

By the Committee on Commerce and Economic Opportunities; and
Senators Kirkpatrick and Hargrett

310-2033-99

1 A bill to be entitled
2 An act relating to economic development in
3 urban communities; creating 414.224, F.S.;
4 creating the Retention Enhancing Communities
5 Initiative; providing for the identification of
6 communities; requiring solicitation of
7 proposals; providing for the selection of RECI
8 participants by the WAGES Program State Board
9 of Directors; providing for RECI elements;
10 requiring the Governor to designate a
11 coordinator; establishing a center for
12 community excellence; providing appropriations
13 for RECI elements; providing restrictions of
14 funds; providing for monitoring and reporting;
15 creating s. 220.185, F.S.; creating the State
16 Housing Tax Credit Program; providing
17 legislative findings and policy; providing
18 definitions; providing for a credit against the
19 corporate income tax in an amount equal to a
20 percentage of the eligible basis of certain
21 housing projects; providing a limitation;
22 amending s. 250.10, F.S.; requiring the
23 Adjutant General to administer a
24 life-preparation program and job-readiness
25 services; creating s. 290.0069, F.S.; directing
26 the Office of Tourism, Trade, and Economic
27 Development to designate a pilot project area
28 within an enterprise zone; providing
29 qualifications for such area; providing that
30 certain businesses in such area are eligible
31 for credits against the tax on sales, use, and

1 other transactions and corporate income tax;
2 providing for computation of such credits;
3 providing application procedures and
4 requirements; providing rulemaking authority;
5 requiring a review and report by the Office of
6 Program Policy Analysis and Government
7 Accountability; providing for future repeal and
8 revocation of such designation; providing an
9 extended period for certain businesses to claim
10 enterprise-zone tax incentives; authorizing
11 amendments to the boundaries of an enterprise
12 zone in a community with a brownfield pilot
13 project; creating s. 420.5093, F.S.; providing
14 for allocation of state housing tax credits and
15 administration by the Florida Housing Finance
16 Corporation; providing for an annual plan;
17 providing application procedures; providing
18 that neither tax credits nor financing
19 generated thereby may be considered income for
20 ad valorem tax purposes; providing for
21 recognition of certain income by the property
22 appraiser; creating s. 420.630, F.S.; creating
23 the Urban Homesteading Act; creating s.
24 420.631, F.S.; providing definitions; creating
25 s. 420.632, F.S.; authorizing housing
26 authorities or nonprofit community
27 organizations appointed by the housing
28 authority to operate a program to make
29 foreclosed single-family housing available to
30 purchase by certain qualified buyers; creating
31 s. 420.633, F.S.; providing eligibility

1 requirements for entering into a homestead
2 agreement to acquire such housing; creating s.
3 420.634, F.S.; providing an application
4 process; providing requirements for deeding the
5 property to the qualified buyer; creating s.
6 420.635, F.S.; providing for the Department of
7 Community Affairs to make loans to qualified
8 buyers, contingent upon an appropriation;
9 providing requirements for the loan agreement;
10 providing an effective date.

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

13
14 Section 1. Effective upon this act becoming a law,
15 section 414.224, Florida Statutes, is created to read:

16 414.224 Retention Enhancing Communities Initiative.--

17 (1) LEGISLATIVE INTENT.--The Legislature finds that
18 Florida has numerous distressed urban cores with high
19 proportions of residents who are former and current WAGES
20 Program participants. The Legislature further finds that the
21 existence of strong neighborhoods and communities is crucial
22 to reduce recidivism among former WAGES Program participants,
23 and to create new jobs and promote job retention for current
24 WAGES Program participants. Therefore, it is the intent of the
25 Legislature to create a program designed to develop these
26 communities with the help of, and for the benefit of, current
27 and former WAGES Program participants.

28 (2) CREATION.-- The Retention Enhancing Communities
29 Initiative (RECI) is created to leverage federal, state, and
30 local resources for community redevelopment initiatives that
31 promote job retention among WAGES Program participants.

1 Selected communities will identify and compete for projects
2 coordinated around the six community-enhancing elements of
3 community safety, community builders, community businesses,
4 community schools, community partnerships, and community
5 redevelopment.

6 (3) SELECTION OF RECI COMMUNITIES.--

7 (a) By July 1, 1999, the WAGES Program State Board of
8 Directors, in consultation with local WAGES coalitions, will
9 identify 14 communities in the state's seven largest counties.
10 These communities must be compact, congruent, and contiguous
11 census tracts that have the highest concentrations of
12 residents who are current or former WAGES Program
13 participants. To the maximum extent possible, these
14 communities should coincide with federal empowerment zones,
15 enterprise zones established under chapter 290, Neighborhood
16 Improvement Districts established under chapter 163, community
17 redevelopment areas established under chapter 163, and Urban
18 High Crime Areas established under chapter 212. By August 1,
19 1999, the WAGES Program State Board of Directors must contract
20 with an independent entity to certify that these 14
21 communities comply with the requirements of this section.

22 (b) By July 10, 1999, the WAGES Program State Board of
23 Directors shall solicit proposals from the communities
24 identified in paragraph (a) for participation in RECI.
25 Proposals should be general in nature, be no more than 20
26 pages long, and include:

27 1. A brief plan describing how the community will
28 coordinate and incorporate the six RECI elements into the
29 community's redevelopment strategy;

1 2. Specific evidence of community support from
2 community-based organizations and local government for
3 participation in RECI;

4 3. For each RECI element, identification and commitment
5 of local resources from community-based organizations, local
6 government, and others, to be leveraged by federal and state
7 resources;

8 4. Identification of the specific entity or person
9 responsible for coordinating the community's participation in
10 RECI; and

11 5. Identification of local administrative entities.

