

By the Committee on Community Affairs and Senators Hargrett
and Meadows

316-2107-98

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 provisions with respect to legislative
10 findings; providing reference to
11 community-based development organizations;
12 amending s. 290.032, F.S.; revising provisions
13 with respect to policy and purpose; amending s.
14 290.033, F.S.; providing definitions; amending
15 s. 290.035, F.S.; revising provisions with
16 respect to eligibility for assistance; amending
17 s. 290.036, F.S.; providing for the
18 community-based development organization
19 support program; providing for core and project
20 administrative grants and procedures; amending
21 s. 290.0365, F.S.; providing for a
22 community-based development training and
23 technical assistance program; amending s.
24 290.037, F.S.; providing for a community
25 development project implementation loan
26 program; amending s. 290.038, F.S.; revising
27 provisions with respect to the authority and
28 duties of the Department of Community Affairs;
29 amending s. 290.039, F.S.; revising provisions
30 with respect to reporting requirements;
31 amending s. 290.0395, F.S.; providing for

1 program performance review and evaluation;
2 repealing s. 290.034, F.S., relating to funding
3 and use of the Operating Trust Fund; amending
4 ss. 189.427, 252.82, 943.25, F.S.; conforming
5 provisions to changes made by the act;
6 providing requirements for the Department of
7 Community Affairs if no community-based
8 development organizations qualify for core
9 administrative grants in a region of the state;
10 providing an effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Section 290.0301, Florida Statutes, is
15 amended to read:

16 290.0301 Short title.--Sections 290.0311 through
17 290.0395 shall be known and may be cited as the "Invest in
18 Neighborhood Vitality and Economies Act ~~Community Development~~
19 ~~Corporation Support and Assistance Program Act.~~" This section
20 shall stand repealed on June 30, 2007 ~~1998~~.

21 Section 2. Subsections (5), (10), and (11) of section
22 290.0311, Florida Statutes, are amended to read:

23 290.0311 Legislative findings.--The Legislature finds
24 that:

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

3 (10) A viable means of eliminating or reducing these
4 deteriorating economic conditions and encouraging local
5 resident participation and support is to provide support
6 assistance and resource investment to community-based
7 community development organizations corporations. The
8 Legislature also finds that community-based development
9 organizations can contribute to the creation of jobs in
10 response to federal welfare reform and state WAGES legislation
11 and economic development activities related to urban and rural
12 economic initiatives.

13 (11) This section shall stand repealed on June 30,
14 2007 ~~1998~~.

15 Section 3. Section 290.032, Florida Statutes, is
16 amended to read:

17 (Substantial rewording of section. See
18 s. 290.032, F.S., for present text.)

19 290.032 Policy and purpose.--It is the policy of this
20 state to improve the quality of neighborhoods as environments
21 in which children and families live, by supporting and
22 fostering positive change in a broad range of domains to
23 achieve comprehensive improvements in conditions throughout
24 the neighborhood over time. Such community or neighborhood
25 redevelopment shall be based on the following principles:

26 (1) Bottom-up, community-focused approach.

27 (2) Enables and supports the effort of the
28 neighborhoods to make improvements.

29 (3) Requires a holistic focus on the neighborhood to
30 address all needs in coordinated fashion, including:

31 (a) Need for community-based leadership.

1 (b) Empower neighborhood governance of the process.

2 (c) Human service delivery.

3 (d) Public infrastructure.

4 (e) Housing and safety.

5 (f) Economic development.

6 (4) Mandates neighborhood collaboration of all
7 partners.

8 (5) Empowers residents to make decisions on
9 improvements.

10 (6) Builds consensus for a shared vision for the
11 future of the neighborhood.

12 (7) Sets definitive performance goals to achieve
13 specific outcomes for the neighborhood.

14
15 The purpose of this act is to assist community-based
16 development organizations in undertaking projects, in concert
17 with state and local government and private enterprise,
18 designed to create and maintain a sound industrial base, to
19 revitalize the health of established commercial areas, to
20 promote and retain employment opportunities, to preserve and
21 rehabilitate existing residential neighborhoods, and to
22 provide safe, decent, affordable housing for residents of
23 these areas. The Legislature, therefore, declares that the
24 development, redevelopment, preservation, restoration, and
25 revitalization of such communities and all the purposes of
26 this act are public purposes for which public moneys may be
27 used. This section shall stand repealed on June 30, 2007.

