officers, developers, and other professional firms and  
19 individuals providing services beneficial to redevelopment  
20 efforts.

21 (d) Providing management, technical, accounting, and  
22 financial assistance and information to businesses and  
23 entrepreneurs interested in locating, expanding, or operating  
24 in the service area.

25 (e) Coordinating with state, federal, and local  
26 governments and other nonprofit organizations to ensure that  
27 activities meet local plans and ordinances and to avoid  
28 duplication of tasks.

29 (f) Preparing plans or performing research to identify  
30 critical needs within the service area and developing  
31 approaches to address those needs.

1 (g) Assisting service area residents in identifying  
2 and determining eligibility for state, federal, and local  
3 housing programs including rehabilitation, weatherization,  
4 home ownership, rental assistance, or public housing programs.

5 (h) Developing, owning, and managing housing designed  
6 for low-income and moderate-income persons or industrial parks  
7 providing jobs to low-income and moderate-income persons.

8 (i) Preparing the neighborhood comprehensive  
9 revitalization plan with baseline data, outcome measures, and  
10 estimates of service area impact as a result of job-generating  
11 or revenue-generating businesses, or enterprise assistance, or  
12 units of commercial, industrial, or affordable housing  
13 developments.

14 (2) A community-based ~~community~~ development  
15 organization ~~corporation~~ applying for an administrative grant  
16 pursuant to this section must submit a proposal to the  
17 department which includes:

18 (a) A map and narrative description of the service  
19 areas ~~area~~ for the community-based ~~community~~ development  
20 organization ~~corporation~~;

21 (b) A copy of the documents creating the  
22 community-based ~~community~~ development organization  
23 ~~corporation~~;

24 (c) A listing of the membership of the board,  
25 including individual terms of office;

26 (d) An annual plan that describes ~~The proposed 3-year~~  
27 ~~plan for~~ expenditure of the funds, including goals,  
28 objectives, and expected results, and which has a clear  
29 relationship to the agency's neighborhood comprehensive  
30 revitalization plan; and  
31

1 (e) Other supporting information that ~~which~~ may be  
2 required by the department secretary.

3 (3) The amount of any core administrative grant to an  
4 emerging a community-based community development organization  
5 corporation in any one year shall be no more than \$50,000 any  
6 amount up to \$100,000. The amount of any project  
7 administrative grant to any community-based development  
8 organization may be no more than \$15,000 of grant funding for  
9 every \$100,000 of project implementation loans. The  
10 department may fund as many community-based up to 18 community  
11 development organizations corporations each year as is  
12 permitted based on the level of funds provided for in the  
13 General Appropriations Act. ~~The department shall develop a~~  
14 ~~diminishing scale of funding each year based on the annual~~  
15 ~~appropriation to ensure compliance with this section and s.~~  
16 ~~290.0365.~~

17 (4) The amount of any project administrative grant to  
18 any community-based development organization may be no more  
19 than \$15,000 of grant funding for every \$100,000 of project  
20 implementation loans. The department may provide grants on a  
21 multiyear basis, provided that:

22 (a) ~~Such grants shall not exceed 3 years.~~

23 (b) ~~Community development corporations designated to~~  
24 ~~receive multiyear grants provide a detailed plan of activities~~  
25 ~~to be accomplished during each year of the grant period.~~

26 (c) ~~All contracts containing multiyear commitments~~  
27 ~~contain the following statement: "The State of Florida's~~  
28 ~~obligation to pay under this contract is contingent upon an~~  
29 ~~annual appropriation by the Legislature."~~

30 (5) A community-based community development  
31 organization corporation that receives funding under this

1 ~~section an administrative grant~~ shall submit to the department  
2 an annual year-end audit performed by an independent certified  
3 public accountant.

4 (6) In evaluating proposals pursuant to this section,  
5 the department secretary shall develop and consider scoring  
6 criteria including, but not limited to, the following:

7 (a) The relative degree of distress of the service  
8 areas area of the community-based ~~community~~ development  
9 organization corporation.