12 (c) Based on proposal evaluation criteria developed by
13 the WAGES Program State Board of Directors, the board shall,
14 by October 1, 1999, select up to nine communities to
15 participate in RECI, and notify each community of such
16 selection. All RECI projects must be fully operational by
17 January 1, 2000, and must be completed by December 31, 2001.

18 (4) RECI ELEMENTS.--Once a community is selected as a
19 RECI participant, the community may compete for awards in each
20 RECI element. Awards will be granted by the WAGES Program
21 State Board of Directors and will be based on a project plan
22 that must be consistent with the community's proposal
23 describing the coordination and incorporation of the RECI
24 elements. The WAGES Program State Board of Directors shall
25 develop guidelines and criteria for the application and award
26 of the funds. Criteria must provide additional weight for
27 criteria relating to community involvement, business
28 involvement, and local contributions. Unless otherwise
29 provided for, the board or its designated agents shall
30 administer the award of funds for each RECI element and must

31

1 provide assurances that projects are completed pursuant to
2 project plans. RECI elements include the following:

3 (a) WAGES Community Safety.--Funds may be awarded for
4 projects that increase the safety and reduce crime in RECI
5 communities. Funds may be used to train and employ WAGES
6 Program participants in public safety jobs; establish security
7 businesses and services; train residents in safety practices
8 and organize safety networks; improve lighting, alarms, and
9 law enforcement equipment; improve the safety of homes,
10 buildings, and streets; and provide community police. Local
11 law enforcement agencies must be a contributing partner in
12 safety projects. The Department of Community Affairs and the
13 Florida Department of Law Enforcement shall assign a
14 representative of their departments to assist these
15 communities with public safety issues and, notwithstanding any
16 other provision in law, may award public safety grants to
17 these communities.

18 (b) WAGES Community Builders.--Funds may be awarded for
19 small community clean-up and enhancement projects that quickly
20 create visible improvements and for planning and
21 implementation of larger neighborhood revitalization and
22 economic development initiatives.

23 1. Funds for the WAGES Community Builders element may
24 be awarded for small community clean-up and enhancement
25 projects. Projects must include WAGES Program participants,
26 must last less than 3 weeks, and must be endorsed by the local
27 unit of government. Funding may not exceed \$5,000 per project
28 without a waiver from the WAGES Program State Board of
29 Directors. The board shall enlist the Department of State's
30 Main Street program, Keep Florida Beautiful, Inc., and, when
31 approved by the Governor, the Florida National Guard, to

1 advise and assist with these projects and to redirect
2 resources to these communities.

3 2. Funds for the WAGES Community Builders element may
4 be awarded for the planning and implementation of large
5 neighborhood revitalization or economic development
6 initiatives. Funding for planning projects may not exceed
7 \$200,000, and may not, in total, exceed 20 percent of the
8 funds available for this element. Funding for implementation
9 projects may not in total exceed 20 percent of the funds
10 available for this element and must primarily leverage
11 federal, state, local, private, or foundation resources other
12 than those provided for in this section. Planning and
13 implementation projects shall employ WAGES Program
14 participants from the RECI community to the greatest extent
15 possible.

16 (c) WAGES Community Businesses.--Funds may be awarded
17 for small business-development projects, including
18 national-franchise attraction efforts, microloans, guaranteed
19 commercial loans, technical assistance, self-employment, and
20 business incubators at educational institutions. At least 95
21 percent of funds awarded for these projects must be for the
22 benefit of WAGES Program participants in RECI communities. The
23 WAGES Program State Board of Directors shall work with the
24 Comptroller to target the linked-deposit program under s.
25 290.0075 into these communities, and the Comptroller shall, to
26 the greatest extent he or she deems practical, implement that
27 program in RECI communities. Using funds appropriated for this
28 element, the WAGES Program State Board of Directors, or its
29 designated agent, shall establish a \$10-million loan-loss
30 reserve to encourage and guarantee commercial loans made under
31 this element, and shall develop a tax-free bond fund to

1 provide and expand the secondary loan market for commercial
2 loans made in RECI communities. The WAGES Program State Board
3 of Directors, or its designated agent, shall approach and
4 propose joint ventures with national franchisers committing to
5 train individuals for and partially underwrite new franchise
6 ventures in RECI communities.

7 (d) WAGES Community Schools.--Funds may be awarded for
8 WAGES Community School projects that upgrade schools through
9 construction, repair, or renovation, or which provide training
10 and employment to WAGES Program participants to assist with
11 transportation, school services, and security. Schools
12 accepting this assistance must offer before, after, and summer
13 school programs for students who are WAGES Program
14 participants.

15 (e) WAGES Community Partnerships.--Funds may be awarded
16 for WAGES Community Partnership projects to make payments of
17 tax credits to businesses that contribute to projects in RECI
18 communities which are eligible under the community
19 contribution tax credit program under ss. 220.183 and
20 624.5105. Business contributions must benefit WAGES Program
21 participants in these communities. Funds may equal 30 percent
22 of the business's contribution and may apply to contributions
23 of any size if adequate funds are available in this RECI
24 element. The Office of Tourism, Trade, and Economic
25 Development and the Department of Revenue shall assist the
26 WAGES Program State Board of Directors in administering such
27 tax credits. Projects may also match, up to a
28 dollar-for-dollar level, any foundation awards to RECI
29 communities which will improve job retention and reduce public
30 assistance dependency as determined by the WAGES Program State
31 Board of Directors.

