

**STORAGE NAME:** h3111s1a.ted

**DATE:** April 21, 1998

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 3111

**RELATING TO:** Affordable Housing

**SPONSOR(S):** Representative Bradley and others

**COMPANION BILL(S):** SB 2204 (s); SB 1982 (c)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) COMMUNITY AFFAIRS YEAS 8 NAYS 0
  - (2) TRANSPORTATION & ECONOMIC DEV. APPROPRIATIONS YEAS 7 NAYS 0
  - (3)
  - (4)
  - (5)
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**I. SUMMARY:**

The bill reenacts the Community Development Corporation Support and Assistant Program Act. The act is titled "Invest in Neighborhood Vitality and Economies Act." It broadens the scope of the law to provide state support, assistance, and resource investing to community-based development organizations (CBDO) which include the traditional community development corporations.

The bill establishes a three-tiered plan to distribute grant and loan funding between emerging CBDOS, intermediate CBDOS, and mature CBDOS equitably.

The bill provides additional administrative grant selection criteria and reporting requirements to increase accountability among CBDOS. It establishes a community-based development training and technical assistance program for CBDOS.

The Department of Community Affairs stated that it needs approximately \$345,442 for fiscal year 1998-99 to implement the provisions of the bill.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Chapter 290, F. S., provides, in concert with the private sector, state support and promotion of urban redevelopment at the local government level. Particularly, the provisions of ss. 290.0301 through 290.0395, F. S., constitutes the Community Development Corporation Support and Assistance Program Act (CDCSA). The act "sunsets" on June 30, 1998.

The act recognizes the economic deterioration of neighborhoods and surrounding areas. The act provides that a viable means of eliminating or reducing such deteriorating economic conditions and encouraging local resident participation and support is to provide assistance and resource investment to community development corporations. The act defines a community development corporation (CDC) as "a community-based organization which facilitates or financially supports revenue-generating business for the purpose of community and economic development, based in a specific geographic area controlled by residents, and committed to enhancing community well-being . . ."

**Background**

The CDCSA program has been operating for over 15 years. Under the program, funds are awarded to CDCs based on a competitive application process. Currently, the CDCSA program awards a maximum of 18 grants of up to \$100,000; planning grants up to \$50,000 (limited to up to 10 percent of the total appropriated for administrative grants); and economic development and affordable housing loans.

According to the Department of Community Affairs (DCA), the Legislature has not funded the economic development loan program for over five years. The affordable housing loan program is currently funded at \$1.5 million. Individual loans may not exceed \$250,000 and the total amount of loans to any CDC in a given fiscal year may not exceed 40 percent of the total loan appropriation for the program.

Statistics provided by DCA show that 16 CDCs received administrative grants in 1996-97 and 5 affordable housing loans were obligated to 4 CDCs in the same period. The DCA funded 18 administrative grants and an estimated four planning grants in 1997-98 and one application for \$500,000 in affordable housing loans has been submitted.

Chapter 93-120, Laws of Florida, eliminated the Community Development Support and Assistance Trust Fund as the CDCSA program funding source, replacing it with the Operating Trust Fund. However, the bill, as currently drafted, unnecessarily amends the law to replace the Community Development Support and Assistance Trust Fund with the Operations Trust Fund. Pursuant to s. 290.034, F.S., the Legislature is required to annually provide funding for the CDCSA. This requirement appears unconstitutional since one Legislature cannot bind the actions of future Legislatures.

**1998 Audit Results on the CDCSA Program**

Based on its 1998 audit findings, the Office of Program Policy Analysis and Government Accountability (OPPAGA) recommends that:

- The Legislature not reenact of the CDCSA program. The OPPAGA report explains that the program is not an efficient way to support CDCs.
- The Legislature redirect the program's \$1.5 million in Sadowski Act appropriations to other affordable housing programs. The OPPAGA asserts that the CDC affordable housing loan program addresses needs that are also met by other federal, state, and local community development programs.
- The Legislature consider other alternatives for redirecting the program's \$800,000 in general revenue appropriations. One option is to revert the appropriation to the general fund since the OPPAGA was unable to identify existing state programs effectively assisting economic development in distressed areas, and a new economic development grant program with only \$800,000 in funding could be as inefficient as the current program. The second option redirects the funds to an affordable housing program together with the Sadowski Act funds. Based on Florida Housing Finance Corporation projections, an additional appropriation of \$800,000 to the State Housing Initiatives Partnership program is expected to create 49 affordable housing units.
- The Department of Community Affairs (department) continue to monitor outstanding program loans and grant agreements.
- The Legislature direct the department to allocate the remaining portion of loan revenues to expand the activities of the Affordable Housing Catalyst. The catalyst program is the state's only source of technical assistance for community development projects. However, the catalyst program is unable to offer technical assistance for economic development because the source, the Sadowski Act funds, is restricted to affordable housing activities.