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

30 (Substantial rewording of section. See
31 s. 290.033, F.S., for present text.)

1 290.033 Definitions.--As used in this act, the term:

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

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

15 (3) "Fund" means the Operating Trust Fund.

16 (4) "Neighborhood comprehensive revitalization plan"
17 means a long-term holistic, integrated, and collaborative
18 strategic plan for the improvement of a defined service area
19 or neighborhood that was prepared by and approved by a
20 collaborative partnership of residents, community-based
21 organizations, local government representatives, churches,
22 schools, businesses, and other community stakeholders which
23 sets forth the shared vision for the service area and
24 identifies specific, measurable outcomes. This comprehensive,
25 holistic plan shall address the wide array of interrelated
26 needs including, but not limited to, human services, jobs and
27 economic development, housing, safety, public infrastructure,
28 health care, education, community organization, neighborhood
29 governance, and social organizations. The plan must describe
30 an organization's mission; include strategies to maintain
31 community involvement; demonstrate innovation, efficiency, and

1 accountability to the benefit of the service area
2 stakeholders; and identify sources of anticipated revenue.

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

8 (6) "Secretary" means the Secretary of Community
9 Affairs.

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

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

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

21 (10) This section shall stand repealed on June 30,
22 2007.

23 Section 5. Section 290.035, Florida Statutes, is
24 amended to read:

25 290.035 Eligibility for assistance.--Community-based
26 ~~community~~ development organizations ~~corporations~~ meeting the
27 following requirements shall be eligible for assistance:

28 (1) The community-based ~~community~~ development
29 organization ~~corporation~~ must be a nonprofit corporation under
30 state law ~~or a local development company established under~~
31 ~~state law and certified to be eligible to participate in the~~

1 ~~Small Business Administration Loan Program under s. 502 of the~~
2 ~~Small Business Investment Act of 1958, as amended,~~and must
3 meet the following further requirements:

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

6 (b) A majority of its board members must be elected by
7 those members of the corporation who are stakeholders
8 comprised of a mix of service area residents, area business
9 and property owners, and area employees.

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

13 ~~(d) Elections must be adequately publicized within the~~
14 ~~service area, and ample opportunity must be provided for full~~
15 ~~participation.~~

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

18 (2) The community-based community development
19 organization corporation shall maintain a service area in
20 which economic development projects are located which meets
21 one or more of the following criteria:

22 (a) The area has been designated pursuant to s.
23 163.355 as a slum area or a blighted area as defined in s.
24 163.340(7) or (8) or is located completely within the
25 boundaries of a slum or blighted area.

26 (b) The area is a community development block grant
27 program area in which community development block grant funds
28 are currently being spent or have been spent during the last 3
29 years as certified by the local government in which the
30 service area is located.

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1 (c) The area is a neighborhood housing service
2 district.

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

6 (e) The area is contained in federal empowerment zones
7 and enterprise communities.

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

10 Section 6. Section 290.036, Florida Statutes, is
11 amended to read:

12 (Substantial rewording of section. See
13 s. 290.036, F.S., for present text.)

14 290.036 Community-based development organization
15 support program; administrative grants and procedures.--

16 (1) The department is authorized to award core and
17 project administrative grants and project implementation
18 loans. Administrative grants shall be used for staff salaries
19 and administrative expenses for eligible community-based
20 development organizations selected through a competitive
21 three-tiered process. The department shall develop a set of
22 criteria for three-tiered funding that shall ensure equitable
23 geographic distribution of the funding for economically
24 distressed communities throughout the state. This three-tiered
25 plan shall include emerging, intermediate, and mature
26 community-based development organizations recognizing the
27 varying needs of the three tiers. Funding shall be provided
28 for core administrative grants for tier I and tier II
29 community-based development organizations. Priority shall be
30 given to those organizations that demonstrate community-based
31 high performance. However, if all qualified tier I and tier II

