



- **Lifelines:** If the coordinating partners identify a potentially transforming proposal from a community which cannot be tackled with the other five tools, they can recommend a “lifeline” for the community. If an appropriate agency head concurs with the recommendation, after consultation with the Governor, President of the Senate, and Speaker of the House of Representatives, the agency head can recommend approval of the project and the Cabinet can approve it to go forward.

This committee substitute creates a yet unnumbered section of the Florida Statutes.

## II. Present Situation:

### **Retention Enhancing Communities Initiative**

The Retention Enhancing Communities Initiative (RECI) proposal from the 1999 legislative session was an attempt to leverage state, federal, and local resources for comprehensive economic development and community redevelopment activities in distressed urban cores, with the goal of benefiting participants in the Work and Gain Economic Self-sufficiency (WAGES) Program, as well as other Floridians, residing and holding or seeking employment in these areas. (See CS/SB 260, 2nd Eng., which died in House messages, 1999 session.) The concept underlying RECI was that communities would organize themselves and come to the table prepared to leverage their resources with state resources. With an effective date of July 1, 1999, CS/SB 260, 2nd Eng., required RECI projects to be fully operational by January 1, 2000, and completed by December 31, 2001. Swift completion of projects was of particular importance because proposed funding for RECI was up to \$50 million in Temporary Assistance for Needy Families (TANF) funds, which some policy makers believed would be reclaimed by the federal government if not used.

Interim Project Report 2000-19 titled *Distressed Urban Cores: Linking Community Development and WAGES Strategies* by the Senate Committee on Commerce and Economic Opportunities sought to determine the feasibility of, need for, and merits of an urban community redevelopment initiative, similar to RECI. The project also solicited feedback on how such an initiative should be structured, administered, and funded.

### **Work and Gain Economic Self-sufficiency**

Chapter 96-175, L.O.F., eliminated individual entitlement to public assistance and created the Work and Gain Economic Self-sufficiency (WAGES) Program. Under the WAGES Program, for most individuals, cash assistance is temporary and is tied to a requirement that able-bodied adults must work and be financially responsible for themselves and their families. WAGES Program requirements and administrative responsibilities are established in ch. 414, F.S.

### **Front Porch Florida Initiative**

Section 14.2015(9), F.S., creates the Office of Urban Opportunity (office) within the Office of Tourism, Trade, and Economic Development (OTTED). The stated purpose of the office is to administer the Front Porch Florida initiative, “a comprehensive, community-based urban core redevelopment program that will empower urban core residents to craft solutions to the unique challenges of each designated community.”

On October 8, 1999, Governor Bush designated the first six Front Porch Florida Neighborhoods. The Governor's Front Porch Florida initiative calls for 20 such designations.

### **Legislative Committee on Intergovernmental Relations**

In recognizing the importance of the vitality of urban cores to their respective regions and the state, the Legislative Committee on Intergovernmental Relations (LCIR) conducted an interim project, during the summer of 1997, on developing an urban policy for Florida to preserve, revitalize, and sustain the state's urban centers. During the course of the interim, the committee heard testimony from many experts including urban policy scholars; federal, state, and local government officials; representatives from regional entities, financial institutions, and residential and commercial developers; and others knowledgeable about urban issues.

The testimony emphasized the need for public/private partnerships, as well as the involvement of the community, to successfully address the varied problems of an urban area. Each urban area has unique needs, and community support is needed in effecting change and directing resources to those needs. In addition, the private sector participants stressed the importance of the state and local governments demonstrating their commitment to urban areas before they were willing to invest in redevelopment projects. Finally, the following specific urban problems were identified:

- ▶ Vacant and abandoned buildings;
- ▶ Loss of jobs and corresponding high unemployment rates;
- ▶ Lack of public transportation facilities;
- ▶ Concerns for public safety;
- ▶ Difficulty in recruiting businesses into core areas;
- ▶ Disincentives to development because of lower land prices and building costs outside of urban areas;
- ▶ Eroding tax bases;
- ▶ Deterioration of neighborhoods; and
- ▶ Lack of sense of regional identity or citizenship by residents in outlying areas.

*[1998 Report On The Development Of A State Urban Policy, February 1998, Pages 1 & 2.]*

The LCIR sought to begin establishing a state urban policy by developing and identifying policies essential to revitalization of urban cores. The LCIR initially focused its efforts on promoting urban infill and redevelopment as a method to create jobs, improve neighborhoods, stimulate the economy, and have a general positive effect in rectifying other urban needs. The committee sought to "level the playing field" between the cost of developing downtown versus the urban

fringe, and to encourage urban redevelopment generally. The committee's recommendations are set forth in a report titled "*1998 Report On The Development Of A State Urban Policy.*"

Florida has various policies that address aspects of urban development, including the State Comprehensive Plan, Strategic Regional Policy Plans, Local Government Comprehensive Plans, and Community Redevelopment Agencies, among others. More recently, a law enacted by the 1996 Legislature authorized the Department of Community Affairs to undertake a Sustainable Communities Demonstration Project for the development of models to further enhance local government's capacity to meet current and future infrastructure needs with existing resources. Additionally, the Governor's Commission for a Sustainable South Florida and the Department of Community Affairs, in conjunction with regional and local level governmental entities, have initiated a regional approach to urban revitalization through the "Eastward ho!" initiative in southeast Florida.

