

By Representative Bradley

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.; providing definitions; amending
15 s. 290.034, F.S.; revising language with
16 respect to funding; amending s. 290.035, F.S.;
17 revising language with respect to eligibility
18 for assistance; amending s. 290.036, F.S.;
19 providing for the community-based development
20 organization support program; providing for
21 administrative grants and procedures; providing
22 for incentive awards; amending s. 290.0365,
23 F.S.; providing for a community-based
24 development training and technical assistance
25 program; amending s. 290.037, F.S.; revising
26 language with respect to the community
27 development deferred payment loan program;
28 amending s. 290.038, F.S.; revising language
29 with respect to the authority and duties of the
30 Department of Community Affairs; amending s.
31 290.039, F.S.; revising language with respect

1 to reporting requirements; amending s.
2 290.0395, F.S.; providing for program
3 performance review and evaluation; providing an
4 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14 shall stand repealed on June 30, 2007 ~~1998~~.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.

4 (11) This section shall stand repealed on June 30,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

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

8 290.032 Policy and purpose.--It is the policy of this
9 state to provide the necessary means to preserve and improve
10 the health and vitality of its established communities by
11 enabling them to restore and expand their affordable housing,
12 commercial, and industrial base and to reverse the
13 deterioration of their residential and public-facility assets.
14 The purpose of this act is to assist community development
15 corporations and community housing development organizations
16 in undertaking projects, in concert with state and local
17 government and private enterprise, designed to create and
18 maintain a sound industrial base, to revitalize the health of
19 established commercial areas, to promote and retain employment
20 opportunities, to preserve and rehabilitate existing
21 residential neighborhoods, and to provide safe, decent,
22 affordable housing for residents of these areas. The
23 Legislature, therefore, declares that the development,
24 redevelopment, preservation, restoration, and revitalization
25 of such communities and all the purposes of this act are
26 public purposes for which public money may be used. This
27 section shall stand repealed on June 30, 2007 ~~1998~~.

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

30 290.033 Definitions.--As used in this act, the term:
31

- 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 either a
5 community development corporation or a community housing
6 development organization and 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 area residents, area business owners, and
11 persons employed in the service area, and meet the state's
12 definition of a community development corporation or the
13 United States Department of Housing and Urban Development's
14 definition of a community housing development organization,
15 and demonstrate an ability to undertake affordable housing,
16 business assistance, or commercial developments, and which may
17 also be known as a "CBDO."
- 18 ~~(3)~~(2) "Community development corporation" means a
19 community-based organization which facilitates or financially
20 supports affordable housing development, and job-generating
21 and revenue-generating business for the purpose of community
22 and economic development, based in a specific geographic area
23 or multicounty jurisdiction, controlled by a mix of residents,
24 area business owners, and persons employed in the
25 neighborhood, and committed to enhancing community well-being,
26 and which may also be known as a "CDC."
- 27 ~~(4)~~(3) "Fund" means the Operating Community
28 Development Support and Assistance Trust Fund.
- 29 (5) "Neighborhood comprehensive revitalization
30 strategy" means a long-term strategic plan that describes an
31 organization's mission, strategies to maintain community

1 involvement and to demonstrate accountability to the service
2 area residents, sources of anticipated revenue, and a
3 needs-based plan to redevelop residential and commercial
4 properties and revitalize area businesses to the benefit of
5 area residents.

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

12 ~~(7)(5)~~ "Secretary" means the Secretary of Community
13 Affairs.

14 ~~(8)(6)~~ "Service area" or "target area" means the
15 entire area in which a community-based ~~community~~ development
16 organization ~~corporation~~ operates and in which community
17 development grant and loan funds are to be spent.

18 ~~(9)(7)~~ "Permanent job" means a full-time position, the
19 duration of which exceeds 12 months and which consists of an
20 average of at least 30 hours per week of employment.

21 ~~(10)(8)~~ "Temporary job" means a full-time or part-time
22 position, the duration of which exceeds 45 days, which
23 consists of an average of at least 15 hours per week of
24 employment, and which is not a permanent job.

25 ~~(11)(9)~~ This section shall stand repealed on June 30,
26 2007 ~~1998~~.

