

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. 290.035, F.S.; revising language 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          language with respect to the authority and  
28          duties of the Department of Community Affairs;  
29          amending s. 290.039, F.S.; revising language  
30          with respect to reporting requirements;  
31          amending s. 290.0395, F.S.; providing for

1 program performance review and evaluation;  
2 creating s. 290.055, F.S.; creating the  
3 Rebuilding Urban Neighborhoods Initiative;  
4 repealing s. 290.034, F.S., relating to funding  
5 and use of the Operating Trust Fund; amending  
6 ss. 189.427, 252.82, and 943.25 to conform to  
7 this act; creating s. 420.0007, F.S.;  
8 providing an exemption from property taxation  
9 for charitable non-profit low income housing  
10 properties; amending s. 290.0065, F.S.;  
11 providing for amendment of the boundaries of an  
12 enterprise zone designated pursuant to s.  
13 290.0065(5)(b), F.S., upon application by the  
14 county to the Office of Tourism, Trade, and  
15 Economic Development; providing for effective  
16 dates.

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

19  
20 Section 1. Section 290.0301, Florida Statutes, is  
21 amended to read:

22 290.0301 Short title.--Sections 290.0311 through  
23 290.0395 shall be known and may be cited as the "Invest in  
24 Neighborhood Vitality and Economies Act ~~Community Development~~  
25 ~~Corporation Support and Assistance Program Act.~~" This section  
26 shall stand repealed on June 30, 2007 ~~1998~~.

27 Section 2. Subsections (5), (10), and (11) of section  
28 290.0311, Florida Statutes, are amended to read:

29 290.0311 Legislative findings.--The Legislature finds  
30 that:

31

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

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

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

21           Section 3. Section 290.032, Florida Statutes, is  
22 amended to read:

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

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

- 1           (1) Bottom-up, community-focused approach.  
2           (2) Enables and supports the effort of the  
3 neighborhoods to make improvements.  
4           (3) Requires a holistic focus on the neighborhood to  
5 address all needs in coordinated fashion, including:  
6           (a) Need for community-based leadership.  
7           (b) Empower neighborhood governance of the process.  
8           (c) Human service delivery.  
9           (d) Public infrastructure.  
10          (e) Housing and safety.  
11          (f) Economic development.  
12          (4) Mandates neighborhood collaboration of all  
13 partners.  
14          (5) Empowers residents to make decisions on  
15 improvements.  
16          (6) Builds consensus for a shared vision for the  
17 future of the neighborhood.  
18          (7) Sets definitive performance goals to achieve  
19 specific outcomes for the neighborhood.  
20  
21 The purpose of this act is to assist community-based  
22 development organizations in undertaking projects, in concert  
23 with state and local government and private enterprise,  
24 designed to create and maintain a sound industrial base, to  
25 revitalize the health of established commercial areas, to  
26 promote and retain employment opportunities, to preserve and  
27 rehabilitate existing residential neighborhoods, and to  
28 provide safe, decent, affordable housing for residents of  
29 these areas. The Legislature, therefore, declares that the  
30 development, redevelopment, preservation, restoration, and  
31 revitalization of such communities and all the purposes of

1 this act are public purposes for which public moneys may be  
2 used. This section shall stand repealed on June 30, 2007.

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

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

7 290.033 Definitions.--As used in this act, the term:

8 (1) "Department" means the Department of Community  
9 Affairs.

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

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

22 (4) "Neighborhood comprehensive revitalization plan"  
23 means a long-term holistic, integrated, and collaborative  
24 strategic plan for the improvement of a defined service area  
25 or neighborhood that was prepared by and approved by a  
26 collaborative partnership of residents, community-based  
27 organizations, local government representatives, churches,  
28 schools, businesses, and other community stakeholders that  
29 sets forth the shared vision for the service area and  
30 identifies specific, measurable outcomes. This comprehensive,  
31 holistic plan shall address the wide array of interrelated

1 needs including, but not limited to, human services, jobs and  
2 economic development, housing, safety, public infrastructure,  
3 health care, education, community organization, neighborhood  
4 governance, and social organizations. The plan must describe  
5 an organization's mission; include strategies to maintain  
6 community involvement; demonstrate innovation, efficiency, and  
7 accountability to the benefit of the service area  
8 stakeholders; and identify sources of anticipated revenue.