1 (f) WAGES Community Redevelopment.--Funds may be
2 awarded for WAGES Community Redevelopment projects to
3 facilitate the planning, preparing, marketing, and financing
4 of residential, mixed-use, and commercial development
5 projects, as well as residential and business infrastructure
6 redevelopment projects in RECI communities. Projects that
7 would mainly result in gentrification of the community, that
8 would not employ a preponderance of WAGES Program
9 participants, and that predominately create residences or
10 business sites that are beyond the anticipated income level of
11 working WAGES Program participants are not eligible.

12 1. The Office of Tourism, Trade, and Economic
13 Development shall be the administrator of projects under this
14 paragraph and shall develop criteria for the award of the
15 funds. Funds available under this element must be leveraged
16 with federal, state, and local resources, including, but not
17 limited to, those available through the local unit of
18 government under the Community Development Block Grant,
19 section 108 loan guarantee program, and through state agencies
20 including the Department of Community Affairs, the Department
21 of Environmental Protection, and the Florida Housing Finance
22 Corporation.

23 2. A redevelopment finance review team including the
24 WAGES Program State Board of Directors, the Office of Tourism,
25 Trade, and Economic Development, Enterprise Florida, Inc., the
26 appropriate local WAGES coalition, the appropriate local unit
27 of government, the Department of Community Affairs, the
28 Department of Environmental Protection, and the Florida
29 Housing Finance Corporation shall review all project plans and
30 coordinate available resources, matching expenditures to
31 eligible and available revenues that may be invested in the

1 project. The team shall seek federal funding assistance in
2 these projects and may identify and recommend projects for
3 award under the WAGES Targeted Employment and WAGES
4 transportation projects established by law. The team shall
5 recommend appropriate projects to the State Board of
6 Administration for public investment. Their collaborative
7 project package shall constitute a recommended public
8 financing commitment that shall serve to induce private
9 developers to finance the remaining costs of the project.
10 Notwithstanding the provisions of s. 216.301, funds
11 appropriated for the purpose of this paragraph shall not be
12 subject to reversion.

13 3. The Office of Tourism, Trade, and Economic
14 Development, based upon the recommendation from the team, may
15 award project funds to RECI communities for up to 30 percent
16 of the total project cost. In awarding funds, the office shall
17 consider factors including, but not limited to, the project's
18 direct employment of WAGES Program participants in planning,
19 development, or construction; eventual direct employment of
20 WAGES Program participants; residences or businesses to be
21 owned by WAGES Program participants; impact on retention in
22 employment of WAGES Program participants; impact on lowering
23 recidivism and dependency on public assistance programs;
24 demonstrated local public and private commitment; and the
25 potential to enhance and upgrade the community.

26 4. To facilitate timely response and induce the
27 development of site opportunities where a community-based or
28 private-sector partner exists, the Office of Tourism, Trade,
29 and Economic Development may award funds for infrastructure
30 feasibility studies, design and engineering activities,
31 project development and packaging, or other infrastructure

1 planning and preparation activities. Such funds may not exceed
2 \$300,000 per project, and may not exceed 5 percent of the
3 total funding available under this paragraph.

4 5. The Office of Tourism, Trade, and Economic
5 Development shall pursue execution of a memorandum of
6 agreement with the Department of Housing and Urban Development
7 and other federal or state partners under which state funds
8 available through this element may be advanced, in excess of
9 the prescribed state share, for a project that has received
10 from the department or partner a preliminary determination of
11 eligibility for financial support. State funds in excess of
12 the prescribed state share which are advanced pursuant to this
13 paragraph and a memorandum of agreement shall be reimbursed
14 when funds are awarded under an application for other
15 financing.

16 6. To facilitate development of prospective sites, the
17 Office of Tourism, Trade, and Economic Development may award
18 funds for surveys, feasibility studies, project development,
19 packaging, marketing, and other activities related to the
20 identification, marketing, and preparation of sites of up to
21 \$150,000. Such funds shall require a match from local sources
22 of 33 percent and the total grants awarded under this
23 subparagraph shall not exceed 5 percent of the total funding
24 available under this paragraph.

25 (5) The Governor shall name by July 15, 1999, a
26 coordinator in the Office of Urban Opportunity with the
27 authority, established by executive order, to work with the
28 WAGES Program State Board of Directors to direct agency
29 assistance, solve problems, and commit resources to RECI
30 communities.

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1 (6) By August 15, 1999, working with the Workforce
2 Development Board, the WAGES Program State Board of Directors
3 shall establish a center for community excellence, affiliated
4 with an educational institution or group of educational
5 institutions, which will provide research, consulting,
6 technical assistance, capacity building, training, and program
7 assistance services to RECI communities.