27 Section 5. Section 290.034, Florida Statutes, is
28 amended to read:

29 290.034 Operating Trust Fund; priority of use.--

30 (1) The Legislature shall annually provide funding in
31 the General Appropriations Act for the Invest in Neighborhood

1 Vitality and Economies Program Community Development
2 ~~Corporation Support and Assistance Program~~. The funds
3 appropriated for the program shall be deposited in the State
4 Treasury in a fund established and designated as the Operating
5 Trust Fund, which shall be administered by the department.
6 The appropriation for the program shall be apportioned by the
7 Legislature among ~~between~~ loans, incentives, and
8 administrative grants to community-based ~~community~~ development
9 organizations and technical assistance contracts with
10 nonprofit private organizations ~~corporations~~. All funds
11 deposited in the trust fund and not needed for immediate
12 disbursement shall be invested pursuant to s. 18.125 and the
13 interest earned shall be deposited in the trust fund. The
14 administrative costs of the program shall be annually set in
15 the General Appropriations Act and shall be funded from the
16 trust fund.

17 (2) The department shall give priority for loans and
18 administrative grants to those community-based ~~community~~
19 development organizations ~~corporations~~ the service areas of
20 which include a state an enterprise zone as designated on or
21 after July 1, 1995, in accordance with s. 290.0065 or a
22 federal empowerment zone and enterprise community designated
23 ~~pursuant to s. 290.0065.~~

24 (3) This section shall stand repealed on June 30, 2007
25 ~~1998~~.

26 Section 6. Section 290.035, Florida Statutes, is
27 amended to read:

28 290.035 Eligibility for assistance.--Community-based
29 ~~community~~ development organizations ~~corporations~~ meeting the
30 following requirements shall be eligible for assistance:
31

1 (1) The community-based ~~community~~ development
2 organization ~~corporation~~ must be a nonprofit corporation under
3 state law or a local development company established under
4 state law and certified to be eligible to participate in the
5 Small Business Administration Loan Program under s. 502 of the
6 Small Business Investment Act of 1958, as amended, and must
7 meet the following further requirements:

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

10 (b) A majority of its board members must be elected by
11 those members of the corporation who are comprised of a mix of
12 service area residents, area business owners, and area
13 employees.

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

17 (d) Elections must be adequately publicized within the
18 service areas ~~area~~, and ample opportunity must be provided for
19 full participation.

20 (e) At least one of the board members shall be
21 appointed by the Governor.

22 (2) The community-based ~~community~~ development
23 organization ~~corporation~~ shall maintain a service area in
24 which economic development projects are located which meets
25 one or more of the following criteria:

26 (a) The area has been designated pursuant to s.
27 163.355 as a slum area or a blighted area as defined in s.
28 163.340(7) or (8) or is located completely within the
29 boundaries of a slum or blighted area.

30 (b) The area is a community development block grant
31 program area in which community development block grant funds

1 are currently being spent or have been spent during the last 3
2 years as certified by the local government in which the
3 service area is located.

4 (c) The area is a neighborhood housing service
5 district.

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

9 (e) The area is contained in federal empowerment zones
10 and enterprise communities.

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

13 Section 7. Section 290.036, Florida Statutes, is
14 amended to read:

15 290.036 Community-based ~~Community~~ development
16 organization ~~corporation~~ support program; administrative
17 grants and procedures; incentive awards.--

18 (1) The secretary is authorized to award
19 administrative grants, within the limits of specific
20 appropriations, to organizations established for less than 5
21 years and with no more than two completed real estate or
22 business development projects and an operating budget of less
23 than \$75,000 a year. Administrative grants shall be used to
24 eligible applicants for staff salaries and administrative
25 expenses for eligible agencies selected through a competitive
26 process. Persons, equipment, supplies, and other resources
27 funded in whole or in part by grant funds shall then be
28 utilized to further the purposes of this act. Eligible
29 activities include, but are not limited to:

30 (a) Preparing grant and loan applications, proposals,
31 fundraising letters, and other documents essential to securing

1 additional administrative or venture funds to further the
2 purposes of this act.

3 (b) Monitoring and administering grants and loans,
4 providing technical assistance to businesses, and any other
5 administrative tasks essential to maintaining funding
6 eligibility or meeting contractual obligations.

7 (c) Developing local programs to encourage the
8 participation of financial institutions, insurance companies,
9 attorneys, architects, engineers, planners, law enforcement
10 officers, developers, and other professional firms and
11 individuals providing services beneficial to redevelopment
12 efforts.