### III. **Effect of Proposed Changes:**

This committee substitute creates the Toolkit for Economic Development (TED) program, for the purpose of enabling economically distressed communities to access easily, and use effectively, federal and state tools to improve conditions in the communities and thereby help needy families in the communities avoid public assistance, retain employment, and become self-sufficient. "Economically distressed" is defined as a community that is experiencing conditions affecting its economic viability and hampering the self-sufficiency of its residents, including, but not limited to, low per capita income, low property values, high unemployment, high under-employment, low weekly wages compared to the state average, low housing values compared to the state average, high percentage of the population receiving public assistance, high poverty levels compared to the state average, high percentage of needy families, and a lack of year-round stable employment opportunities. The toolkit is comprised of six initiatives, or "tools," to meet the program's stated purpose.

#### **Liaisons**

Twenty-four agencies are required to designate high-level individuals to serve as liaisons for the TED program. The liaison serves as the primary contact for the agency or organization for the TED program to: assist and expedite proposal review; resolve problems; promote flexible assistance; and identify opportunities for support within the agency or organization. Liaisons must also, as necessary, review proposals from economically distressed communities to determine if they would be properly referred or submitted to their agencies or organizations. If such referral and submittal is appropriate, the liaison must then assist the community as an ombudsman.

Liaisons are directed to work at the request of the Office of Tourism, Trade, and Economic Development (OTTED) to review statutes and rules for their adverse impact on economically distressed communities and to develop alternative proposals to mitigate their impact. Additionally, liaisons must review their agencies' or organizations' evaluation and scoring procedures for grant, loan, and aid programs to ensure that economically distressed communities are not unfairly disadvantaged, hampered, or handicapped in competing for awards because of community economic hardship. If they are, new evaluation criteria and scoring procedures must be considered that recognize disproportionate requirements that an application process makes of a community

that lacks the resources of other more prosperous communities. The evaluation criteria should weight contribution in proportion to the amount of resources available at the local level.

Annually, OTTED must report to the Governor and the head of each agency or organization on the work and accomplishments of the liaisons, recommending commendation or compensation.

### **Coordinating Partners**

The liaisons from OTTED, the Office of Urban Opportunity, the Department of Community Affairs, Enterprise Florida, Inc., and the state Workforce Development Board must serve as coordinating partners for the TED program, acting as an executive committee for the liaisons. The coordinating partners must review any request from a Front Porch Community and provide whatever assistance that the TED program can afford to them.

### **Fee Waivers & Matching Fund Options**

The coordinating partners are authorized to request waivers or pay the application fees or local matching requirements of economically distressed communities for federal, state, or foundation programs. In addition, any in-kind matches may be allowed and applied as matching funds at the request of the coordinating partners. Fee reductions or waivers must be requested on the basis of fiscal hardship or need for a particular project or activity. The coordinating partners must unanimously endorse each request to an agency or organization.

### **Inventory**

The coordinating partners must develop an inventory of recommended federal and state tax credits, incentives, inducements, programs, opportunities, demonstrations or pilot programs, grants, and other resources available through the agencies and organizations which could assist economically distressed communities. The inventory must be organized into seven categories including:

- **Leadership** - Entries that promote the skills and capacities of local leaders, volunteers, organizations, and employees that work on other categories of the inventory. These entries must include, for example: grants; scholarships; Individual Training Accounts; Retention Incentive Training Account programs; and other programs that build the resident capacity to create a better community.
- **Safety** - Entries that increase safety and reduce crime. These entries must include, for example: the training and employment of public safety employees and volunteers; establishing safer businesses and neighborhoods; training residents in safety practices; organizing safety networks and cooperatives; improving lighting; improving the safety of homes, buildings, and streets; and providing for community police and safety projects, including those designed to protect youth in the community.
- **Clean Up** - Entries that support clean up and enhancement projects that quickly create visible improvements in neighborhoods, including the demolition of drug havens and

abandoned buildings. These entries must include, for example: projects that plan, design, or implement clean up strategies; main street redevelopment; and renovation projects.