10 (b) The demonstrable capacity of the community-based  
11 ~~community~~ development organization corporation to improve the  
12 economic health of the service area and carry out the  
13 activities contained in the long-term revitalization 3-year  
14 plan.

15 (c) The degree to which the community-based ~~community~~  
16 development organization corporation would provide assistance  
17 to very-low-income persons, low-income persons, and  
18 particularly WAGES recipients.

19 (d) The service area percentage of the community-based  
20 ~~community~~ development organization which is located in whole  
21 or in part within a state corporation service area which  
22 ~~overlaps an~~ enterprise zone designated pursuant to s.  
23 290.0065, a federal empowerment zone, or an enterprise  
24 community.

25 (e) ~~The extent to which the community development~~  
26 ~~corporation utilizes the loan program authorized by s.~~  
27 ~~290.037.~~

28 (f) ~~The number of preceding years during the history~~  
29 ~~of the program in which the community development corporation~~  
30 ~~has not received state administrative support.~~

31

1           ~~(e)(g)~~ The extent to which the proposal would further  
2 the policy and purposes of this act.

3           (7) The department is authorized to award project  
4 administrative grants from the fund to community-based  
5 development organizations for staff salaries, administrative  
6 expenses, and the added cost of technical assistance directly  
7 related to job-generating and revenue-generating enterprises,  
8 including business, commercial, or affordable housing  
9 developments. Eligible organizations shall apply for  
10 competitive funding under the three categories of: business  
11 assistance, commercial, and affordable housing development.  
12 The allocations of funds to these three categories will be  
13 made by the department subject to funding availability and  
14 trends in the amount of qualified proposals submitted under  
15 each category. Community-based development organizations  
16 receiving funds under this section shall be subject to all  
17 applicable requirements of ss. 290.034(1), 290.035, 290.037,  
18 290.038, and 290.039, as determined by the department.

19           (8) The department shall award funding under this  
20 section based upon a three-tiered approach that recognizes the  
21 differing capacities of new and emerging, intermediate, and  
22 mature community-based development organizations. A  
23 community-based development organization may not apply for  
24 funding in more than one tier in any 1 fiscal year.

25           (a) Tier I, for new and emerging community-based  
26 development organizations, shall offer, on a competitive  
27 basis, a minimum of five core administrative grants of up to  
28 \$50,000 annually. Once tier I community-based development  
29 organizations have achieved a minimum level of capacity, they  
30 are eligible to apply, on a competitive funding basis, for a  
31 project implementation loan of no more than \$100,000 and an

1 accompanying project administrative grant of up to \$15,000.  
2 Tier I community-based development organizations shall also  
3 receive extensive training and technical assistance designed  
4 to enhance the organization's capacity and thereby enable it  
5 to undertake more complex development projects.

6 (b) Tier II, for intermediate level community-based  
7 development organizations, are eligible to apply on a  
8 competitive basis for core administrative grants of up to  
9 \$30,000 annually, and are eligible to apply on a competitive  
10 basis for project implementation loans of up to \$300,000  
11 annually per community-based development organization and an  
12 accompanying project administrative grant of up to \$45,000.  
13 Tier II community-based development organizations shall also  
14 receive training and technical assistance services under this  
15 section.

16 (c) Tier III, for mature level community-based  
17 development organizations, are ineligible to apply for core  
18 administrative grant funding. Such community-based development  
19 organizations are eligible to apply on a competitive basis for  
20 project implementation loans of up to \$400,000 annually per  
21 community-based development organization and an accompanying  
22 project administrative grant of up to \$60,000. Tier III  
23 community-based development organizations shall also receive  
24 training and technical assistance services under this section.

25 (d) A development project funded under this section  
26 may not exceed \$200,000 annually per community-based  
27 development organization. A community-based development  
28 organization can apply for project implementation loans in up  
29 to three categories--business development, affordable housing,  
30 and commercial development--within the total dollar  
31 limitations contained in this section. Project implementation

1 grants are to be based upon up to \$15,000 in grant funds for  
2 every \$100,000 awarded in loan funds.