8 (7) FUNDING.--

9 (a) For Fiscal Year 1999-2000, the following funds are
10 appropriated and may be carried forward for RECI projects
11 authorized under this section:

12 1. For the WAGES Community Safety element, \$25 million
13 designated for WAGES under Temporary Assistance for Needy
14 Families;

15 2. For the WAGES Community Builders element, \$20
16 million from unclaimed Lottery prize funding;

17 3. For the WAGES Community Businesses element, \$25
18 million designated for WAGES under Temporary Assistance for
19 Needy Families;

20 4. For the WAGES Community Schools element, \$25 million
21 designated for WAGES under Temporary Assistance for Needy
22 Families;

23 5. For the WAGES Community Partnerships element, \$30
24 million designated for WAGES under Temporary Assistance for
25 Needy Families; and

26 6. For the WAGES Community Redevelopment element, \$10
27 million designated for WAGES under Temporary Assistance for
28 Needy Families each year until the year 2010, and \$15 million
29 annually designated for the Transportation Trust Fund from the
30 Rental Car Surcharge under s. 212.0606. Such revenues may be
31 assigned, pledged, or set aside as a trust for the payment of

1 principal or interest on bonds, grants, anticipation notes,
2 variable-rate demand obligations including, but not limited
3 to, tax-exempt commercial paper and derivative instruments, or
4 any other form of indebtedness, or may be used to purchase
5 credit support to permit such borrowing, issued by a governing
6 body under s. 163.01(7)(d), or appropriate local government
7 having jurisdiction thereof, or collectively by inter-local
8 agreement among any applicable government; however, such debt
9 does not constitute a general obligation of the state. The
10 state covenants with holders of such revenue bonds or other
11 instruments of indebtedness issued hereunder that it will not
12 repeal, impair, or amend in any manner that will materially
13 and adversely affect the rights of such holders as long as
14 bonds authorized by this subsection are outstanding. Any
15 revenues that are not pledged to the repayment of bonds as
16 authorized by this subparagraph may be used for purposes
17 authorized under this element. Funds provided for in this
18 element may not be diverted for any other purpose. For
19 projects in this element, the governing body of each
20 government may exercise powers provided to municipalities or
21 counties in s. 163.01(7)(d).

22 (b) Any expenditure from the Temporary Assistance for
23 Needy Families block grant shall be expended in accordance
24 with the requirements and limitations of Title IV of the
25 Social Security Act, as amended, or any other applicable
26 federal requirement or limitation in law. Prior to any
27 expenditure of such funds, the WAGES Program State Board of
28 Directors and the Secretary of Children and Family Services,
29 or his or her designee, shall certify that controls are in
30 place to ensure that such funds are expended and reported in
31 accordance with the requirements and limitations of federal

1 law. It shall be the responsibility of any entity to which
2 funds are awarded to obtain the required certification prior
3 to any expenditure of funds.

4 (c) Unexpended proceeds derived from a project
5 completed with the use of program funds, beyond the operating
6 costs and debt service, shall be restricted to further
7 expenditures within the element. Use of such unexpended
8 proceeds for purposes other than those authorized by this act
9 is prohibited.

10 (d) No more than 5 percent of the funds available under
11 this section may be used by the board or its designated agents
12 to administer and monitor the awards.

13 (e) Funds authorized under this section must augment
14 the existing efforts or resources of local communities rather
15 than offset or supplant them.

16 (8) The Governor shall notify the President of the
17 United States and the Florida Congressional Delegation of any
18 delays by the federal government affecting the prompt
19 implementation of this section, and enlist their assistance in
20 resolution of such delays. By budget amendment, the Governor
21 shall identify and transfer funds to continue this initiative
22 on schedule, notwithstanding federal delays. With the
23 assistance of the Secretary of Children and Family Services
24 and the Attorney General, the Governor shall then explore
25 administrative and judicial options to gain reimbursement.

26 (9) MONITORING AND REPORTING.--

27 (a) The independent entity selected by the WAGES
28 Program State Board of Directors to certify compliance by the
29 14 communities identified under paragraph (2)(a) shall also
30 identify four other similar communities to serve as a control
31 group for RECI. The entity must measure performance trends in

1 the control group communities, the communities that applied
2 for RECI designation but were not selected, and the
3 communities selected to participate in RECI. The four control
4 communities shall be known only to the entity until the
5 completion of the initiative. The entity shall develop,
6 working with the Office of Program Policy Analysis and
7 Government Accountability and the WAGES Program State Board of
8 Directors, criteria by October 1, 1999, to measure the impact
9 of the initiative. Such criteria must include the total
10 revenues generated and invested in RECI communities, and the
11 amount of revenue saved from the retention of WAGES Program
12 participants.

13 (b) In addition to a comprehensive final report due
14 February 15, 2002, the WAGES Program State Board of Directors
15 must report to the Governor and Legislature every 6 months
16 beginning January 1, 2000, on the progress of RECI. Reports
17 must include tangible impacts of the initiative. The final
18 report shall include recommendations relating to the potential
19 development of a RECI program for communities in mid-sized
20 counties. The report must additionally recognize the three
21 most successful RECI communities and designate these
22 communities Florida's "come-back communities."

23 Section 2. Section 220.185, Florida Statutes, is
24 created to read:

25 220.185 State housing tax credit.--

26 (1) LEGISLATIVE FINDINGS.--The Legislature finds that:

27 (a) There exists within the urban areas of the state
28 conditions of blight evidenced by extensive deterioration of
29 public and private facilities, abandonment of sound
30 structures, and high unemployment, and these conditions impede
31

1 the conservation and development of healthy, safe, and
2 economically viable communities.

3 (b) Deterioration of housing and industrial,
4 commercial, and public facilities contributes to the decline
5 of neighborhoods and communities and leads to the loss of
6 their historic character and the sense of community which this
7 inspires; reduces the value of property comprising the tax
8 base of local communities; discourages private investment; and
9 requires a disproportionate expenditure of public funds for
10 the social services, unemployment benefits, and police
11 protection required to combat the social and economic problems
12 found in urban communities.

13 (c) In order to ultimately restore social and economic
14 viability to urban areas, it is necessary to renovate or
15 construct new infrastructure and housing, including housing
16 specifically targeted for the elderly, and to specifically
17 provide mechanisms to attract and encourage private economic
18 activity.