### **The DCA Response to the 1998 Audit Results on the CDCSA Program**

In response, the DCA *disagrees* with all the OPPAGA recommendations. The DCA states that:

- Data from CDCs support re-enactment and OPPAGA has not provided evidence to the contrary. In Fiscal Year 1996-97, 16 funded CDCs: (a) created 1,332 jobs; (b) repaired or built 784 homes; (c) assisted 963 businesses; and (d) leveraged over \$50 million in other sources to aid in redeveloping their service areas.
- Redirecting the program's appropriations would eliminate one of the few sources of money to support community based redevelopment leadership and place an even greater reliance on housing to go it alone as the state's vehicle for redevelopment. Furthermore, the recommendation to redirect certain funding will result in no longer having a source targeted to CDCs, and no longer meets the legislative intent to assist in the revitalization of the state's distressed areas.
- The loan and grant agreement monitoring should also be transferred with the funding to the Florida Housing Finance Corporation if, in the alternative, the CDCSA program is dismantled.

- It does not support allocating the remaining portion of loan revenues to the Affordable Housing Catalyst Program.

### **Current Law Summary**

Section 290.035, F. S., provides for the requirements for CDCs to become eligible for assistance from the CDCSA program. Section 290.036, F.S., governs the awarding of administrative grants under the CDCSA program.

Section 290.0365, F.S., establishes CDC planning grants. The program authorizes the DCA secretary under certain conditions to reserve up to 10 percent of the annual appropriations for administrative grants to be awarded to CDC which failed to receive an administrative support grant at any time during the previous history of the administrative grant program.

Section 290.037, F. S., establishes the community development deferred loan program. Section 290.039, F. S., requires CDCs receiving CDCSA program funds to report certain information to the Department of Community Affairs. Section 290.0395, F. S., establishes an evaluation and review process for CDCs under the CDCSA program.

Through its evaluation of the CDC program, the department represents that there needs to be a funding program that distributes grant monies equitably. The department also recognizes the lack of programmatic focus on the economic development needs of Florida's distressed areas and accountability among participating CDCs. The department, in concert with other interested affordable housing parties, believe that there is a lack of community-based development training and technical assistance to promote success among CDCs.

### **B. EFFECT OF PROPOSED CHANGES:**

The bill changes the repeal date of the Community Development Corporation Support and Assistant Program Act (CDCSA) to June 30, 2007. It also changes the act's title to "Invest in Neighborhood Vitality and Economies Act (INVEST)." The bill establishes that the purpose of this act is to assist community-based development organizations in undertaking projects, together with state and local government and private enterprises, in the following ways:

- △ Create and maintain a sound industrial base;
- △ Revitalize the health of established commercial areas;
- △ Promote and retain employment opportunities;
- △ Preserve and rehabilitate existing residential neighborhoods; and
- △ Provide safe, decent, affordable housing for residents of distressed neighborhoods.

The bill clarifies the act's legislative intent to focus on both rural and urban neighborhoods in the quest to eradicate neighborhood social and economic deterioration. The bill provides a broader method to resolve the blight of neighborhoods by directing state and local resident support and resource investment to community-based development organizations (CBDO), rather than solely investing in community development corporations. Consequently, the term "community development corporation" is replaced with "community-based development organizations" throughout

the bill. The bill adds that the Legislature recognizes CBDOs as contributors to creating jobs in response to federal Work and Gain Economic Self-Sufficiency legislation.

The bill provides that it is a state policy to improve the quality of neighborhoods by supporting a broad range of methods to achieve comprehensive improvements economically distressed neighborhoods over time.

Such community redevelopment must be based on certain principles including the following:

- ⊞ Bottom-up, community-focused approach;
- ⊞ Supports neighborhood self-help efforts;
- ⊞ Requires a holistic focus on the neighborhood to address needs such as leadership, neighborhood empowerment, public infrastructure, and housing and safety; and
- ⊞ Economic development.

The bill provides or revises definitions for several terms. The bill defines a CBDO as a community-based nonprofit organization that is committed to building affordable housing or developing business enterprises in economically distressed neighborhoods. No specific reference to the former community development corporations is mentioned in the bill.