3 (9) A community-based development organization  
4 applying for project administrative grants pursuant to this  
5 section must submit a proposal to the department which  
6 includes:

7 (a) A map and narrative description of the target  
8 areas for the community-based development organization.

9 (b) A copy of the documents creating the  
10 community-based development organization.

11 (c) A listing of the membership of the board,  
12 including individual terms of office.

13 (d) A copy of the community-based development  
14 organization's neighborhood comprehensive revitalization plan.

15 (e) A description of the location, financing plan, and  
16 potential impact of the business enterprise or residential,  
17 commercial, or industrial development which shows a clear  
18 relationship to the organization's neighborhood comprehensive  
19 revitalization plan and demonstrates how the proposed  
20 expenditures are directly related to the project.

21 (10) In evaluating proposals pursuant to this section,  
22 the department shall develop and consider scoring criteria,  
23 including, but not limited to, the following:

24 (a) The reasonableness of project goals and production  
25 schedules.

26 (b) Prior experience and performance of the applicant  
27 in the production of similar housing, commercial, or business  
28 developments.

29 (c) The extent of financial leveraging with private  
30 and public funding.

31

1           (d) The demonstrable capacity of the community-based  
2 development organization to improve the economic health of the  
3 target area as seen by the reasonableness of its comprehensive  
4 neighborhood revitalization plan and the impact of the  
5 proposed project.

6           (e) The degree to which the project will benefit  
7 very-low-income persons, low-income persons, and,  
8 particularly, WAGES recipients.

9           (f) The location of the target area of the  
10 community-based development organization in whole or in part  
11 in a state enterprise zone designated on or after July 1,  
12 1995, in accordance with s. 290.0065 or a federal empowerment  
13 zone or enterprise community.

14           (g) The extent to which the proposal would further the  
15 policy and purposes of this act.

16           ~~(11)(7)~~ This section shall stand repealed on June 30,  
17 2007 ~~1998~~.

18           Section 8. Section 290.0365, Florida Statutes, is  
19 amended to read:

20           (Substantial rewording of section. See  
21 s. 290.0365, F.S., for present text.)

22           290.0365 Community-based development training and  
23 technical assistance program.--

24           (1) LEGISLATIVE FINDINGS.--In addition to the  
25 legislative findings set forth in s. 290.0311, the Legislature  
26 finds and declares that:

27           (a) Significant declines in resources make it  
28 difficult for community-based development organizations to  
29 generate sufficient revenues from business enterprises or real  
30 estate ventures in low-income neighborhoods to fund the  
31



1 predevelopment costs, technical assistance, and other  
2 administrative expenses needed to foster new developments.

3 (b) The financing and planning of large-scale  
4 developments is becoming increasingly complex and  
5 community-based development organizations, even those with  
6 considerable experience, often lack the expertise to structure  
7 project financing, partnerships, and joint ventures to  
8 accelerate and expand development activities in distressed  
9 communities.

10 (c) Local governments and private lenders are  
11 demonstrating a willingness to provide risk capital and  
12 project financing, but they are seldom able to provide  
13 technical support and training to the staff of community-based  
14 development organizations.

15 (2) PURPOSE.--The purpose of this section is to  
16 provide community-based development organizations with the  
17 necessary training and technical support to plan, implement,  
18 and manage job-generating and revenue-generating developments  
19 in distressed neighborhoods. This will strengthen the  
20 organizational capacity of community-based development  
21 organizations, assist local governments to enhance and expand  
22 revitalization efforts, and contribute to expanding the base  
23 of commerce, business, and affordable housing that will  
24 benefit very-low-income, low-income, and moderate-income  
25 residents.

26 (3) TRAINING AND TECHNICAL ASSISTANCE PROGRAM.--The  
27 Department of Community Affairs shall be responsible for  
28 securing the necessary expertise, which may include  
29 subcontracts with nonprofit organizations, to provide training  
30 and technical support to the staff and board of  
31 community-based development organizations, as appropriate, and

1 to persons forming such organizations, which are formed for  
2 the purpose of redeveloping commercial and residential areas  
3 and revitalizing businesses within distressed neighborhoods  
4 for the benefit of very-low-income residents, low-income  
5 residents, and WAGES recipients.