19 (d) The various local governments and other
20 redevelopment organizations now undertaking physical
21 revitalization projects and new housing developments in urban
22 areas are limited by tightly constrained budgets and
23 inadequate resources.

24 (e) In order to significantly improve revitalization
25 efforts by local governments and community development
26 organizations and to retain as much of the historic character
27 of our communities as possible, it is necessary to provide
28 additional resources, and the participation of private
29 enterprise in revitalization efforts is an effective means for
30 accomplishing that goal.

31

1 (2) POLICY AND PURPOSE.--It is the policy of this
2 state to encourage the participation of private corporations
3 in revitalization projects within urban areas. The purpose of
4 this section is to provide an incentive for such participation
5 by granting state corporate-income-tax credits to qualified
6 low-income housing projects, including housing specifically
7 designed for the elderly, and associated mixed-use projects.
8 The Legislature thus declares this a public purpose for which
9 public money may be borrowed, expended, loaned, and granted.

10 (3) DEFINITIONS.--As used in this section, the term:

11 (a) "Credit period" means the period of 5 years
12 beginning with the year the project is completed.

13 (b) "Eligible basis" means a project's adjusted basis
14 as of the close of the first taxable year of the credit
15 period.

16 (c) "Adjusted basis" means the owner's adjusted basis
17 in the project, calculated in a manner consistent with the
18 calculation of basis under the Internal Revenue Code, taking
19 into account the adjusted basis of property of a character
20 subject to the allowance for depreciation used in common areas
21 or provided as comparable amenities to the entire project.

22 (d) "Designated project" means a qualified project
23 designated pursuant to s. 420.5093 to receive the tax credit
24 under this section.

25 (e) "Qualified project" means a project located in an
26 urban infill area, at least 50 percent of which, on a cost
27 basis, consists of a qualified low-income project within the
28 meaning of s. 42(g) of the Internal Revenue Code, including
29 such projects designed specifically for the elderly but
30 excluding any income restrictions imposed pursuant to s. 42(g)
31 of the Internal Revenue Code upon residents of the project

1 unless such restrictions are otherwise established by the
2 Florida Housing Finance Corporation pursuant to s. 420.5093,
3 and the remainder of which constitutes commercial or
4 single-family residential development consistent with and
5 servicing to complement the qualified low-income project.

6 (f) "Urban infill area" means an area designated for
7 urban infill as defined by s. 163.3164.

8 (4) AUTHORIZATION TO GRANT STATE HOUSING TAX CREDITS;
9 LIMITATION.--

10 (a) There shall be allowed a credit of 9 percent of
11 the eligible basis of any designated project for each year of
12 the credit period against any tax due for a taxable year under
13 this chapter.

14 (b) The total amount of tax credit which may be
15 granted for all projects approved under this section is \$5
16 million annually, for each of 5 years.

17 (c) The tax credit shall be allocated among designated
18 projects by the Florida Housing Finance Corporation as
19 provided in s. 420.5093.

20 (d) Each designated project must comply with the
21 applicable provisions of s. 42 of the Internal Revenue Code
22 with respect to the multifamily residential rental housing
23 element of the project, including specifically the provisions
24 of s. 42(h)(6).

25 (e) A tax credit shall be allocated to a designated
26 project and shall not be subject to transfer by the recipient
27 unless the transferee is also an owner of the designated
28 project.

29 Section 3. Paragraph (m) is added to subsection (2) of
30 section 250.10, Florida Statutes, 1998 Supplement, to read:
31

1 250.10 Appointment and duties of the Adjutant
2 General.--

3 (2) The Adjutant General of the state shall be the
4 Chief of the Department of Military Affairs. He or she shall:

5 (m) Subject to annual appropriations, administer youth
6 About Face programs and adult Forward March programs at sites
7 to be selected by the Adjutant General.

8 1. About Face shall establish a summer and a
9 year-round afterschool life-preparation program for
10 economically disadvantaged and at-risk youths from 13 through
11 17 years of age. Both programs must provide schoolwork
12 assistance, focusing on the skills needed to pass the high
13 school competency test, and also focus on functional life
14 skills, including teaching students to work effectively in
15 groups; providing basic instruction in computer skills;
16 teaching basic problem solving, decision making, and reasoning
17 skills; teaching how the business world and free enterprise
18 work through computer simulations; and teaching home finance
19 and budgeting and other daily living skills. In the
20 afterschool program, students must train in academic study
21 skills and the basic skills that businesses require for
22 employment consideration.

23 2. The Adjutant General shall provide job-readiness
24 services in the Forward March program for WAGES program
25 participants who are directed to Forward March by local WAGES
26 coalitions. The Forward March program shall provide training
27 on topics that directly relate to the skills required for
28 real-world success. The program shall emphasize functional
29 life skills, computer literacy, interpersonal relationships,
30 critical-thinking skills, business skills, preemployment and
31 work maturity skills, job-search skills, exploring careers

1 activities, how to be a successful and effective employee, and
2 some job-specific skills. The program also shall provide
3 extensive opportunities for participants to practice generic
4 job skills in a supervised work setting. Upon completion of
5 the program, Forward March shall return participants to the
6 local WAGES coalition for placement in a job-placement pool.

7 Section 4. Effective upon this act becoming a law,
8 section 290.0069, Florida Statutes, is created to read:

9 290.0069 Designation of enterprise zone pilot project
10 area.--

11 (1) The Office of Tourism, Trade, and Economic
12 Development shall designate one pilot project area within one
13 state enterprise zone. The Office of Tourism, Trade, and
14 Economic Development shall select a pilot project area by July
15 1, 1999, which meets the following qualifications:

16 (a) The area is contained within an enterprise zone
17 that is composed of one contiguous area and is placed in the
18 category delineated in s. 290.0065(3)(a)1.