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

14 (6) "Secretary" means the Secretary of Community  
15 Affairs.

16 (7) "Service area" or "target area" means the entire  
17 area in which a community-based development organization  
18 operates and in which community development grant and loan  
19 funds are to be spent.

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

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

27 (10) This section shall stand repealed on June 30,  
28 2007.

29 Section 5. Section 290.035, Florida Statutes, is  
30 amended to read:

31

1           290.035 Eligibility for assistance.--Community-based  
2 ~~community~~ development organizations ~~corporations~~ meeting the  
3 following requirements shall be eligible for assistance:

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

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

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

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

20           ~~(d) Elections must be adequately publicized within the~~  
21 ~~service area, and ample opportunity must be provided for full~~  
22 ~~participation.~~

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

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

29           (a) The area has been designated pursuant to s.  
30 163.355 as a slum area or a blighted area as defined in s.

31

1 163.340(7) or (8) or is located completely within the  
2 boundaries of a slum or blighted area.

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

8 (c) The area is a neighborhood housing service  
9 district.

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

13 (e) The area is contained in federal empowerment zones  
14 and enterprise communities.

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

17 Section 6. Section 290.036, Florida Statutes, is  
18 amended to read:

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

21 290.036 Community-based development organization  
22 support program; administrative grants and procedures.--

23 (1) The department is authorized to award core and  
24 project administrative grants and project implementation  
25 loans. Administrative grants shall be used for staff salaries  
26 and administrative expenses for eligible community-based  
27 development organizations selected through a competitive  
28 three-tiered process. The department shall develop a set of  
29 criteria for three-tiered funding that shall ensure equitable  
30 geographic distribution of the funding throughout the state.  
31 This three-tiered plan shall include emerging, intermediate,



1 and mature community-based development organizations  
2 recognizing the varying needs of the three tiers. Funding  
3 shall be provided for core administrative grants for all  
4 levels of community-based development organizations. Priority  
5 shall be given to those organizations that demonstrate  
6 community-based high performance. Project administrative  
7 grants tied to project implementation loans shall be available  
8 to all levels of community-based development organizations  
9 depending upon their capacity. Extensive training and  
10 technical assistance shall be available to all community-based  
11 development organizations. Persons, equipment, supplies, and  
12 other resources funded in whole or in part by grant funds  
13 shall then be utilized to further the purposes of this act.  
14 Eligible activities include, but are not limited to:

15 (a) Preparing grant and loan applications, proposals,  
16 fundraising letters, and other documents essential to securing  
17 additional administrative or project funds to further the  
18 purposes of this act.

19 (b) Monitoring and administrating grants and loans,  
20 providing technical assistance to businesses, and any other  
21 administrative tasks essential to maintaining funding  
22 eligibility or meeting contractual obligations.

23 (c) Developing local programs to encourage the  
24 participation of financial institutions, insurance companies,  
25 attorneys, architects, engineers, planners, law enforcement  
26 officers, developers, and other professional firms and  
27 individuals providing services beneficial to redevelopment  
28 efforts.

29 (d) Providing management, technical, accounting, and  
30 financial assistance and information to businesses and  
31

1 entrepreneurs interested in locating, expanding, or operating  
2 in the service area.

3 (e) Coordinating with state, federal, and local  
4 governments and other nonprofit organizations to ensure that  
5 activities meet local plans and ordinances and to avoid  
6 duplication of tasks.

7 (f) Preparing plans or performing research to identify  
8 critical needs within the service area and developing  
9 approaches to address those needs.

10 (g) Assisting service area residents in identifying  
11 and determining eligibility for state, federal, and local  
12 housing programs including rehabilitation, weatherization,  
13 homeownership, rental assistance, or public housing programs.

14 (h) Developing, owning, and managing housing designed  
15 for very-low-income persons, low-income persons, or WAGES  
16 recipients; or developing, owning, and managing industrial  
17 parks providing jobs to very-low-income persons, low-income  
18 persons, or WAGES recipients.