6 (a) The training component of the program shall assist  
7 organizations receiving administrative grants through a  
8 developmental curriculum to build board and staff capacities  
9 to implement or manage affordable housing, commercial, or  
10 business enterprises. Training will include, but not be  
11 limited to: resource development, project management, real  
12 estate financing, business or venture plan development,  
13 strategic planning for community economic development, and  
14 community leadership and participation.

15 (b) The technical assistance provider shall conduct  
16 onsite assessments, involving the board and staff, to prepare  
17 a technical assistance plan for new and emerging  
18 organizations. The scope and nature of the training will  
19 complement the annual performance objectives of the  
20 organizations from the development of a neighborhood  
21 comprehensive revitalization plan.

22 (c) Technical support shall be provided to  
23 community-based development organizations receiving project  
24 administrative grants, as appropriate, in methods of financing  
25 and structuring housing, business, or commercial development  
26 projects. This will be in the form of one-on-one technical  
27 assistance secured by either the department or by the  
28 community-based development organization.

29 (d) The department shall coordinate the technical  
30 assistance and training in support of affordable housing  
31 development with programs funded under s. 420.606.

1           (e) The department may permit other community-based  
2 development organizations to participate in the training based  
3 on the availability of classes, funding, and the priority of  
4 need.

5           (4) This section shall stand repealed on June 30,  
6 2007.

7           Section 9. Section 290.037, Florida Statutes, is  
8 amended to read:

9           290.037 Community development project implementation  
10 ~~deferred payment~~ loan program.--

11           (1) The secretary is authorized to make loans, within  
12 the limits of specific appropriations, to eligible applicants  
13 for the following purposes:

14           ~~(a) Establishment of a new business venture;~~

15           (a)(b) Financial assistance to a new or an existing  
16 business venture located within the community-based community  
17 development organization corporation service area; and

18           (b)(c) New construction or substantial rehabilitation  
19 of housing to be utilized by low-income families and  
20 individuals; and-

21           (c) Commercial developments located within the  
22 community-based development organization's service area.

23           (2) A community-based community development  
24 organization corporation applying for a loan pursuant to this  
25 section must submit the information required by s. 290.036(2).

26           (3) In no case shall loans to one community-based  
27 community development organization corporation exceed 40  
28 percent of the total annual appropriation for loans during any  
29 given year or \$400,000, whichever is less.

30           (4) A community-based community development  
31 organization corporation that receives a loan shall submit to

1 the department an annual audit performed by an independent  
2 certified public accountant; however, this subsection shall  
3 not be construed to require the submittal of more than one  
4 audit by an individual community-based community development  
5 organization corporation submitting pursuant to s. 290.036.

6 (5) In evaluating proposals pursuant to this section,  
7 the department ~~secretary~~ shall consider:

8 (a) The economic feasibility of the project and the  
9 capacity of the venture to repay the loan;

10 (b) The relative degree of distress of the target  
11 area;

12 (c) The ratio of private and nonstate public money  
13 committed to a project to the amount of state money to be  
14 committed;

15 (d) The demonstrated inability of the borrower to  
16 secure funding from conventional sources at the terms offered  
17 by the community-based community development organization  
18 corporation;

19 (e) The number of temporary and permanent jobs  
20 generated by the project;

21 (f) The overall net positive impact of the project  
22 long term on local economic and social conditions;

23 (g) The degree to which the project directly benefits  
24 or provides assistance to very-low-income, low-income, or  
25 job-displaced individuals or WAGES recipients; and

26 (h) The demonstrable capacity of the community-based  
27 community development organization and technical assistance  
28 providers corporation to see that the project is successfully  
29 carried out and managed.

30 (6) Loans permitted under this section for affordable  
31 housing may be used for the purpose of providing first,

1 second, or other subordinated mortgage loans or loan  
2 guarantees in the construction of single-family home ownership  
3 or multifamily rental units affordable to very-low-income  
4 persons, low-income persons, and WAGES recipients in the  
5 target area.