19 (b) The local government having jurisdiction over the
20 enterprise zone grants economic development ad valorem tax
21 exemptions in the enterprise zone pursuant to s. 196.1995, and
22 electrical energy public service tax exemptions pursuant to s.
23 166.231(8).

24 (c) The local government having jurisdiction over the
25 enterprise zone has developed a plan for revitalizing the
26 pilot project area, or for revitalizing an area within the
27 enterprise zone that contains the pilot project area, and has
28 committed at least \$5 million to redevelop an area including
29 the pilot project area.

30 (d) The pilot project area is contiguous and is
31 limited to no more than 70 acres, or equivalent square miles,

1 to avoid a dilution of additional state assistance and
2 effectively concentrate these additional resources on
3 revitalizing the acute area of economic distress.

4 (e) The pilot project area contains a diverse cluster
5 or grouping of facilities or space for a mix of retail,
6 restaurant, or service-related businesses necessary to an
7 overall revitalization of surrounding neighborhoods through
8 community involvement, investment, and enhancement of
9 employment markets.

10 (2)(a) Beginning December 1, 1999, no more than four
11 businesses located within the pilot project area are eligible
12 for a credit against any taxes due for a taxable year under
13 chapters 212 and 220.

14 (b) The credit shall be computed as \$5,000 times the
15 number of full-time employees of the business and \$2,500 times
16 the number of part-time employees of the business. For
17 purposes of this section, a person is considered to be
18 employed by such a business on a full-time basis if the person
19 performs duties in connection with the operations of the
20 business for an average of at least 36 hours per week each
21 month, or on a part-time basis if the person is performing
22 such duties for an average of at least 20 hours per week each
23 month throughout the year. The person must be performing such
24 duties at a business site located in the pilot project area.

25 (c) The total amount of tax credits that may be
26 granted under this section is \$1 million annually. If the
27 Office of Tourism, Trade, and Economic Development receives
28 applications that total more than \$1 million in any year, the
29 director shall prorate the amount of tax credit each applicant
30 is eligible to receive to ensure that all eligible applicants
31 receive a tax credit.

1 (d) In order to be eligible to apply to the Office of
2 Tourism, Trade, and Economic Development for tax credits under
3 this section a business must:

4 1. Have entered into a contract, with the developer of
5 the diverse cluster or grouping of facilities or space located
6 in the pilot project area, governing lease of commercial space
7 in a facility.

8 2. Have commenced operations in the facility after
9 July 1, 1999, and before July 1, 2000.

10 3. Be a business predominantly engaged in activities
11 usually provided for consideration by firms classified under
12 the Standard Industrial Classification Manual Industry Number
13 5311, Industry Number 5399, or Industry Number 7832.

14 (e) All applications for the granting of the tax
15 credits allowed under this section shall require the prior
16 approval of the director of the Office of Tourism, Trade, and
17 Economic Development. The director shall establish one
18 submission date each year for the receipt of applications for
19 such tax credits.

20 (f) Any business seeking to receive tax credits
21 pursuant to this section must submit an application to the
22 Office of Tourism, Trade, and Economic Development which sets
23 forth the business name and address and the number of
24 employees of the business.

25 (g) The decision of the director must be in writing,
26 and, if approved, the application must state the maximum
27 credits allowable to the business. A copy of the decision
28 shall be transmitted to the executive director of the
29 Department of Revenue, who shall apply such credits to the tax
30 liabilities of the business firm.

31

1 (h) If any credit granted pursuant to this section is
2 not fully used in any one year because of insufficient tax
3 liability on the part of the business, the unused amount may
4 be carried forward for a period not to exceed 5 years.

5 (4) The Office of Tourism, Trade, and Economic
6 Development is authorized to adopt all rules necessary to
7 administer this section, including rules for the approval or
8 disapproval of applications for tax incentives by businesses.

9 (5) The Department of Revenue shall adopt any rules
10 necessary to ensure the orderly implementation and
11 administration of this section.

12 (6) For purposes of this section, the terms "business"
13 and "taxable year" have the meanings ascribed in s. 220.03.

14 (7) Prior to the 2001 Regular Session of the
15 Legislature, the Office of Program Policy Analysis and
16 Government Accountability shall review and evaluate the
17 effectiveness and viability of the pilot project area created
18 under this section, using the research design prescribed
19 pursuant to s. 290.015. The office shall specifically evaluate
20 whether relief from certain taxes induced new investment and
21 development in the area, increased the number of jobs created
22 or retained in the area, induced the renovation,
23 rehabilitation, restoration, improvement, or new construction
24 of businesses or housing within the area, and contributed to
25 the economic viability and profitability of business and
26 commerce located within the area. The office shall submit a
27 report of its findings and recommendations to the President of
28 the Senate and to the Speaker of the House of Representatives
29 by January 15, 2001.

1 (8) This section shall stand repealed on June 30,
2 2015, and any designation made pursuant to this section shall
3 be revoked on that date.

4 Section 5. Notwithstanding the time limitations
5 contained in chapters 212 and 220, Florida Statutes, relating
6 to enterprise-zone tax incentives, a business that was
7 purchased in February 1992 within an area of Tampa that
8 received a designation as an enterprise zone under section
9 290.0065, Florida Statutes, effective July 1, 1995, and that
10 was eligible to receive enterprise-zone tax incentives from
11 July 1, 1995, to July 1, 1998, must submit an application for
12 the tax incentives by December 1, 1999. All other requirements
13 of the enterprise zone program apply to such a business.