13 (d) Providing management, technical, accounting, and
14 financial assistance and information to businesses and
15 entrepreneurs interested in locating, expanding, or operating
16 in the service area.

17 (e) Coordinating with state, federal, and local
18 governments and other nonprofit organizations to ensure that
19 activities meet local plans and ordinances and to avoid
20 duplication of tasks.

21 (f) Preparing plans or performing research to identify
22 critical needs within the service area and developing
23 approaches to address those needs.

24 (g) Assisting service area residents in identifying
25 and determining eligibility for state, federal, and local
26 housing programs including rehabilitation, weatherization,
27 home ownership, rental assistance, or public housing programs.

28 (h) Developing, owning, and managing housing designed
29 for low-income and moderate-income persons or industrial parks
30 providing jobs to low-income and moderate-income persons.

31

1 (i) Preparing the neighborhood comprehensive
2 revitalization strategy with estimates of service area impact
3 as a result of job-generating or revenue-generating
4 businesses, or enterprise assistance, or units of commercial,
5 industrial, or affordable housing developments.

6 (2) A community-based ~~community~~ development
7 organization ~~corporation~~ applying for an administrative grant
8 pursuant to this section must submit a proposal to the
9 department which includes:

10 (a) A map and narrative description of the service
11 areas ~~area~~ for the community-based ~~community~~ development
12 organization ~~corporation~~;

13 (b) A copy of the documents creating the
14 community-based ~~community~~ development organization
15 ~~corporation~~;

16 (c) A listing of the membership of the board,
17 including individual terms of office;

18 (d) An annual plan or, in the case of a multiyear
19 proposal, a 2-year plan that describes ~~The proposed 3-year~~
20 ~~plan for~~ expenditure of the funds, including goals,
21 objectives, and expected results, and which has a clear
22 relationship to the agency's neighborhood comprehensive
23 revitalization strategy; and

24 (e) Other supporting information which may be required
25 by the department ~~secretary~~.

26 (3) The amount of any administrative grant to a
27 community-based ~~community~~ development organization ~~corporation~~
28 in any one year shall be \$50,000 ~~any amount up to \$100,000~~.
29 The department may fund as many community-based ~~up to 18~~
30 ~~community~~ development organizations ~~corporations~~ each year as
31 is permitted based on the level of funds provided for in the

1 General Appropriations Act. ~~The department shall develop a~~
2 ~~diminishing scale of funding each year based on the annual~~
3 ~~appropriation to ensure compliance with this section and s.~~
4 ~~290.0365.~~

5 (4) The department may provide grants on a multiyear
6 basis, provided that:

7 (a) Such grants shall not exceed 3 years.

8 (b) Community-based ~~community~~ development
9 organizations ~~corporations~~ designated to receive multiyear
10 grants provide a detailed plan of activities to be
11 accomplished during each year of the grant period.

12 (c) All contracts containing multiyear commitments
13 contain the following statement: "The State of Florida's
14 obligation to pay under this contract is contingent upon an
15 annual appropriation by the Legislature."

16 (5) A community-based ~~community~~ development
17 organization ~~corporation~~ that receives an administrative grant
18 shall submit to the department an annual year-end audit
19 performed by an independent certified public accountant.

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

23 (a) The relative degree of distress of the service
24 areas ~~area~~ of the community-based ~~community~~ development
25 organization ~~corporation~~.

26 (b) The demonstrable capacity of the community-based
27 ~~community~~ development organization ~~corporation~~ to improve the
28 economic health of the service area and carry out the
29 activities contained in the annual or 2-year ~~3-year~~ plan.

30
31

1 (c) The degree to which the community-based ~~community~~
2 development organization ~~corporation~~ would provide assistance
3 to low-income persons.

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

10 ~~(e) The extent to which the community development~~
11 ~~corporation utilizes the loan program authorized by s.~~
12 ~~290.037.~~

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

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

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

1 requirements of ss. 290.035, 290.037, 290.038, and 290.039, as
2 determined by the secretary.

3 (8) Community-based development organizations which
4 have been established for 5 years or longer and have
5 experience in real estate or business development may submit
6 multiple project proposals and may receive incentive awards in
7 no more than two out of the three categories of: business
8 assistance, commercial, and affordable housing development.
9 The maximum amount of incentive awards to any one
10 community-based development organization shall not exceed
11 \$100,000 in any given year.