The term "fund" is defined as the Operating Trust Fund and "neighborhood comprehensive revitalization strategy" is defined as a long-term holistic strategic plan for neighborhood improvement prepared and approved by residents, CBDOs, local government representatives, churches, schools, businesses, and other community stakeholders. The revised definition of "project" requires that the project objectives be consistent with the appropriate agency's neighborhood comprehensive revitalization strategy.

The bill provides a repeal of the provision that requires the Legislature to annually provide funding in the General Appropriations Act for the INVEST program. The bill provides authorization to the department to award core and project administrative grants and project implementation loans to CBDOs. Such funding must be administered based on criteria of a three-tiered funding plan to be developed by the department. This plan is designed to ensure equitable geographic distribution of the funding statewide among the CBDOs. The three-tiered plan includes emerging, intermediate, and mature CBDOs. However, the bill does not provide a means for determining what constitutes each level of CBDOs.

The bill also substantially revises the community-based development training and assistance program for CBDOs. The focus of the program is placed on training and technical support to plan, implement, and manage job-generating and revenue-generating developments in distressed neighborhoods.

Funding is available to all levels of CBDOs, however, the bill provides that funding priority is given to the CBDOs that demonstrate community-based high performance. Under the three-tiered plan, project administrative grants are dependent on project implementation loans which are also available to all levels of CBDOs.

Eligible emerging CBDOs applying for core administrative grants may receive, in any one year, no more than \$50,000. Eligible intermediate CBDOs applying for core administrative grants may receive, in any one year, no more than \$30,000.

**Although the bill provides that all levels of CBDOs are eligible for funding, the bill does not provide an available funding amount for mature CBDOS and, thus, not conforming.** Since this discovery, the department recommends that eligible mature CBDOs applying for core administrative grants may receive, in any one year, no more than \$25,000. As for project administrative grants, the amount of any such grant to any CBDOs must be no more than \$15,000 for every \$100,000 of project implementation loans.

Any CBDO receiving grant funding must submit to the department an annual audit performed by an independent certified public accountant. The bill also subjects CBDOS and the department to other reporting requirements.

In addition, to address CBDO accountability issues, CBDOS receiving funding are subject to an annual performance review by the department. The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to include a critic of the INVEST program. The OPPAGA is also directed to include in its report an analysis of the improvements in the service area of distressed neighborhoods as a result of the holistic and collaborative efforts of the CBDOS and partners within the service area.

The bill establishes annual limits on project implementation loan amounts for each loan approved of no more than \$100,000 for emerging CBDOS, \$300,000 for intermediate CBDOS, and \$400,000 for mature CBDOS. The bill outlines the procedures of the CBDO loan program.

The bill provides that the CBDOS must use funding from the state in certain ways. Eligible activities include, but are not limited to:

- △ Preparing loan and grant applications;
- △ Developing local programs to encourage financial institutions, insurance, companies, attorneys, architects, planners, and other professional firms or individuals to provide services beneficial to redevelopment efforts;
- △ Preparing plans or performing research to identify critical needs within the service areas; and
- △ Developing, owning, or managing housing designed for very-low-income persons, low-income persons, or WAGES recipients.

The CBDOS applying for core or project administrative grants must submit an appropriate proposal to the department. The bill outlines the specific content requirements for each type of proposal.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The bill solicits more accountability from community-based development organizations (CBDO) through additional program criteria and reporting requirements.

(3) any entitlement to a government service or benefit?

Yes. Under the INVEST program, it appears that a community-based development organization acquires a right to a grant, loan, or other benefit once the state officially bestows the benefit to it. Consequently, that right cannot be abridged without due process.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

The Department of Community Affairs represents that it would need an additional 2 FTEs for a total cost of \$119,304 for the first year and \$109,454, thereafter

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.



5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

**D. STATUTE(S) AFFECTED:**

Chapter 290, F.S. is affected.

**E. SECTION-BY-SECTION RESEARCH:**

**Section 1 -- Amends s. 290.0301, F.S.,** changes the Community Development Corporation Support and Assistance Program Act to Invest in Neighborhood Vitality and Economies Act (INVEST); reenacts ss. 290.0311 through 290.0395, F. S.

**Section 2 -- Amends s. 290.0311, F.S.,** broadens INVEST to provide assistance and resource investment to community-based development organizations (CBDO); provides a legislative finding that CBDOs can help create jobs in response to federal WAGES legislation and urban and rural economic development activities; and reenacts this section.

**Section 3 -- Rewords s. 290.032, F.S.,** recognizes that production of affordable housing is part of the state's policy and purpose for revitalizing established communities; states that the purpose of this act is also to assist CBDOs in undertaking affordable housing and economic development projects as a public purpose of the state; provides a series of principles upon which community or neighborhood redevelopment must be based; and reenacts this section.