14 Section 6. Notwithstanding any provision of law to the
15 contrary, the governing body of a municipality or a county
16 containing a U.S. Environmental Protection Agency brownfield
17 pilot project that was designated as of May 1, 1997, may apply
18 to the Office of Tourism, Trade, and Economic Development
19 before December 31, 1999, to amend the boundaries of an
20 enterprise zone designated in a municipality or a county
21 containing such brownfield pilot project. The office shall
22 approve the application to amend the boundaries of the
23 enterprise zone if the added area does not increase the
24 overall size of the expanded zone more than its original size
25 or 20 square miles, whichever is larger.

26 Section 7. Section 420.5093, Florida Statutes, is
27 created to read:

28 420.5093 State Housing Tax Credit Program.--

29 (1) There is created the State Housing Tax Credit
30 Program for the purposes of stimulating creative
31 private-sector initiatives to increase the supply of

1 affordable housing in urban areas, including, specifically,
2 housing for the elderly, and to provide associated commercial
3 facilities associated with such housing facilities.

4 (2) The Florida Housing Finance Corporation shall
5 determine those qualified projects that will be considered
6 designated projects under s. 220.185 and eligible for the
7 corporate-income-tax credit under that section. The
8 corporation shall establish procedures necessary for proper
9 allocation and distribution of state housing tax credits,
10 including the establishment of criteria for any single-family
11 or commercial component of a project, and may exercise all
12 powers necessary to administer the allocation of such credits.
13 The board of directors of the corporation shall administer the
14 allocation procedures and determine allocations on behalf of
15 the corporation. The corporation shall prepare an annual plan,
16 which must be approved by the Governor, containing general
17 guidelines for the allocation and distribution of credits to
18 designated projects.

19 (3) The corporation shall adopt allocation procedures
20 that will ensure the maximum use of available tax credits in
21 order to encourage development of low-income housing and
22 associated mixed-use projects in urban areas, taking into
23 consideration the timeliness of the application, the location
24 of the proposed project, the relative need in the area of
25 revitalization and low-income housing, and the availability of
26 such housing, the economic feasibility of the project, and the
27 ability of the applicant to proceed to completion of the
28 project in the calendar year for which the credit is sought.

29 (4)(a) A taxpayer who seeks to participate in the
30 State Housing Tax Credit Program must submit an application
31 for tax credit to the corporation. The application must

1 identify the project and its location and include evidence
2 that the project is a qualified project as defined in s.
3 220.185. The corporation may request any information from an
4 applicant necessary to enable the corporation to make tax
5 credit allocations according to the guidelines set forth in
6 subsection (3).

7 (b) The corporation's approval of an applicant as a
8 designated project must be in writing and must include a
9 statement of the maximum credit allowable to the applicant. A
10 copy of this approval shall be transmitted to the executive
11 director of the Department of Revenue, who shall apply the tax
12 credit to the tax liability of the applicant.

13 (5) For purposes of implementing this program and
14 assessing the property for ad valorem taxation under s.
15 193.011, neither the tax credits nor financing generated by
16 tax credits shall be considered as income to the property, and
17 the rental income from rent-restricted units in a state
18 housing tax credit development shall be recognized by the
19 property appraiser.

20 (6) The corporation is authorized to expend fees
21 received in conjunction with the allocation of state housing
22 tax credits only for the purpose of administration of the
23 program, including private legal services that relate to
24 interpretation of s. 42 of the Internal Revenue Code.

25 Section 8. Section 420.630, Florida Statutes, is
26 created to read:

27 420.630 Short title.--Sections 420.630-420.635 may be
28 cited as the "Urban Homesteading Act."

29 Section 9. Section 420.631, Florida Statutes, is
30 created to read:

31

1 420.631 Definitions.--As used in ss. 420.630-420.635,
2 the term:

3 (1) "Authority" or "housing authority" means any of
4 the public corporations created under s. 421.04.

5 (2) "Community-based organization" or "nonprofit
6 organization" means a private corporation that is organized
7 under chapter 617 which assists in providing housing and
8 related services on a not-for-profit basis and that is
9 acceptable to federal, state, and local agencies and financial
10 institutions as a sponsor of low-income housing.

11 (3) "Department" means the Department of Community
12 Affairs.

13 (4) "Homestead agreement" means a written contract
14 between a housing authority or community-based organization
15 and a qualified buyer which contains the terms under which the
16 qualified buyer may acquire the single-family housing
17 property.

18 (5) "Nonprofit community organization" means an
19 organization that is exempt from taxation under s. 501(c)(3)
20 of the Internal Revenue Code of 1986 and that contracts with a
21 housing authority to administer an urban homesteading program
22 for single-family housing under ss. 420.630-420.635.

23 (6) "Office" means the Office of Urban Opportunity
24 within the Office of Tourism, Trade, and Economic Development.

25 (7) "Project" means a specific work or improvement,
26 including land, buildings, real and personal property, or any
27 interest therein, acquired, owned, constructed, reconstructed,
28 rehabilitated, or improved with the financial assistance of
29 the agency, including the construction of low-income and
30 moderate-income housing facilities and facilities incident or
31 appurtenant thereto, such as streets, sewers, utilities,

1 parks, site preparation, landscaping, and any other
2 administrative, community, and recreational facilities that
3 the agency determines are necessary, convenient, or desirable
4 appurtenances.