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

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

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

30 (b) A copy of the documents creating the  
31 community-based development organization.

1           (c) A listing of the membership of the board,  
2 including individual terms of office.

3           (d) An annual plan that describes the expenditure of  
4 the funds, including goals, objectives, and expected results,  
5 and which has a clear relationship to the agency's  
6 neighborhood comprehensive revitalization strategy.

7           (e) Other supporting information which may be required  
8 by the department.

9           (3) The amount of any core administrative grant to an  
10 emerging community-based development organization in any 1  
11 year shall be no more than \$50,000. The amount of any core  
12 administrative grant to an intermediate community-based  
13 development organization shall be no more than \$45,000. The  
14 amount of core administrative grant to a mature  
15 community-based development organization shall be no more than  
16 \$40,000. The department may fund as many community-based  
17 development organizations each year as is permitted based on  
18 the level of funds provided for in the General Appropriations  
19 Act.

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

24           (5) A community-based development organization that  
25 receives funding hereunder shall submit to the department an  
26 annual year-end audit performed by an independent certified  
27 public accountant.

28           (6) In evaluating proposals pursuant to this section,  
29 the department shall develop and consider scoring criteria  
30 including, but not limited to, the following:  
31

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

3           (b) The demonstrable capacity of the community-based  
4 development organization to improve the economic health of the  
5 service area and carry out the activities contained in the  
6 long-term revitalization plan.

7           (c) The degree to which the community-based  
8 development organization would provide assistance to  
9 very-low-income persons, low-income persons, and particularly  
10 WAGES recipients.

11           (d) The service area of the community-based  
12 development organization which is located in whole or in part  
13 within a state enterprise zone designated pursuant to s.  
14 290.0065, a federal empowerment zone, or an enterprise  
15 community.

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

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

1 applicable requirements of ss. 290.034(1), 290.035, 290.037,  
2 290.038, and 290.039, as determined by the department.

3 (8) The department shall award funding hereunder based  
4 upon a three-tiered approach which recognizes the differing  
5 capacities of new and emerging, intermediate, and mature  
6 community-based development organizations. No community-based  
7 development organization may apply for funding in more than  
8 one tier in any 1 fiscal year.

9 (a) Tier I, for new and emerging community-based  
10 development organizations, shall offer, on a competitive  
11 basis, a minimum of five core administrative grants of up to  
12 \$50,000, annually. Once tier I community-based development  
13 organizations have achieved a minimum level of capacity, they  
14 shall be eligible to apply for, on a competitive funding  
15 basis, a project implementation loan of no more than \$100,000  
16 and an accompanying project administrative grant of up to  
17 \$15,000. Tier I community-based development organizations  
18 shall also receive extensive training and technical assistance  
19 designed to enhance the organization's capacity and thereby  
20 enable it to undertake more complex development projects.

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

31

1       (c) Tier III, for mature level community-based  
2 development organizations, shall be eligible to apply, on a  
3 competitive basis, for core administrative grants of up to  
4 \$40,000, annually. Such community-based development  
5 organizations shall be eligible to apply for, on a competitive  
6 basis, project implementation loans of up to \$400,000,  
7 annually, per community-based development organization and an  
8 accompanying project administrative grant of up to \$60,000.  
9 Tier III community-based development organizations shall also  
10 receive training and technical assistance services hereunder.

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

20       (9) A community-based development organization  
21 applying for project administrative grants pursuant to this  
22 section must submit a proposal to the department which  
23 includes:

24       (a) A map and narrative description of the target  
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) A copy of the community-based development  
31 organization's neighborhood comprehensive revitalization plan.

1           (e) A description of the location, financing plan, and  
2 potential impact of the business enterprise or residential,  
3 commercial, or industrial development which shows a clear  
4 relationship to the organization's neighborhood comprehensive  
5 revitalization plan and demonstrates how the proposed  
6 expenditures are directly related to the project.

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

10           (a) The reasonableness of project goals and production  
11 schedules.

12           (b) Prior experience and performance of the applicant  
13 in the production of similar housing, commercial, or business  
14 developments.

15           (c) The extent of financial leveraging with private  
16 and public funding.