- Business - Entries that support small business development, including, for example: attraction of national franchises; micro-loans; guaranteed commercial loans; technical assistance; self-employment; linked deposit; loan loss reserves; business incubators; and other activities that support the market economy.
- Schools - Entries that upgrade schools through repair or renovation, as well as training and employment entries to assist with school transportation, services, and security. These entries must include, for example: programs that enable school-based childcare; before, after, and summer school programs; programs that broaden the use of school facilities as a hub and haven within the community; scholarships; and grant programs that assist families and individuals to complete and enhance their education.
- Partners - Entries that provide tax credits, incentives, and other inducements to businesses that contribute to community projects, such as the community contribution tax credit under ss. 220.183 and 624.5105, F.S. These entries must include any programs that help raise federal or foundation grant funds.
- Redevelopment - Entries that support the planning, preparation, construction, marketing, and financing of residential, mixed-use, and commercial redevelopment, as well as residential and business infrastructure projects. These entries must include the workforce development programs that influence business decisions such as the Quick-Response Training Program and Quick-Response Training Program for Work and Gain Economic Self-sufficiency (WAGES) participants.

### **Start-Up Initiative**

To get the communities started using the inventory created in the committee substitute, the coordinating partners must identify 15 communities (seven of which must be from the state's seven largest counties, three of which must be from rural counties, and five of which must be from other counties in the state), and solicit applications from these communities and Front Porch Florida communities for nine Start-up Initiative Awards. These communities must pledge local resources and plan to use the inventory's programs to make community residents rapidly become more economically self-sufficient. The coordinating partners must provide assistance with inventory programs and back-up funding to effectuate the nine communities' proposals.

The coordinating partners must appoint a liaison to assist each community with its proposal and its implementation, if awarded. These liaisons must have the assistance of the Executive Office of the Governor, the agencies of state government, and their employees. If a state employee is not able to assist a liaison because of state law or regulation, the liaison must notify the coordinating partners and the Office of Program Policy Analysis and Government Accountability concerning the impasse and develop a strategy to resolve such impasse. Upon a written request of a liaison, the Governor may, by executive order or emergency rule, address a regulatory or procedural impasse, enabling prompt implementation of a community's proposal, if awarded.

The coordinating partners may direct funding that is appropriated to their control to fund this initiative and, if necessary, may seek budget amendments to redirect funding to this initiative. Any federal Temporary Assistance for Needy Families (TANF) Block Grant funding appropriated to assist needy families, or to promote job placement and employment retention, that is in excess of revenues necessary to fulfill the appropriated purpose, and which may not be obligated during the budget year, may be redirected to this initiative to support an approved proposal.

### **Lifelines**

If the coordinating partners identify a potentially transforming proposal from a community which cannot be tackled with the other five tools, they can recommend a “lifeline” for the community. If an appropriate agency head concurs with the recommendation, after consultation with the Governor, President of the Senate, and Speaker of the House of Representatives, the agency head can recommend approval of the project and the Cabinet can approve it to go forward.

The committee substitute provides for measurement of the performance of the TED program. An independent entity is required to develop measures and criteria by October 1, 2001, to evaluate the effectiveness of the TED program, including the liaisons, coordinating partners, waivers and matching options, inventory, Start Up Initiative, and lifelines.

This committee substitute appropriates \$25 million from the TANF Block Grant to the coordinating partners to implement the TED program. All expenditures from the TANF Block Grant must be in accordance with the requirements and limitations of Title IV of the Social Security Act, as amended, or any other applicable federal requirement or limitation in law. The TED program is repealed on June 30, 2002.

The committee substitute takes effect upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

##### **D. Other Constitutional Issues:**

Section 1(c) of Art. VII of the State Constitution provides that no money can be drawn from the treasury except in pursuance of appropriation made by law. This committee substitute authorizes excess, unobligated, federal TANF Block Grant funding appropriated to assist

needy families, or to promote job placement and employment retention, to be redirected to the TED program. To the extent that this redirection is viewed as an appropriation that is not made pursuant to law, this committee substitute may raise concerns under s. 1(c), Art. VII of the State Constitution.

**V. Economic Impact and Fiscal Note:**

**A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Families and communities may benefit from this committee substitute to the extent that the stated purpose of the committee substitute -- assisting families become self-sufficient and producing economically prosperous communities -- is achieved.

**C. Government Sector Impact:**

This committee substitute appropriates \$25 million from the Temporary Assistance for Needy Families (TANF) Block Grant to the coordinating partners to implement the TED program.

Any federal TANF Block Grant funding appropriated to assist needy families, or to promote job placement and employment retention, that is in excess of revenues necessary to fulfill the appropriated purpose, and which may not be obligated during the budget year, may be redirected to the TED program.

The liaisons and coordinating partners may experience costs relating to duties and responsibilities required in the committee substitute.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.