1 community-based development organizations have been funded,
2 qualified tier III community-based development organizations
3 may receive core administrative grants. Project administrative
4 grants tied to project implementation loans shall be available
5 to all levels of community-based development organizations
6 depending upon their capacity. Extensive training and
7 technical assistance shall be available to all community-based
8 development organizations. Persons, equipment, supplies, and
9 other resources funded in whole or in part by grant funds
10 shall then be utilized to further the purposes of this act.
11 Eligible activities include, but are not limited to:
12 (a) Preparing grant and loan applications, proposals,
13 fundraising letters, and other documents essential to securing
14 additional administrative or project funds to further the
15 purposes of this act.
16 (b) Monitoring and administrating grants and loans,
17 providing technical assistance to businesses, and any other
18 administrative tasks essential to maintaining funding
19 eligibility or meeting contractual obligations.
20 (c) Developing local programs to encourage the
21 participation of financial institutions, insurance companies,
22 attorneys, architects, engineers, planners, law enforcement
23 officers, developers, and other professional firms and
24 individuals providing services beneficial to redevelopment
25 efforts.
26 (d) Providing management, technical, accounting, and
27 financial assistance and information to businesses and
28 entrepreneurs interested in locating, expanding, or operating
29 in the service area.
30 (e) Coordinating with state, federal, and local
31 governments and other nonprofit organizations to ensure that

1 activities meet local plans and ordinances and to avoid
2 duplication of tasks.

3 (f) Preparing plans or performing research to identify
4 critical needs within the service area and developing
5 approaches to address those needs.

6 (g) Assisting service area residents in identifying
7 and determining eligibility for state, federal, and local
8 housing programs, including rehabilitation, weatherization,
9 homeownership, rental assistance, or public housing programs.

10 (h) Developing, owning, and managing housing designed
11 for very-low-income persons, low-income persons, or WAGES
12 recipients; or developing, owning, and managing industrial
13 parks providing jobs to very-low-income persons, low-income
14 persons, or WAGES recipients.

15 (i) Preparing the neighborhood comprehensive
16 revitalization plan with baseline data, outcome measures, and
17 estimates of service area impact as a result of job-generating
18 or revenue-generating businesses, enterprise assistance, or
19 units of commercial, industrial, or affordable housing
20 developments.

21 (2) A community-based development organization
22 applying for an administrative grant pursuant to this section
23 must submit a proposal to the department which includes:

24 (a) A map and narrative description of the service
25 areas for the community-based development organization.

26 (b) A copy of the documents creating the
27 community-based development organization.

28 (c) A listing of the membership of the board,
29 including individual terms of office.

30 (d) An annual plan that describes the expenditure of
31 the funds, including goals, objectives, and expected results,

1 and which has a clear relationship to the agency's
2 neighborhood comprehensive revitalization strategy.

3 (e) Other supporting information which may be required
4 by the department.

5 (3) The amount of any core administrative grant to an
6 emerging community-based development organization in any 1
7 year shall be no more than \$50,000. The amount of any core
8 administrative grant to an intermediate community-based
9 development organization shall be not more than \$30,000. The
10 amount of any core administrative grant to a mature
11 community-based development organization shall be not more
12 than \$25,000. The department may fund as many community-based
13 development organizations each year as is permitted based on
14 the level of funds provided for in the General Appropriations
15 Act.

16 (4) The amount of any project administrative grant to
17 any community-based development organization shall be no more
18 than \$15,000 for every \$100,000 of project implementation
19 loans.

20 (5) A community-based development organization that
21 receives funding hereunder shall submit to the department an
22 annual year-end audit performed by an independent certified
23 public accountant.

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

27 (a) The relative degree of distress of the service
28 areas of the community-based development organization.

29 (b) The demonstrable capacity of the community-based
30 development organization to improve the economic health of the
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1 service area and carry out the activities contained in the
2 long-term revitalization plan.

3 (c) The degree to which the community-based
4 development organization would provide assistance to
5 very-low-income persons, low-income persons, and particularly
6 WAGES recipients.

7 (d) The service area of the community-based
8 development organization which is located in whole or in part
9 within a state enterprise zone designated pursuant to s.
10 290.0065, a federal empowerment zone, or an enterprise
11 community.