12 (9) The amount of an individual incentive award for a
13 business assistance, commercial, or affordable housing
14 development shall not exceed \$50,000 for an approved project
15 in any given year.

16 (10) Multiyear projects may be funded in one incentive
17 award area. For the duration of the project, which shall not
18 exceed 3 years in duration, the agency is not eligible to
19 apply for other incentive awards. The maximum amount of a
20 multiyear incentive award is \$100,000 in funding.

21 (11) Community-based development organizations that
22 are receiving second-year and third-year administrative grants
23 are eligible to receive one incentive award for an acceptable
24 project proposal under any of the three categories. The
25 project shall not exceed 2 years in duration.

26 (12) A community-based development organization
27 applying for incentive awards pursuant to this section must
28 submit a proposal to the department which includes:

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

31

1 (b) A copy of the documents creating the
2 community-based development organization.

3 (c) A listing of the membership of the board,
4 including individual terms of office.

5 (d) A copy of the community-based development
6 organization's neighborhood comprehensive revitalization
7 strategy.

8 (e) A description of the location, financing plan, and
9 potential impact of the business enterprise or residential,
10 commercial, or industrial development which shows a clear
11 relationship to the organization's neighborhood comprehensive
12 revitalization strategy and demonstrates how the proposed
13 expenditures are directly related to the project.

14 (13) In evaluating proposals pursuant to this section,
15 the department shall develop and consider scoring criteria,
16 including, but not limited to, the following:

17 (a) The reasonableness of project goals and production
18 schedules.

19 (b) Prior experience and performance of the applicant
20 in the production of similar housing, commercial, or business
21 developments.

22 (c) The extent of financial leveraging with private
23 and public funding.

24 (d) The demonstrable capacity of the community-based
25 development organization to improve the economic health of the
26 target area as seen by the reasonableness of its comprehensive
27 neighborhood revitalization strategy and the impact of the
28 proposed project.

29 (e) The degree to which the project will benefit
30 very-low-income and low-income persons.

31

1 (f) The location of the target area of the
2 community-based development organization in whole or in part
3 in a state enterprise zone designated on or after July 1,
4 1995, in accordance with s. 290.0065 or a federal empowerment
5 zone or enterprise community.

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

8 ~~(14)(7)~~ This section shall stand repealed on June 30,
9 ~~2007~~ ~~1998~~.

10 Section 8. Section 290.0365, Florida Statutes, is
11 amended to read:

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

14 290.0365 Community-based development training and
15 technical assistance program.--

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

19 (a) Significant declines in resources make it
20 difficult for community development corporations and other
21 nonprofit organizations to generate sufficient revenues from
22 business enterprises or real estate ventures in low-income
23 neighborhoods to fund the predevelopment costs, technical
24 assistance, and other administrative expenses needed to foster
25 new developments.

26 (b) The financing and planning of large-scale
27 developments is becoming increasingly complex and
28 community-based nonprofit organizations, even those with
29 considerable experience, often lack the expertise to structure
30 project financing, partnerships, and joint ventures to
31

1 accelerate and expand development activities in distressed
2 communities.

3 (c) Local governments and private lenders are
4 demonstrating a willingness to provide risk capital and
5 project financing, but they are seldom able to provide
6 technical support and training to the staff of community-based
7 development organizations.

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

19 (3) TRAINING AND TECHNICAL ASSISTANCE PROGRAM.--The
20 Department of Community Affairs shall be responsible for
21 securing the necessary expertise, which may include
22 subcontracts with nonprofit organizations, to provide training
23 and technical support to the staff and board of
24 community-based development organizations, as appropriate, and
25 to persons forming such organizations, which are formed for
26 the purpose of redeveloping commercial and residential areas
27 and revitalizing businesses within distressed neighborhoods
28 for the benefit of very-low-income, low-income, and
29 moderate-income residents.

30 (a) The training component of the program shall assist
31 organizations receiving administrative grants through a

1 developmental curriculum to build board and staff capacities
2 to implement or manage affordable housing, commercial, or
3 business enterprises. Training will include, but not be
4 limited to: resource development, project management, real
5 estate financing, business or venture plan development,
6 strategic planning for community economic development, and
7 community leadership and participation.

