

Bill No. CS for SB 1604, 1st Eng.

Amendment No.     

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Jones moved the following amendment:

**Senate Amendment (with title amendment)**

On page 1, between lines 24 and 25,

insert:

Section 1. This act may be cited as the  
"Community-Based Development Organization Assistance Act."

Section 2. Legislative findings and intent.--

(1) The Legislature finds that:

(a) Significant declines and consistently depressed  
appraised values make it impossible for business enterprises,  
including community-based development organizations, to  
generate sufficient revenues from business or real estate  
ventures in low-income neighborhoods to fund the redevelopment  
costs and other administrative expenses needed to foster new  
developments in these hard-to-develop areas.

(b) This deterioration contributes to the decline of  
neighborhoods in both rural and urban areas, causes a  
reduction of the value of property comprising the tax base of  
local communities, and eventually requires the expenditure of

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1 disproportionate amounts of public funds for health, social  
2 services, and police protection to prevent the development of  
3 slums and the social and economic disruption found in slum  
4 communities.

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

14 (2) The intent of this legislation is to provide  
15 community-based development organizations with the necessary  
16 administrative and operating funds to retain project staff to  
17 plan, implement, and manage job-generating and community  
18 revitalization developments in distressed neighborhoods. This  
19 assistance will strengthen the community-based development  
20 organizations, assist local governments to enhance and expand  
21 revitalization efforts, and contribute to expanding the base  
22 of commerce, business, and affordable housing that will serve  
23 persons with very low incomes or low incomes, or WAGES  
24 recipients, using a bottom-up approach.

25 Section 3. Eligibility for  
26 assistance.--Community-based development organizations that  
27 meet the following requirements shall be eligible for  
28 assistance.

29 (1) The community-based development organization must  
30 be a nonprofit corporation under state law and s. 501(c)(3) of  
31 the United States Internal Revenue Code.

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1           (2) A majority of the board members of the  
 2 community-based development organization must be elected by  
 3 those members of the corporation who are stakeholders,  
 4 comprising a mix of service area residents, area business  
 5 property owners, area employees, and low-income residents.  
 6 The board of a community-based development organization shall  
 7 include low-income residents.

8           (3) The community-based development organization must  
 9 maintain a service area in which economic and housing  
 10 development projects are located and must further meet one or  
 11 more of the following criteria:

12           (a) The area has been designated pursuant to s.  
 13 163.355, Florida Statutes, as a slum area or a blighted area,  
 14 as defined in s. 163.340, Florida Statutes, or is located  
 15 completely within the boundaries of a slum area or a blighted  
 16 area.

17           (b) The area is a community development block grant  
 18 program area in which community development block grant funds  
 19 are currently being spent or have been spent during the last 3  
 20 years as certified by the local government in which the  
 21 service area is located.

22           (c) The area is a neighborhood housing service  
 23 district.

24           (d) The area is contained within a state enterprise  
 25 zone designated on or after July 1, 1995, in accordance with  
 26 s. 290.0065, Florida Statutes.

27           (e) The area is contained in federal empowerment zones  
 28 and enterprise communities.

29           Section 4. Three-tiered plan.--The Department of  
 30 Community Affairs is authorized to award core administrative  
 31 and operating grants. Administrative and operating grants

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1 shall be used for staff salaries and administrative expenses  
2 for eligible community-based development organizations  
3 selected through a competitive three-tiered process for the  
4 purpose of housing and economic development projects. The  
5 department shall adopt by rule a set of criteria for  
6 three-tiered funding that shall ensure equitable geographic  
7 distribution of the funding throughout the state. This  
8 three-tiered plan shall include emerging, intermediate, and  
9 mature community-based development organizations recognizing  
10 the varying needs of the three tiers. Funding shall be  
11 provided for core administrative and operating grants for all  
12 levels of community-based development organizations. Priority  
13 shall be given to those organizations that demonstrate  
14 community-based productivity and high performance as evidenced  
15 by past projects developed with stakeholder input that have  
16 responded to neighborhood needs, and have current projects  
17 located in high-poverty neighborhoods, and to emerging  
18 community-based development corporations that demonstrate a  
19 positive need identified by stakeholders. Persons, equipment,  
20 supplies, and other resources funded in whole or in part by  
21 grant funds shall be utilized to further the purposes of this  
22 act, and may be utilized to further the goals and objectives  
23 of the Front Porch Florida Initiative. The one-time  
24 appropriation provided in this act shall be distributed by the  
25 Department of Community Affairs, to be used in a constructive  
26 manner by community-based development organizations across the  
27 state. Thereafter, each community-based development  
28 organization shall be eligible to apply for a grant of up to  
29 \$50,000 per year for a period of 5 years.

30 Section 5. Eligible activities.--Activities eligible  
31 for assistance pursuant to this act include, but are not

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1 limited to:

2 (1) Preparing grant and loan applications, proposals,  
3 fundraising letters, and other documents essential to securing  
4 additional administrative or project funds to further the  
5 purposes of this act.

6 (2) Monitoring and administering grants and loans,  
7 providing technical assistance to businesses, and any other  
8 administrative tasks essential to maintaining funding  
9 eligibility or meeting contractual obligations.