5 (8) "Qualified buyer" means a person who meets the
6 criteria under s. 420.633.

7 (9) "Qualified loan rate" means an interest rate that
8 does not exceed the interest rate charged for home improvement
9 loans by the Federal Housing Administration under Title I of
10 the National Housing Act; chapter 847; 48 Stat. 1246; or 12
11 U.S.C. ss. 1702, 1703, 1705, and 1706b et seq.

12 Section 10. Section 420.632, Florida Statutes, is
13 created to read:

14 420.632 Authority to operate.--By resolution, subject
15 to federal and state law, and in consultation with the Office
16 of Urban Opportunity, a housing authority or a nonprofit
17 community organization appointed by the housing authority may
18 operate a program that makes foreclosed single-family housing
19 properties available to eligible buyers to purchase. This
20 urban homesteading program is intended to be one component of
21 a comprehensive urban-core redevelopment initiative known as
22 Front Porch Florida, implemented by the Office of Urban
23 Opportunity.

24 Section 11. Section 420.633, Florida Statutes, is
25 created to read:

26 420.633 Eligibility.--An applicant is eligible to
27 enter into a homestead agreement to acquire single-family
28 housing property as a qualified buyer under ss.
29 420.630-420.635, if:

30 (1) The applicant or his or her spouse is employed and
31 has been employed for the immediately preceding 12 months;

1 (2) The applicant or his or her spouse has not been
2 convicted of a drug-related felony within the immediately
3 preceding 3 years;

4 (3) All school-age children of the applicant or his or
5 her spouse who will reside in the single-family housing
6 property attend school regularly; and

7 (4) The applicant and his or her spouse have incomes
8 below the median for the state, as determined by the United
9 States Department of Housing and Urban Development, for
10 families with the same number of family members as the
11 applicant and his or her spouse.

12 Section 12. Section 420.634, Florida Statutes, is
13 created to read:

14 420.634 Application process.--

15 (1) A qualified buyer may apply to the housing
16 authority or a nonprofit community organization appointed by
17 the housing authority to acquire the single-family-housing
18 property. The application must be in a form and in a manner
19 provided by the housing authority or nonprofit community
20 organization appointed by the housing authority. If the
21 application is approved, the qualified buyer and housing
22 authority or nonprofit community organization appointed by the
23 housing authority shall enter into a homestead agreement for
24 the single-family-housing property. The housing authority or
25 nonprofit community organization appointed by the housing
26 authority may add additional terms and conditions to the
27 homestead agreement.

28 (2) The housing authority or nonprofit community
29 organization appointed by the housing authority shall deed or
30 cause to be deeded the single-family-housing property to the
31 qualified buyer for \$1 if the qualified buyer:

1 (a) Is in compliance with the terms of the homestead
2 agreement for at least 5 years or has resided in the
3 single-family-housing property before the housing authority or
4 nonprofit community organization appointed by the housing
5 authority adopts the urban homesteading program;

6 (b) Resides in that property for at least 5 years;

7 (c) Meets the criteria in the homestead agreement; and

8 (d) Has otherwise promptly met his or her financial
9 obligations with the housing commission.

10
11 However, if the housing authority has received federal funds
12 for which bonds or notes were issued and those bonds or notes
13 are outstanding for that housing project, the housing
14 authority shall deed the property to the qualified buyer only
15 upon payment of the pro rata share of the bonded debt on that
16 specific property by the qualified buyer. The housing
17 authority shall obtain the appropriate releases from the
18 holders of the bonds or notes.

19 Section 13. Section 420.635, Florida Statutes, is
20 created to read:

21 420.635 Loans to qualified buyers.--Contingent upon an
22 appropriation, the department, in consultation with the Office
23 of Urban Opportunity, shall provide loans to qualified buyers
24 who are required to pay the pro rata portion of the bonded
25 debt on the single-family housing. Loans provided under this
26 section shall be made at a rate of interest which may not
27 exceed the qualified loan rate. A buyer must maintain the
28 qualifications specified in s. 420.633 for the full term of
29 the loan. The loan agreement may contain additional terms and
30 conditions as determined by the department.

1 Section 14. Except as otherwise provided in this act,
2 this act shall take effect July 1, 1999.

3
4 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
5 COMMITTEE SUBSTITUTE FOR
6 Senate Bill 260

7 This committee substitute is an omnibus economic development
8 bill relating to urban communities, which through its
9 principal provisions:

9 Creates the Retention Enhancing Communities Initiative
10 to allow selected communities to compete for community
11 redevelopment funds.

11 Creates the State Housing Tax Credit Program authorizing
12 tax credits to be issued against the state corporate
13 income tax.

13 Provides that the Adjutant General shall administer
14 youth About Face programs and adult Forward March
15 programs that provide life preparation and job readiness
16 services to WAGES participants at sites selected by the
17 Adjutant General, subject to annual appropriations.

16 Directs the Office of Tourism, Trade, and Economic
17 Development to designate a pilot project area within an
18 enterprise zone which provides that up to four
19 businesses within such area are eligible for credits
20 against the sales tax and corporate income tax, computed
21 on the basis of the number of employees of the business.

19 Allows a business that is located in a Tampa enterprise
20 zone, and that meets specified conditions, to apply for
21 enterprise zone tax incentives dating back to July 1,
22 1995, if it applies by December 1, 1999.

22 Allows for the amendment of the boundaries of an
23 enterprise zone in a community that has received
24 designation as a U.S. Environmental Protection Agency
25 brownfield pilot project as of May 1, 1997.