17           (d) The demonstrable capacity of the community-based  
18 development organization to improve the economic health of the  
19 target area as seen by the reasonableness of its comprehensive  
20 neighborhood revitalization plan and the impact of the  
21 proposed project.

22           (e) The degree to which the project will benefit  
23 very-low-income persons, low-income persons, and particularly  
24 WAGES recipients.

25           (f) The location of the target area of the  
26 community-based development organization, in whole or in part,  
27 in a state enterprise zone designated on or after July 1,  
28 1995, in accordance with s. 290.0065 or a federal empowerment  
29 zone or enterprise community.

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

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

3           Section 7. Section 290.0365, Florida Statutes, is  
4 amended to read:

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

7           290.0365 Community-based development training and  
8 technical assistance program.--

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

12           (a) Significant declines in resources make it  
13 difficult for community-based development organizations to  
14 generate sufficient revenues from business enterprises or real  
15 estate ventures in low-income neighborhoods to fund the  
16 predevelopment costs, technical assistance, and other  
17 administrative expenses needed to foster new developments.

18           (b) The financing and planning of large-scale  
19 developments is becoming increasingly complex and  
20 community-based development organizations, even those with  
21 considerable experience, often lack the expertise to structure  
22 project financing, partnerships, and joint ventures to  
23 accelerate and expand development activities in distressed  
24 communities.

25           (c) Local governments and private lenders are  
26 demonstrating a willingness to provide risk capital and  
27 project financing, but they are seldom able to provide  
28 technical support and training to the staff of community-based  
29 development organizations.

30           (2) PURPOSE.--The purpose of this section is to  
31 provide community-based development organizations with the



1 necessary training and technical support to plan, implement,  
2 and manage job-generating and revenue-generating developments  
3 in distressed neighborhoods. This will strengthen the  
4 organizational capacity of community-based development  
5 organizations, assist local governments to enhance and expand  
6 revitalization efforts, and contribute to expanding the base  
7 of commerce, business, and affordable housing that will  
8 benefit persons who are very-low-income, low-income, or WAGES  
9 recipients.

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

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

30 (b) The technical assistance provider shall conduct  
31 onsite assessments, involving the board and staff, to prepare

1 a technical assistance plan for new and emerging  
2 organizations. The scope and nature of the training will  
3 compliment the annual performance objectives of the  
4 organizations from the development of a neighborhood  
5 comprehensive revitalization plan.

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

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

16 (e) The department may permit other community-based  
17 development organizations to participate in the training based  
18 on the availability of classes, funding, and the priority of  
19 need.

20 (4) REPEAL.--This section shall stand repealed on June  
21 30, 2007.

22 Section 8. Section 290.037, Florida Statutes, is  
23 amended to read:

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

26 290.037 Community development project implementation  
27 loan program.--

28 (1) The department is authorized to make loans, within  
29 the limits of specific appropriations, to eligible applicants  
30 for the following purposes:

31

1           (a) Financial assistance to a new or existing business  
2 venture located within a community-based development  
3 organization service area;

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

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

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

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

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

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

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

27           (b) The relative degree of distress of the target  
28 area.

29           (c) The ratio of private and nonstate public money  
30 committed to a project to the amount of state money to be  
31 committed.

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

4           (e) The number of temporary and permanent jobs  
5 generated by the project.

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

8           (g) The degree to which the project directly benefits  
9 or provides assistance to very-low-income individuals,  
10 low-income individuals, or job-displaced individuals or WAGES  
11 recipients.

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

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

22           (7) All loans to a community-based development  
23 organization shall be at interest rates not to exceed 3  
24 percent and shall be repaid within 15 years or on a basis  
25 approved by the department, except as provided in subsection  
26 (8).

27           (8) Upon the termination of any project as a result of  
28 the sale or failure of the business, all recoverable state  
29 funds shall be returned to the department for deposit into the  
30 Operating Trust Fund. When losses are incurred, the  
31 community-based development organization shall make a diligent

1 and good-faith effort to recover the full indebtedness from  
2 the business venture, including foreclosure of security and  
3 recovery from guarantors. Upon completion of all such efforts  
4 to the satisfaction of the department, the department shall  
5 write off the unpaid balance of the loan.