10 (3) Developing local programs and home ownership  
11 housing projects to encourage the participation of financial  
12 institutions, insurance companies, attorneys, architects,  
13 engineers, planners, law enforcement officers, developers, and  
14 other professional firms and individuals providing services  
15 beneficial to redevelopment efforts.

16 (4) Providing technical, accounting, and financial  
17 assistance and information to businesses and entrepreneurs  
18 interested in locating, expanding, or operating in the service  
19 area.

20 (5) Coordinating with state, federal, and local  
21 governments and other nonprofit organizations to ensure that  
22 activities meet local plans and ordinances and to avoid  
23 duplication of tasks.

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

28 (7) Developing, selling, owning, and managing  
29 subsidized affordable housing designed for persons with very  
30 low incomes or low incomes, or for WAGES recipients, or  
31 developing, selling, owning, and managing subsidized

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1 affordable industrial parks providing jobs to such persons.

2 (8) Obtaining technical assistance to build capacity  
3 to support community-based development organization projects.

4 Section 6. Application requirements.--A  
5 community-based development organization applying for a core  
6 administrative and operating grant pursuant to this act must  
7 submit a proposal to the Department of Community Affairs that  
8 includes:

9 (1) A map and narrative description of the service  
10 areas for the community-based development organization.

11 (2) A copy of the documents creating the  
12 community-based development organization.

13 (3) A listing of the membership of the board of the  
14 community-based development organization, including individual  
15 members' terms of office and the number low-income residents  
16 on the board.

17 (4) The organization's annual revitalization plan that  
18 describes the expenditure of the funds, including goals,  
19 objectives, and expected results, and has a clear relationship  
20 to the local municipality's comprehensive plan.

21 (5) Other supporting information that may be required  
22 by the Department of Community Affairs to determine the  
23 organization's capacity and productivity.

24 (6) A description of the location, financing plan, and  
25 potential impact of the business enterprises on residential,  
26 commercial, or industrial development, that shows a clear  
27 relationship to the organization's annual revitalization plan  
28 and demonstrates how the proposed expenditures are directly  
29 related to the scope of work for the proposed projects in the  
30 annual revitalization plan.

31 Section 7. Reporting and evaluation

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1 requirements.--Community-based development organizations that  
2 receive funds under this act shall provide the following  
3 information to the Department of Community Affairs annually:

4 (1) A listing of business firms and individuals  
5 assisted by the community-based development organization  
6 during the reporting period.

7 (2) A listing of the type, source, purpose, and amount  
8 of each individual grant, loan, or donation received by the  
9 community-based development organization during the reporting  
10 period.

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

13 (4) A listing of the salaries and administrative and  
14 operating expenses of the community-based development  
15 organization.

16 (5) An identification and explanation of changes in  
17 the boundaries of the target area.

18 (6) The amount of earned income from projects,  
19 programs, and development activities.

20 (7) The number and description of projects in  
21 predevelopment phase, projects under construction, ongoing  
22 service programs, construction projects completed, and  
23 projects at sell-out or lease-up and property management  
24 phase, and a written explanation of the reasons that caused  
25 any projects not to be completed for the projected development  
26 phase.

27 (8) The impact of the projects, as a result of  
28 receiving funding under this act, on residents in the target  
29 area, and the relationship of this impact to expected outcomes  
30 listed in the organization's annual revitalization plan.

31 (9) The number of housing units rehabilitated or

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1 constructed at various stages of development, predevelopment  
2 phase, construction phase, completion and sell-out or lease-up  
3 phase, and condominium or property management phase by the  
4 community-based development organization within the service  
5 area during the reporting period.

6 (10) The number of housing units, number of projects,  
7 and number of persons served by prior projects developed by  
8 the organization, the amounts of project financing leverage  
9 with state funds for each prior and current project, and the  
10 incremental amounts of local and state real estate tax and  
11 sales tax revenue generated directly by the projects and  
12 programs annually.

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

17 (12) An identification and explanation of changes in  
18 the boundaries of the service area.

19 (13) The impact of completed projects on residents in  
20 the target area and the relationship of this impact to  
21 expected outcomes listed in the organization's annual  
22 revitalization plan.

23 (14) Such other information as the Department of  
24 Community Affairs requires.

25 Section 8. The Department of Community Affairs shall  
26 adopt rules for the administration of this act.

27 Section 9. There is hereby appropriated from the  
28 General Revenue Fund the sum of \$1 million to be distributed  
29 as grants to community-based development organizations as  
30 provided by this act.

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1 (Redesignate subsequent sections.)

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4 ===== T I T L E A M E N D M E N T =====

5 And the title is amended as follows:

6 On page 1, lines 2 and 3, delete those lines

7

8 and insert:

9 An act relating to community-based development  
10 organizations; creating the "Community-Based  
11 Development Organization Act"; providing  
12 legislative findings and intent; providing  
13 eligibility requirements for administrative and  
14 operating grants to community-based development  
15 organizations; providing for award of grants by  
16 the Department of Community Affairs for housing  
17 and economic development projects; providing a  
18 three-tiered plan; providing a description of  
19 activities eligible for funding; providing  
20 application requirements; providing reporting  
21 and evaluation requirements; authorizing the  
22 Department of Community Affairs to adopt rules;  
23 providing an appropriation; amending s. 212.08,  
24 F.S.;

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