6 ~~(7)(6)~~ All loans to a community-based ~~the community~~  
7 development organization ~~corporation~~ shall be at interest  
8 rates not to exceed 3 percent ~~interest free~~ and shall be  
9 repaid within 15 years or on a basis approved by the  
10 secretary, except as provided in subsection ~~(8)(7)~~.

11 ~~(8)(7)~~ Upon the termination of any project as a result  
12 of the sale or failure of the business, all recoverable state  
13 funds shall be returned to the department for deposit into the  
14 Operating Trust Fund. When losses are incurred, the  
15 community-based development organization shall make a diligent  
16 and good-faith effort to recover the full indebtedness from  
17 the business venture, including foreclosure of security and  
18 recovery from guarantors. Upon completion of all such efforts  
19 to the satisfaction of the department, the department shall  
20 write off the unpaid balance of the loan amount returned to  
21 ~~the state shall be reduced so that the state absorbs losses in~~  
22 ~~proportion to the amount of equity held by the community~~  
23 ~~development corporation compared to the total equity held in~~  
24 ~~the business venture or the amount lost by all other~~  
25 ~~comparable creditors in those cases in which a loan has been~~  
26 ~~extended to a business venture by a community development~~  
27 ~~corporation.~~

28 ~~(9)(8)~~ This section shall stand repealed on June 30,  
29 2007 ~~1998~~.

1 Section 10. Paragraph (f) of subsection (2) and  
2 subsection (3) of section 290.038, Florida Statutes, are  
3 amended to read:

4 290.038 Authority and duties of the department.--

5 (2) The department may:

6 (f) Assist in training employees of community-based  
7 ~~community~~ development organizations ~~corporations~~ to help  
8 achieve and increase their capacity to administer programs  
9 pursuant to this act and provide technical assistance and  
10 advice to community-based ~~community~~ development organizations  
11 ~~corporations~~ involved with these programs.

12 (3) This section shall stand repealed on June 30, 2007  
13 ~~1998~~.

14 Section 11. Section 290.039, Florida Statutes, is  
15 amended to read:

16 (Substantial rewording of section. See

17 s. 290.039, F.S., for present text.)

18 290.039 Reporting requirements.--

19 (1) Community-based development organizations which  
20 receive administrative funds under the Invest in Neighborhood  
21 Vitality and Economies Program shall provide the following  
22 information to the department annually:

23 (a) A listing of business firms and individuals  
24 assisted by the community-based development organization  
25 during the reporting period.

26 (b) A listing of the type, source, purpose, and amount  
27 of each individual grant, loan, or donation received by the  
28 community-based development organization during the reporting  
29 period.

30 (c) The number of paid and voluntary positions within  
31 the community-based development organization.

1           (d) A listing of the salaries and administrative  
2 expenses of the community-based development organization.

3           (e) An identification and explanation of changes to  
4 the target area boundaries.

5           (f) The amount of assets and liabilities and the fund  
6 balance for the community-based development organization at  
7 the beginning and end of the reporting period.

8           (g) The number and description of projects attempted,  
9 the number and description of projects completed, and a  
10 written explanation of the reasons that caused projects not to  
11 be completed.

12           (2) Community-based development organizations that  
13 receive project administrative grant awards shall provide the  
14 following general information to the department annually:

15           (a) A listing of salaries and administrative expenses  
16 of the community-based development organization on approved  
17 projects that receive project administrative grant funding.

18           (b) An identification and explanation of changes to  
19 the target area boundaries.

20           (c) The impact of the completed project on target area  
21 residents and its relationship to expected outcomes listed in  
22 the agency's comprehensive neighborhood revitalization plan.

23           (3) Community-based development organizations that  
24 receive project administrative grant awards or a combination  
25 of administrative and project administrative grant funds shall  
26 provide the following information on applicable projects to  
27 the department annually:

28           (a) The number of housing units rehabilitated or  
29 constructed by the community-based development organization  
30 within the service area during the reporting period.