6 (9) This section shall stand repealed on June 30,  
7 2007.

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

11 290.038 Authority and duties of the department.--

12 (2) The department may:

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

19 (3) The department shall be the state agency  
20 responsible for implementation of the urban redevelopment  
21 efforts, and shall:

22 (a) Provide grants and loans authorized under the  
23 INVEST initiative.

24 (b) Provide grants to community-based development  
25 organizations to support the development of the neighborhood  
26 collaboration and its community redevelopment plan.

27 (c) Provide a clearinghouse function to assist in  
28 identifying resources available to implement community  
29 redevelopment strategies.

30 (d) Provide staff coordinator to designated Rebuilding  
31 Urban Neighborhoods initiatives.

1           (e) Provide for technical assistance to neighborhoods  
2 from any agency of the state, the state university system, and  
3 other private providers in areas including identification of  
4 stakeholders, consensus building, meeting facilitation,  
5 conflict resolution, group decisionmaking, community planning  
6 processes, outcome measurement, and capacity building for  
7 organizations.

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

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

12           (Substantial rewording of section. See  
13 s. 290.039, F.S., for present text.)  
14 290.039 Reporting requirements.--

15           (1) Community-based development organizations which  
16 receive funds under INVEST shall provide the following  
17 information to the department annually:

18           (a) A listing of business firms and individuals  
19 assisted by the community-based development organization  
20 during the reporting period.

21           (b) A listing of the type, source, purpose, and amount  
22 of each individual grant, loan, or donation received by the  
23 community-based development organization during the reporting  
24 period.

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

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

29           (e) An identification and explanation of changes to  
30 the target area boundaries.

31

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

4           (g) The number and description of projects attempted,  
5 the number and description of projects completed, and a  
6 written explanation of the reasons that caused projects not to  
7 be completed.

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

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

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

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

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

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

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

31

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

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

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

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

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

17       (g) 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 11. Section 290.0395, Florida Statutes, is  
28 amended to read:

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

31       290.0395 Program performance review and evaluation.--



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

12           (2) Prior to the 2007 Regular Session of the  
13 Legislature, the Office of Program Policy Analysis and  
14 Government Accountability shall perform an evaluation of ss.  
15 290.0301-290.039, using the reporting data specified in s.  
16 290.039 and any other data identified by the department and  
17 the Office of Program Policy Analysis and Government  
18 Accountability as crucial to the evaluation of this program.  
19 The report shall critique the Invest in Neighborhood Vitality  
20 and Economies Program and shall include an analysis of the  
21 improvements in the service area as a result of the holistic  
22 and collaborative efforts of the organizations and partners  
23 within the service area.

24           (3) A report of the findings and recommendations of  
25 the Office of Program Policy Analysis and Government  
26 Accountability shall be submitted to the President of the  
27 Senate and the Speaker of the House of Representatives prior  
28 to the 2007 Regular Session.

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

31

1           Section 12. Section 290.055, Florida Statutes, is  
2 created to read:

3           290.055 Rebuilding Urban Neighborhoods Initiative.--

4           (1) SHORT TITLE.--This section shall be known and may  
5 be cited as the "Rebuilding Urban Neighborhoods Initiative."

6           (2) PURPOSE.--The Department of Community Affairs  
7 shall carry out, in accordance with this section, a training  
8 and technical assistance program to rebuild urban  
9 neighborhoods through coordinated urban community  
10 redevelopment, utilizing effective state and local government  
11 and neighborhood partnerships that will leverage resources  
12 needed to improve living conditions for children and families.

13           (3) PROGRAM.--The department will provide planning  
14 grants and technical assistance to communities seeking to  
15 revitalize distressed areas using the principles of holistic  
16 and collaborative planning and service delivery. A community  
17 based organization (CBO) will be eligible to receive  
18 assistance from the department upon certification by the  
19 department that identified readiness criteria are in place.

20           (4) ROLES.--

21           (a) The Department of Community Affairs.--The  
22 department will provide:

23           1. Administration and oversight of the planning grant  
24 program.