12 (e) The extent to which the proposal would further the
13 policy and purposes of this act.

14 (7) The department is authorized to award project
15 administrative grants from the fund to community-based
16 development organizations for staff salaries, administrative
17 expenses, and the added cost of technical assistance directly
18 related to job-generating and revenue-generating enterprises,
19 including business, commercial, or affordable housing
20 developments. Eligible organizations shall apply for
21 competitive funding under the three categories of: business
22 assistance, commercial, and affordable housing development.
23 The allocations of funds to these three categories will be
24 made by the department subject to funding availability and
25 trends in the amount of qualified proposals submitted under
26 each category. Community-based development organizations
27 receiving funds under this section shall be subject to all
28 applicable requirements of ss. 290.034(1), 290.035, 290.037,
29 290.038, and 290.039, as determined by the department.

30 (8) The department shall award funding hereunder based
31 upon a three-tiered approach which recognizes the differing

1 capacities of new and emerging, intermediate, and mature
2 community-based development organizations. No community-based
3 development organization may apply for funding in more than
4 one tier in any 1 fiscal year.

5 (a) Tier I, for new and emerging community-based
6 development organizations, shall offer, on a competitive
7 basis, a minimum of five core administrative grants of up to
8 \$50,000, annually. Once tier I community-based development
9 organizations have achieved a minimum level of capacity, they
10 shall be eligible to apply for, on a competitive funding
11 basis, a project implementation loan of no more than \$100,000
12 and an accompanying project administrative grant of up to
13 \$15,000. Tier I community-based development organizations
14 shall also receive extensive training and technical assistance
15 designed to enhance the organization's capacity and thereby
16 enable it to undertake more complex development projects.

17 (b) Tier II, for intermediate level community-based
18 development organizations, shall be eligible to apply on a
19 competitive basis for core administrative grants of up to
20 \$30,000, annually, and shall be eligible to apply for, on a
21 competitive basis, project implementation loans of up to
22 \$300,000, annually, per community-based development
23 organization and an accompanying project administrative grant
24 of up to \$45,000. Tier II community-based development
25 organizations shall also receive training and technical
26 assistance services hereunder.

27 (c) Tier III, for mature level community-based
28 development organizations may be eligible to apply for core
29 administrative grant funding. Such community-based development
30 organizations shall be eligible to apply for, on a competitive
31 basis, project implementation loans of up to \$400,000,

1 annually, per community-based development organization and an
2 accompanying project administrative grant of up to \$60,000.
3 Tier III community-based development organizations shall also
4 receive training and technical assistance services hereunder.

5 (d) No development project funded hereunder shall
6 exceed \$200,000, annually, per community-based development
7 organization. A community-based development organization can
8 apply for project implementation loans in up to three
9 categories of business development, affordable housing, and
10 commercial development, within the dollar limitations
11 contained herein. Project implementation grants shall be based
12 on up to \$15,000 in grant funds for every \$100,000 awarded in
13 loan funds.

14 (9) A community-based development organization
15 applying for project administrative grants pursuant to this
16 section must submit a proposal to the department which
17 includes:

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

20 (b) A copy of the documents creating the
21 community-based development organization.

22 (c) A listing of the membership of the board,
23 including individual terms of office.

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

26 (e) A description of the location, financing plan, and
27 potential impact of the business enterprise or residential,
28 commercial, or industrial development which shows a clear
29 relationship to the organization's neighborhood comprehensive
30 revitalization plan and demonstrates how the proposed
31 expenditures are directly related to the project.

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

4 (a) The reasonableness of project goals and production
5 schedules.

6 (b) Prior experience and performance of the applicant
7 in the production of similar housing, commercial, or business
8 developments.

9 (c) The extent of financial leveraging with private
10 and public funding.

11 (d) The demonstrable capacity of the community-based
12 development organization to improve the economic health of the
13 target area as seen by the reasonableness of its comprehensive
14 neighborhood revitalization plan and the impact of the
15 proposed project.

16 (e) The degree to which the project will benefit
17 very-low-income persons, low-income persons, and particularly
18 WAGES recipients.

19 (f) The location of the target area of the
20 community-based development organization, in whole or in part,
21 in a state enterprise zone designated on or after July 1,
22 1995, in accordance with s. 290.0065 or a federal empowerment
23 zone or enterprise community.