31

1       (b) The number and amount of loans made to businesses  
2 or individual entrepreneurs in the target area during the  
3 reporting period.

4       (c) The number of outstanding loans made to businesses  
5 or individuals in the service area by the community-based  
6 development organization, the balance of the loans, and the  
7 payment history of the borrowers during the reporting period.

8       (d) The number of jobs, both permanent and temporary,  
9 received by individuals who were directly assisted by the  
10 community-based development organization through assistance to  
11 the business such as a loan or other credit assistance.

12       (e) An identification and explanation of changes to  
13 the service area boundaries.

14       (f) Such other information as the department may  
15 require.

16       (4) The department shall submit an annual report to  
17 the Speaker of the House of Representatives and the President  
18 of the Senate which contains the cumulative data submitted by  
19 the individual community-based development organizations  
20 pursuant to subsection (1). The report shall be submitted by  
21 January 1 of each year.

22       (5) This section shall stand repealed on June 30,  
23 2007.

24       Section 12. Section 290.0395, Florida Statutes, is  
25 amended to read:

26       290.0395 Program performance review and evaluation ~~and~~  
27 ~~review.~~--

28       (1) Each community-based development organization that  
29 receives funding under the Invest in Neighborhood Vitality and  
30 Economies Program shall be subject to an annual performance  
31 review by the department. At a minimum, the review shall



1 determine whether contract objectives are being or have been  
2 met in a timely and efficient manner, expected project  
3 outcomes are being or have been realized, and the impact of  
4 completed projects produced the results desired by the  
5 community-based development organization as stated in its  
6 comprehensive neighborhood revitalization plan and other  
7 supporting documentation for receipt of the grants or loans.

8 (2)(1) Prior to the 2007 ~~1998~~ Regular Session of the  
9 Legislature, the Office of Program Policy Analysis and  
10 Government Accountability Auditor General shall perform an ~~a~~  
11 ~~review and~~ evaluation of ss. 290.0301-290.039, using the  
12 reporting data specified in s. 290.039 and any other data  
13 identified by the department and the Office of Program Policy  
14 Analysis and Government Accountability Auditor General as  
15 crucial to the evaluation of this program. The report shall  
16 critique the Innovative Neighborhood Vitality and Economies  
17 Program Community Development Corporation Support and  
18 Assistance Program and shall include an analysis of the  
19 improvements in the service area as a result of the holistic  
20 and collaborative efforts of the community-based development  
21 organizations and their partners within the service area  
22 physical impact of the program on residential and commercial  
23 structures in the community development corporation service  
24 areas, an analysis of changes in state and local revenues, and  
25 an analysis of the impact of the program on business activity.  
26 ~~The analysis shall attempt to investigate the significance of~~  
27 ~~the relationship between administrative funding and the~~  
28 ~~economic health of the community development corporation~~  
29 ~~service areas. The report shall attempt to demonstrate changes~~  
30 ~~in productivity based on fluctuations in funding levels. The~~

31

1 ~~report shall note extreme circumstances which may affect the~~  
2 ~~results of the evaluation.~~

3 (3)(2) A report of the findings and recommendations of  
4 the Office of Program Policy Analysis and Government  
5 Accountability Auditor General shall be submitted to the  
6 President of the Senate and the Speaker of the House of  
7 Representatives prior to the 2007 ~~1998~~ Regular Session.

8 (4)(3) This section shall stand repealed on June 30,  
9 2007 ~~1998~~.

10 Section 13. This act shall take effect October 1 of  
11 the year in which enacted.

12 \*\*\*\*\*

13  
14 LEGISLATIVE SUMMARY

15 Changes the title of the "Community Development  
16 Corporation Support and Assistance Program Act" to the  
17 "Invest in Neighborhood Vitality and Economies Act."  
18 Revises the act generally to refer to community-based  
19 development organizations that are defined as a  
20 community-based nonprofit organization that is either a  
21 community development corporation or a community housing  
22 development organization and is committed to or engaged  
23 in developing or managing real estate or business  
24 enterprises in economically distressed neighborhoods.  
25 (See bill for details.)  
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