8 (b) The technical assistance provider shall conduct
9 onsite assessments, involving the board and staff, to prepare
10 a technical assistance plan for new and emerging
11 organizations. The scope and nature of the training will
12 complement the annual performance objectives of the
13 organizations from the development of a neighborhood
14 comprehensive revitalization strategy in the first year
15 through to the execution of an affordable housing, commercial,
16 or business development plan by the third year.

17 (c) Technical support shall be provided to
18 community-based development organizations receiving incentive
19 awards, as appropriate, in methods of financing and
20 structuring housing or business development projects. This
21 will be in the form of one-on-one technical assistance secured
22 by either the department or by the community-based development
23 organization.

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

27 (e) The department may permit other community-based
28 development organizations to participate in the training based
29 on the availability of classes, funding, and the priority of
30 need.

31

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

3 Section 9. Section 290.037, Florida Statutes, is
4 amended to read:

5 290.037 Community development deferred payment loan
6 program.--

7 (1) The secretary is authorized to make loans, within
8 the limits of specific appropriations, to eligible applicants
9 for the following purposes:

10 (a) Establishment of a new business venture;

11 (b) Financial assistance to an existing business
12 venture located within the community-based ~~community~~
13 development organization ~~corporation~~ service area; and

14 (c) New construction or substantial rehabilitation of
15 housing to be utilized by low-income families and individuals.

16 (2) A community-based ~~community~~ development
17 organization ~~corporation~~ applying for a loan pursuant to this
18 section must submit the information required by s. 290.036(2).

19 (3) In no case shall loans to one community-based
20 ~~community~~ development organization ~~corporation~~ exceed 40
21 percent of the total annual appropriation for loans during any
22 given year.

23 (4) A community-based ~~community~~ development
24 organization ~~corporation~~ that receives a loan shall submit to
25 the department an annual audit performed by an independent
26 certified public accountant; however, this subsection shall
27 not be construed to require the submittal of more than one
28 audit by an individual community-based ~~community~~ development
29 organization ~~corporation~~ submitting pursuant to s. 290.036.

30 (5) In evaluating proposals pursuant to this section,
31 the secretary shall consider:

- 1 (a) The economic feasibility of the project and the
2 capacity of the venture to repay the loan;
- 3 (b) The relative degree of distress of the target
4 area;
- 5 (c) The ratio of private and nonstate public money
6 committed to a project to the amount of state money to be
7 committed;
- 8 (d) The demonstrated inability of the borrower to
9 secure funding from conventional sources at the terms offered
10 by the community-based ~~community~~ development organization
11 corporation;
- 12 (e) The number of temporary and permanent jobs
13 generated by the project;
- 14 (f) The overall net positive impact of the project
15 long term on local economic and social conditions;
- 16 (g) The degree to which the project directly benefits
17 or provides assistance to very-low-income, low-income, or
18 job-displaced individuals; and
- 19 (h) The demonstrable capacity of the community-based
20 community development organization and technical assistance
21 providers ~~corporation~~ to see that the project is successfully
22 carried out and managed.
- 23 (6) Loans permitted under this section for affordable
24 housing may be used for the purpose of providing first,
25 second, or other subordinated mortgage loans or loan
26 guarantees in the construction of single-family home ownership
27 or multifamily rental units affordable to very-low-income and
28 low-income persons in the target area.
- 29 (a) Conditions of funding for multifamily units shall
30 conform with provisions of the State Apartment Incentive Loan
31 Program pursuant to s. 420.5087(2), (4), (5), and (8). Up to

1 25 percent of the total project cost of rehabilitating or
2 constructing a multifamily rental unit, not to exceed \$250,000
3 per applicant, may fund predevelopment costs for a secured
4 site, if the project is uncompetitive for funding under the
5 Housing Predevelopment Fund pursuant to s. 420.525.

6 (b) Loan terms for homeownership construction or
7 rehabilitation shall be no more than 5 years unless federal
8 low-income tax credits are used to assist the project. The
9 department may set the loan term commensurate with the
10 investment requirements associated with tax credit
11 syndication.

12 (7)(6) All loans to a community-based the community
13 development organization corporation shall be at interest
14 rates not to exceed 3 percent interest free and shall be
15 repaid within 15 years or on a basis approved by the
16 secretary, except as provided in subsection(8)(7).