25           2. Technical assistance through existing programs of  
26 the department in the areas of planning, affordable housing,  
27 public safety, social services, energy conservation,  
28 infrastructure, and building collaborative, holistic  
29 initiatives.

30           3. A clearinghouse to disseminate information  
31 resulting from the research and successful outreach activities

1 of numerous initiatives as well as information on available  
2 state and federal resources to carry out redevelopment  
3 initiatives.

4 4. Coordination of the delivery of technical  
5 assistance and other resources from other state entities to  
6 develop and implement comprehensive neighborhood  
7 revitalization plans. These other state entities will include  
8 the Florida Housing Finance Corporation for affordable housing  
9 programs, Enterprise Florida, Inc., and the Office of Tourism,  
10 Trade, and Economic Development for business development and  
11 job creation programs.

12 (b) The State University System.--The State University  
13 System, through a coordinating entity whose mission is to  
14 provide outreach to local governments and distressed  
15 communities in redevelopment initiatives, is empowered to  
16 provide expert technical assistance and facilitation services  
17 to these initiatives.

18 (c) Community based organizations.--Community based  
19 organizations will perform the principal leadership function  
20 at the local level, being responsible for organizing a  
21 collaborative approach to community involvement and a holistic  
22 neighborhood improvement strategy to guide immediate and  
23 long-term improvements.

24 (5) READINESS CRITERIA.--In order to be selected by  
25 the department to receive state funding support, an initiative  
26 must have the following elements:

27 (a) A well defined, small neighborhood having  
28 conditions of blight and distress.

29 (b) A lead community-based development organization  
30 with the capacity to guide and sustain a collaborative,  
31 long-term initiative.

1           (c) Evidence of a collaborative team.  
2           (d) Demonstrated local government commitment.  
3           (e) Commitment to a planning/implementation model  
4 having documented baseline data, multiple elements (holistic  
5 and comprehensive), measurable outcomes, and an evaluation  
6 component.

7           (6) REPORTS.--The department shall submit an annual  
8 report to the Committees on Community Affairs in the House of  
9 Representatives and the Senate. The report shall contain a  
10 summary of activities carried out under this section during  
11 the preceding fiscal year, and findings and conclusions drawn  
12 from such activities.

13           Section 13. Section 290.034, Florida Statutes, is  
14 repealed.

15           Section 14. Section 189.427, Florida Statutes, is  
16 amended to read:

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

1 general revenue funds will be made available to the department  
2 to pay one-half of the cost of administering this act.

3 Section 15. Subsection (7) of section 252.82, Florida  
4 Statutes, is amended to read:

5 252.82 Definitions.--As used in this part:

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

8 Section 16. Subsection (1) of section 943.25, Florida  
9 Statutes, is amended to read:

10 943.25 Criminal justice trust funds; source of funds;  
11 use of funds.--

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

20 Section 17. Section 420.0007, Florida Statutes, is  
21 created to read:

22 420.0007 Exemption from property taxation for  
23 charitable non-profit low income housing  
24 properties.--Properties owned entirely by nonprofit  
25 corporations which are defined as charitable organizations  
26 under s. 501(c)(3) of the Internal Revenue Code and comply  
27 with the Internal Revenue Procedure 96-32 and which provide  
28 housing to low-income and very-low-income persons, as defined  
29 in s. 420.0004, shall be considered charitable and exempt from  
30 ad valorem taxation under chapter 196, to the extent  
31 authorized under s. 196.192.

1           Section 18. Subsection (11) is added to section  
2 290.0065, Florida Statutes, to read:

3           290.0065 State designation of enterprise zones.--

4           (11) Before December 31, 1998, the governing body of a  
5 county in which an enterprise zone designated pursuant to  
6 paragraph (5)(b) is located may apply to the Office of  
7 Tourism, Trade, and Economic Development to amend the  
8 boundaries of the enterprise zone for the purpose of replacing  
9 areas not suitable for development. The Office of Tourism,  
10 Trade, and Economic Development shall approve the application  
11 if it does not increase the overall size of the enterprise  
12 zone.

13           Section 19. Section 18 shall take effect upon becoming  
14 a law. The remaining sections shall take effect October 1 of  
15 the year in which enacted.