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

26 (11) This section shall stand repealed on June 30,
27 2007.

28 Section 7. Section 290.0365, Florida Statutes, is
29 amended to read:

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

1 290.0365 Community-based development training and
2 technical assistance program.--

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

6 (a) Significant declines in resources make it
7 difficult for community-based development organizations to
8 generate sufficient revenues from business enterprises or real
9 estate ventures in low-income neighborhoods to fund the
10 predevelopment costs, technical assistance, and other
11 administrative expenses needed to foster new developments.

12 (b) The financing and planning of large-scale
13 developments is becoming increasingly complex and
14 community-based development organizations, even those with
15 considerable experience, often lack the expertise to structure
16 project financing, partnerships, and joint ventures to
17 accelerate and expand development activities in distressed
18 communities.

19 (c) Local governments and private lenders are
20 demonstrating a willingness to provide risk capital and
21 project financing, but they are seldom able to provide
22 technical support and training to the staff of community-based
23 development organizations.

24 (2) PURPOSE.--The purpose of this section is to
25 provide community-based development organizations with the
26 necessary training and technical support to plan, implement,
27 and manage job-generating and revenue-generating developments
28 in distressed neighborhoods. This will strengthen the
29 organizational capacity of community-based development
30 organizations, assist local governments to enhance and expand
31 revitalization efforts, and contribute to expanding the base

1 of commerce, business, and affordable housing that will
2 benefit persons who are very-low-income, low-income, or WAGES
3 recipients.

4 (3) TRAINING AND TECHNICAL ASSISTANCE PROGRAM.--The
5 Department of Community Affairs shall be responsible for
6 securing the necessary expertise, which may include
7 subcontracts with nonprofit organizations, to provide training
8 and technical support to the staff and board of
9 community-based development organizations, as appropriate, and
10 to persons forming such organizations, which are formed for
11 the purpose of redeveloping commercial and residential areas
12 and revitalizing businesses within distressed neighborhoods
13 for the benefit of very-low-income residents, low-income
14 residents, and WAGES recipients.

15 (a) The training component of the program shall assist
16 organizations receiving administrative grants through a
17 developmental curriculum to build board and staff capacities
18 to implement or manage affordable housing, commercial, or
19 business enterprises. Training will include, but not be
20 limited to, resource development, project management, real
21 estate financing, business or venture plan development,
22 strategic planning for community economic development, and
23 community leadership and participation.

24 (b) The technical assistance provider shall conduct
25 onsite assessments, involving the board and staff, to prepare
26 a technical assistance plan for new and emerging
27 organizations. The scope and nature of the training will
28 compliment the annual performance objectives of the
29 organizations from the development of a neighborhood
30 comprehensive revitalization plan.

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1 (c) Technical support shall be provided to
2 community-based development organizations receiving project
3 administrative grants, as appropriate, in methods of financing
4 and structuring housing, business, or commercial development
5 projects. This will be in the form of one-on-one technical
6 assistance secured by either the department or by the
7 community-based development organization.

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

11 (e) The department may permit other community-based
12 development organizations to participate in the training based
13 on the availability of classes, funding, and the priority of
14 need.

15 (4) REPEAL.--This section shall stand repealed on June
16 30, 2007.

17 Section 8. Section 290.037, Florida Statutes, is
18 amended to read:

19 (Substantial rewording of section. See
20 s. 290.037, F.S., for present text.)

21 290.037 Community development project implementation
22 loan program.--

23 (1) The department is authorized to make loans, within
24 the limits of specific appropriations, to eligible applicants
25 for the following purposes:

26 (a) Financial assistance to a new or existing business
27 venture located within a community-based development
28 organization service area;

29 (b) New construction or substantial rehabilitation of
30 housing to be utilized by very-low-income and low-income
31 families and individuals, and WAGES recipients; and

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

3 (2) A community-based development organization
4 applying for a loan pursuant to this section must submit the
5 information required by s. 290.036(2).

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

10 (4) A community-based development organization that
11 receives a loan shall submit to the department an annual audit
12 performed by an independent certified public accountant;
13 however, this subsection shall not be construed to require the
14 submittal of more than one audit by an individual
15 community-based development organization submitting pursuant
16 to s. 290.036.