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

1 ~~extended to a business venture by a community development~~
2 ~~corporation.~~

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

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

8 290.038 Authority and duties of the department.--

9 (2) The department may:

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

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

18 Section 11. Section 290.039, Florida Statutes, is
19 amended to read:

20 (Substantial rewording of section. See

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

22 290.039 Reporting requirements.--

23 (1) Community-based development organizations which
24 receive administrative funds under the Community Development
25 Support and Assistance Program shall provide the following
26 information to the department annually:

27 (a) A listing of business firms and individuals
28 assisted by the community-based development organization
29 during the reporting period.

30 (b) A listing of the type, source, purpose, and amount
31 of each individual grant, loan, or donation received by the

1 community-based development organization during the reporting
2 period.

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

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

7 (e) An identification and explanation of changes to
8 the target area boundaries.

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

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

16 (2) Community-based development organizations which
17 receive incentive awards shall provide the following general
18 information to the department annually:

19 (a) A listing of salaries and administrative expenses
20 of the community-based development organization on approved
21 projects that receive incentive funding.

22 (b) An identification and explanation of changes to
23 the target area boundaries.

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

27 (3) Community-based development organizations which
28 receive incentive awards or a combination of administrative
29 and incentive funds shall provide the following information on
30 applicable projects to the department annually:

31

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

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

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

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

15 (e) An identification and explanation of changes to
16 the service area boundaries.

17 (f) Such other information as the department may
18 require.

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

25 (5) This section shall stand repealed on June 30,
26 2007.

27 Section 12. Section 290.0395, Florida Statutes, is
28 amended to read:

29 290.0395 Program performance review and evaluation ~~and~~
30 ~~review.~~--

31

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

13 (2)~~(1)~~ Prior to the 2007 ~~1998~~ Regular Session of the
14 Legislature, the Office of Program Policy Analysis and
15 Government Accountability Auditor General shall perform an a
16 ~~review and~~ evaluation of ss. 290.0301-290.039, using the
17 reporting data specified in s. 290.039 and any other data
18 identified by the department and the Office of Program Policy
19 Analysis and Government Accountability Auditor General as
20 crucial to the evaluation of this program. The report shall
21 critique the Innovative Neighborhood Vitality and Economies
22 Program Community Development Corporation Support and
23 Assistance Program and shall include an analysis of the
24 contributions made by community-based development
25 organizations that have received funds under the Invest in
26 Neighborhood Vitality and Economies Program to providing
27 affordable housing and improving residential structures in
28 community-based development organization service areas; and
29 any other related outcomes of activities of these
30 community-based development organizations. The analysis shall
31 attempt to identify the contribution of the Invest in

1 Neighborhood Vitality and Economies Program to the support and
2 productivity of funded community-based development
3 organizations ~~physical impact of the program on residential~~
4 ~~and commercial structures in the community development~~
5 ~~corporation service areas, an analysis of changes in state and~~
6 ~~local revenues, and an analysis of the impact of the program~~
7 ~~on business activity. The analysis shall attempt to~~
8 ~~investigate the significance of the relationship between~~
9 ~~administrative funding and the economic health of the~~
10 ~~community development corporation service areas. The report~~
11 ~~shall attempt to demonstrate changes in productivity based on~~
12 ~~fluctuations in funding levels. The report shall note extreme~~
13 ~~circumstances which may affect the results of the evaluation.~~

14 (3)(2) A report of the findings and recommendations of
15 the Office of Program Policy Analysis and Government
16 Accountability Auditor General shall be submitted to the
17 President of the Senate and the Speaker of the House of
18 Representatives prior to the 2007 ~~1998~~ Regular Session.

19 (4)(3) This section shall stand repealed on June 30,
20 2007 ~~1998~~.

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

23
24 *****

25 HOUSE SUMMARY

26
27 Changes the title of the "Community Development
28 Corporation Support and Assistance Program Act" to the
29 "Invest in Neighborhood Vitality and Economies Act."
30 Revises the act generally to refer to community-based
31 development organizations which are defined as a
community-based nonprofit organization that is either a
community development corporation or a community housing
development organization and is committed to or engaged
in developing or managing real estate or business
enterprises in economically distressed neighborhoods.
See bill for details.