**Section 4 -- Rewords s. 290.033, F.S.,** provides a definition for CBDOs; removes the definition of community development corporations; defines "fund" as the Operating Trust Fund; defines "neighborhood comprehensive revitalization strategy"; modifies the definition of "project"; defines other terms necessary for the understanding and implementation of chapter 290, F. S.; and reenacts this section.

**Section 5 -- Amends s. 290.035, F.S.,** makes conforming changes to reflect reference to the term "community-based development organization"; removes, effectively, the term "community development corporations"; deletes an eligibility requirement for CBDOs to receive assistance; revises other requirements that CBDOs must meet; and requires service areas to be contained in federal empowerment zones and enterprise communities so that the corresponding CBDO may become eligible for assistance; and reenacts this section.

**Section 6 -- Rewords s. 290.036, F.S.,** authorizes the Department of Community Affairs (department) to award core and project administrative grants and project implementation loans; requires eligible CBDOs to use grant moneys in specific ways; provides that eligible CBDOs are selected through a three-tiered competitive process; requires the department to develop criteria for three-tiered funding; establishes requirements for the three-tiered plan that includes three levels of CBDOs; provides that core administrative grants are available for all levels of CBDOs; provides that extensive training and technical assistance are available to CBDOs; provides a non-exhaustive list of CBDO eligible activities; requires CBDOs to submit a proposals when applying for core and project administrative grants; establishes the required contents of the proposal; limits core administrative grants to \$50,000 for emerging CBDOs; limits core administrative grants to \$30,000 for intermediate CBDOs; allows the department to fund as many CBDOs each year as is permitted based on the level of funds provide for in the General

Appropriations Act.; requires CBDOs to submit an audit report by an independent certified public account to the department annually; requires eligible CBDOs to apply for competitive funding under business assistance, commercial, and affordable housing development categories; establishes requirements and procedures of the three-tiered plan; provides project administrative grants funding formulas for all three-tiered levels; and reenacts this section.

**Section 7 -- Rewords s. 290.0365, F.S.,** establishes a community-based development training and technical assistance program for CBDOs; and reenacts this section.

**Section 8 -- Rewords s. 290.037, F.S.,** establishes the community development project implementation loan program for CBDOs; and reenacts this section.

**Section 9 -- Amends s. 290.038, F.S.,** makes conforming changes to reflect reference to the term "community-based development organization"; makes the department responsible for the implementation of the urban redevelopment efforts in the state; and reenacts this section.

**Section 10 -- Rewords s. 290.039, F.S.,** requires CBDOs receiving funding under the 1) INVEST program, 2) project administrative grants, or a 3) combination of core and project administrative grants to provide the department with certain information, annually; and re-enacts this section.

**Section 11 -- Rewords s. 290.0395, F.S.,** subjects CBDOs receiving administrative or incentive grants or loans under the INVEST program to an annual performance review by the department; replaces "Auditor General" with the "Office of Program Policy Analysis and Government Accountability" (OPPAGA); modifies the OPPAGA's audit evaluation of the INVEST program; requires OPPAGA to critique the Innovative Neighborhood Vitality and Economies Program; requires OPPAGA to include an analysis of the contributions made by CBDOs that have received INVEST funding; changes the reporting date to the Legislature from pre-session 1998 to pre-session 2007; and re-enacts this section.

**Section 12 -- Creates s. 290.055,** establishes the "Rebuilding Urban Neighborhoods Initiative"; provides a purpose for the program; provides that the department will provide planning grants and technical assistance to communities seeking to revitalize their distressed areas; outlines the role of the department in the initiative program; requires the department to submit an annual report to the Committees on Community Affairs in the House of Representatives and the Senate regarding its activities under the initiative program.

**Section 13 -- Repeals s. 290.034, F.S.,** deletes the requirement that the Legislature must fund the INVEST program annually.

**Sections 14, 15, and 16 -- Amends ss. 189.427, 252.82, and 943.25, F.S.,** deletes reference to s. 290.034, F. S.

**Section 17 --** Provides that this act shall take effect October 1 of the year in which enacted.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

<u>Revenue</u>	<u>1998-99</u>	<u>1999-00</u>
Department of Community Affairs Operating Trust Fund	-0-	-0-

<u>Expenditures</u>		
Department of Community Affairs Operating Capital Outlay Staff Expenses Operating Trust Fund	\$ 29,065	-0-

2. Recurring Effects:

<u>Revenue</u>		
Department of Community Affairs Operating Trust Fund	-0-	-0-

<u>Expenditures</u>		
Salaries and Benefits (6 FTE's) Staff Expenses (including travel) Operating Trust Fund	\$316,377	\$316,377

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

<u>Revenues</u>		
Department of Community Affairs Operating Trust Fund	-0-	-0-

<u>Expenditures</u>		
Department of Community Affairs Operating Trust Fund	\$345,442	\$316,377

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

According to the Department of Community Affairs, lower interest rates offered by INVEST (three percent) passes on to the buyer. Also, community development corporations traditionally have lower profit margins than for-profit businesses, and should pass on the savings to their customers.