17 (5) In evaluating proposals pursuant to this section,
18 the department shall consider:

19 (a) The economic feasibility of the project and the
20 capacity of the venture to repay the loan.

21 (b) The relative degree of distress of the target
22 area.

23 (c) The ratio of private and nonstate public money
24 committed to a project to the amount of state money to be
25 committed.

26 (d) The demonstrated inability of the borrower to
27 secure funding from conventional sources at the terms offered
28 by the community-based development organization.

29 (e) The number of temporary and permanent jobs
30 generated by the project.

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1 (f) The overall net positive impact of the project
2 long term on local economic and social conditions.

3 (g) The degree to which the project directly benefits
4 or provides assistance to very-low-income individuals,
5 low-income individuals, or job-displaced individuals or WAGES
6 recipients.

7 (h) The demonstrable capacity of the community-based
8 development organization and technical assistance providers to
9 see that the project is successfully carried out and managed.

10 (6) Loans permitted under this section for affordable
11 housing may be used for the purpose of providing first,
12 second, or other subordinated mortgage loans or loan
13 guarantees in the construction of single-family homeownership
14 or multifamily rental units affordable to very-low-income
15 persons and low-income persons and WAGES recipients in the
16 target area.

17 (7) All loans to a community-based development
18 organization shall be at interest rates not to exceed 3
19 percent and shall be repaid within 15 years or on a basis
20 approved by the department, except as provided in subsection
21 (8).

22 (8) Upon the termination of any project as a result of
23 the sale or failure of the business, all recoverable state
24 funds shall be returned to the department for deposit into the
25 Operating Trust Fund. When losses are incurred, the
26 community-based development organization shall make a diligent
27 and good-faith effort to recover the full indebtedness from
28 the business venture, including foreclosure of security and
29 recovery from guarantors. Upon completion of all such efforts
30 to the satisfaction of the department, the department shall
31 write off the unpaid balance of the loan.

1 (9) This section shall stand repealed on June 30,
2 2007.

3 Section 9. Paragraph (f) of subsection (2) and
4 subsection (3) of section 290.038, Florida Statutes, are
5 amended to read:

6 290.038 Authority and duties of the department.--

7 (2) The department may:

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

14 (3) This section shall stand repealed on June 30, 2007
15 ~~1998~~.

16 Section 10. Section 290.039, Florida Statutes, is
17 amended to read:

18 (Substantial rewording of section. See

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

20 290.039 Reporting requirements.--

21 (1) Community-based development organizations which
22 receive funds under INVEST shall provide the following
23 information to the department annually:

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

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

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

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

5 (e) An identification and explanation of changes to
6 the target area boundaries.

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

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

14 (h) The impact on target area residents and its
15 relationship to expected outcomes listed in the agency's
16 comprehensive neighborhood revitalization plan, as a result of
17 receiving INVEST funding.

18 (2) Community-based development organizations which
19 receive project administrative grants shall provide the
20 following general information to the department annually:

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

24 (b) An identification and explanation of changes to
25 the target area boundaries.

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

29 (3) Community-based development organizations which
30 receive project administrative grants, or a combination of
31 core administrative and project and grant funds, shall provide

1 the following information on applicable projects to the
2 department annually:

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

6 (b) The number and amount of loans made to businesses
7 or individual entrepreneurs in the target area during the
8 reporting period.

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

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

17 (e) An identification and explanation of changes to
18 the service area boundaries.

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

22 (g) Such other information as the department may
23 require.

24 (4) The department shall submit an annual report to
25 the Speaker of the House of Representatives and the President
26 of the Senate which contains the cumulative data submitted by
27 the individual community-based development organizations
28 pursuant to subsection (1). The report shall be submitted by
29 January 1 of each year.

30 (5) This section shall stand repealed on June 30,
31 2007.

1 Section 11. Section 290.0395, Florida Statutes, is
2 amended to read:

3 (Substantial rewording of section. See
4 s. 290.0395, F.S., for present text.)