3. Effects on Competition, Private Enterprise and Employment Markets:

The Department of Community Affairs (department) states that implementation of INVEST increases the availability of the affordable housing stock which could increase competition and lower prices on homes.

D. FISCAL COMMENTS:

The proposed additional positions are two planner IV's. According to the Department of Community Affairs, it needs an additional two FTEs to its current staff of four FTEs to implement the provisions of the bill as introduced. The above fiscal impact statement reflects current and proposed FTEs.

Originally, according to the Department of Community Affairs the Community Development Corporation Support and Assistance program is currently staffed by three FTEs, an administrative assistant, planner IV, and a planning manager. However, the Office of Program Policy Analysis and Government Accountability (OPPAGA) observed that the department actually has four FTEs in the current Community Development Corporations Support and Assistance program.

In response, the department agreed with OPPAGA and indicated that the fourth position referenced by OPPAGA is a community program administrator. In its original fiscal impact statement, the department inadvertently omitted the administrator's position because the position spends only a fifth of its time performing duties for the current CDC program. However, 90 percent of the salary for the administrator's position comes from CDC program funds.

The addition of the fourth FTE increases the original total expenditures of the department from: a) \$275,780, in the first year, to \$345,442; and b) from \$251,640, in the second year, to \$316,377 to implement the INVEST program.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require cities and counties to spend money or take action that requires expenditures of money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce revenue raising authority.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the state tax shared with cities and counties

V. COMMENTS:

According to the Department of Community Affairs (department), the Affordable Housing Study Commission supports INVEST. The Florida Federation of Community Development Corporations voiced some concerns, but has not indicated its position on the program. The Florida Housing Finance Corporation has not responded regarding its position on the bill.

The DCA prefers a straightforward re-authorization of the Community Development Corporation Support and Assistant program. The department believes that community development corporations are central players in the process of distressed area community redevelopment. They are not only leveraging a variety (federal, state, local, foundation, banking, etc.) of funding sources, but also generating a substantial amount of physical improvements in their distressed areas. According to the department, community development corporations are "making community redevelopment happen, which is what the original legislation intended." However, the department is not opposed to the INVEST concept along with its recommended changes to the bill.

The South Florida Housing and Community Development Coalition supports the bill. It states that community-based development corporations serve a unique purpose in that they work in neighborhoods where the for-profit developers will not go without incentives.

The Lee County Employment & Economic Development Corporation, South Florida Housing and Community Development Coalition, and the Florida Federation of Community Development Corporations submitted statements generally urging continued support of community development corporations. The statements are attached to this bill statement.

**VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

At the March 30, 1998, meeting of the House Committee on Community Affairs, the sponsor offered a "strike everything" amendment removing some of the concerns of the Department of Community Affairs. The amendment provides more emphasis on the economic development needs of distressed areas, promotes a "holistic" approach to address community development concerns, and makes technical changes to the bill. The amendment also establishes a three-tiered funding plan for INVEST from the Operation Trust Fund. The plan is designed to ensure equitable geographic distribution of the funding throughout the state.

Also, the committee adopted three amendments to the "strike everything" amendment. Subsequently, the committee agreed to incorporate the "strike everything" amendment and the three amendments into the "strike everything" amendment as a committee substitute for HB 3111.

Together, the three amendments to the "strike everything" amendment effectively repeal an unconstitutional provision requiring the Legislature to fund the INVEST program each year and provides that all levels of CBDOs are eligible for funding.

On April 21, 1998 the Transportation and Economic Development Appropriations Committee adopted two amendments. Amendment No. 1 - requires that the amount of core administrative grants issued by DCA for mature community-based development organizations be no more than \$25,000. Amendment No. 2 - provides that mature community-based development organizations are eligible to apply for core administrative grants.

**VII. SIGNATURES:**

**COMMITTEE ON COMMUNITY AFFAIRS:**

Prepared by:

Legislative Research Director:

Nayola R. Frazier

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**AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS:**

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