5 290.0395 Program performance review and evaluation.--

6 (1) Each community-based development organization
7 which receives funding under the Invest in Neighborhood
8 Vitality and Economies Program shall be subject to an annual
9 performance review by the department. At a minimum, the review
10 shall determine whether contract objectives are being or have
11 been met in a timely and efficient manner, expected project
12 outcomes are being or have been realized, and the impact of
13 completed projects produced the results desired by the
14 community-based development organization as stated in its
15 comprehensive neighborhood revitalization plan and other
16 supporting documentation for receipt of the grants or loans.

17 (2) Prior to the 2007 Regular Session of the
18 Legislature, the Office of Program Policy Analysis and
19 Government Accountability shall perform an evaluation of ss.
20 290.0301-290.039, using the reporting data specified in s.
21 290.039 and any other data identified by the department and
22 the Office of Program Policy Analysis and Government
23 Accountability as crucial to the evaluation of this program.
24 The report shall critique the Invest in Neighborhood Vitality
25 and Economies Program and shall include an analysis of the
26 improvements in the service area as a result of the holistic
27 and collaborative efforts of the organizations and partners
28 within the service area.

29 (3) A report of the findings and recommendations of
30 the Office of Program Policy Analysis and Government
31 Accountability shall be submitted to the President of the

1 Senate and the Speaker of the House of Representatives prior
2 to the 2007 Regular Session.

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

5 Section 12. Section 290.034, Florida Statutes, is
6 repealed.

7 Section 13. Section 189.427, Florida Statutes, is
8 amended to read:

9 189.427 Fee schedule; Operating Trust Fund.--The
10 Department of Community Affairs, by rule, shall establish a
11 schedule of fees to pay one-half of the costs incurred by the
12 department in administering this act, except that the fee may
13 not exceed \$175 per district per year. The fees collected
14 under this section shall be deposited in the Operating Trust
15 Fund ~~established under s. 290.034~~, which shall be administered
16 by the Department of Community Affairs. Any fee rule must
17 consider factors such as the dependent and independent status
18 of the district and district revenues for the most recent
19 fiscal year as reported to the Department of Banking and
20 Finance. The department may assess fines of not more than \$25,
21 with an aggregate total not to exceed \$50, as penalties
22 against special districts that fail to remit required fees to
23 the department. It is the intent of the Legislature that
24 general revenue funds will be made available to the department
25 to pay one-half of the cost of administering this act.

26 Section 14. Subsection (7) of section 252.82, Florida
27 Statutes, is amended to read:

28 252.82 Definitions.--As used in this part:

29 (7) "Trust fund" means the Operating Trust Fund
30 ~~established in s. 290.034.~~

31

1 Section 15. Subsection (1) of section 943.25, Florida
2 Statutes, is amended to read:

3 943.25 Criminal justice trust funds; source of funds;
4 use of funds.--

5 (1) The Department of Community Affairs may approve,
6 for disbursement from the Operating Trust Fund ~~established~~
7 ~~pursuant to s. 290.034~~, those appropriated sums necessary and
8 required by the state for grant matching, implementing,
9 administering, evaluating, and qualifying for such federal
10 funds. Disbursements from the trust fund for the purpose of
11 supplanting state general revenue funds may not be made
12 without specific legislative appropriation.

13 Section 16. If no community-based development
14 organizations qualify for core administrative grants in any
15 particular distressed region of the state, the Department of
16 Community Affairs must identify potentially qualified
17 community-based development organizations in that region and
18 provide assistance to enable them to compete for core
19 administrative grants in the next funding cycle.

20 Section 17. This act shall take effect October 1,
21 1998.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 2204

Includes specific "principles" of community or neighborhood redevelopment;

Redefines "Neighborhood comprehensive revitalization plan";

Repeals s. 290.034, F.S., which requires the Legislature to annually fund the CDCSAP (or the INVEST program); and established the Operating Trust Fund within DCA.

Transfers language from Section 5 of the bill (which was deleted) relating to the new 3-Tiered funding structure for community-based development organizations;

Clarifies that qualified tier III CDBOs will receive core administrative grants only when all qualified tier I and II CDBOs have received core administrative grants; and

Requires DCA to identify and provide assistance to CDBOs in regions that have not applied for core administrative grants.