

By Representative L. Miller

1 A bill to be entitled
2 An act relating to community-based development
3 organizations; creating the "Community
4 Development Corporation Assistance Act";
5 providing legislative findings and intent;
6 providing eligibility requirements for
7 administrative and operating grants to
8 community-based development organizations;
9 providing for award of grants by the Department
10 of Community Affairs for housing and economic
11 development projects; providing a three-tiered
12 plan; providing a description of activities
13 eligible for funding; providing application
14 requirements; providing reporting and
15 evaluation requirements; providing an
16 appropriation; providing an effective date.

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

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20 Section 1. This act may be cited as the "Community
21 Development Corporation Assistance Act."

22 Section 2. Legislative findings and intent.--

23 (1) The Legislature finds that:

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

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

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

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

29 Section 3. Eligibility for
30 assistance.--Community-based development organizations that
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1 meet the following requirements shall be eligible for
2 assistance.

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

6 (2) A majority of the board members of the
7 community-based development organization must be elected by
8 those members of the corporation who are stakeholders,
9 comprising a mix of service area residents, area business
10 property owners, and area employees.

11 (3) The community-based development organization must
12 maintain a service area in which economic and housing
13 development projects are located and which has a high poverty
14 rate, based on the most current United States Census data,
15 that exceeds over 40 percent of the median income in the
16 county where the projects and organization are located, and
17 must further meet one or more of the following criteria:

18 (a) The area has been designated pursuant to s.
19 163.355, Florida Statutes, as a slum area or a blighted area,
20 as defined in s. 163.340, Florida Statutes, or is located
21 completely within the boundaries of a slum area or a blighted
22 area.

23 (b) The area is a neighborhood housing service
24 district that is contained within a state enterprise zone
25 designated on or after July 1, 1995, in accordance with s.
26 290.0065, Florida Statutes.

27 (c) 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

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 develop a set of criteria for three-tiered
6 funding that shall ensure equitable geographic distribution of
7 the funding throughout the state. This three-tiered plan shall
8 include emerging, intermediate, and mature community-based
9 development organizations recognizing the varying needs of the
10 three tiers. Funding shall be provided for core
11 administrative and operating grants for all levels of
12 community-based development organizations. Priority shall be
13 given to those organizations that demonstrate community-based
14 productivity and high performance, and have current projects
15 located in high-poverty neighborhoods, and to emerging
16 community development corporations that demonstrate a positive
17 need. Persons, equipment, supplies, and other resources
18 funded in whole or in part by grant funds shall then be
19 utilized to further the purposes of the Front Porch Florida
20 Initiative. The one-time appropriation provided in this act
21 shall be distributed by the Department of Community Affairs,
22 to be used in a constructive manner by community development
23 corporations across the state. Thereafter, each community
24 development corporation shall be eligible to apply for a grant
25 of up to \$50,000 per year for a period of 5 years.

26 Section 5. Eligible activities.--Activities eligible
27 for assistance pursuant to this act include, but are not
28 limited to:

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

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

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

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

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

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

25 (7) Developing, selling, owning, and managing
26 subsidized affordable housing designed for persons with very
27 low incomes or low incomes, or for WAGES recipients, or
28 developing, selling, owning, and managing subsidized
29 affordable industrial parks providing jobs to such persons.

30 Section 6. Application requirements.--A
31 community-based development organization applying for a core

1 administrative and operating grant pursuant to this act must
2 submit a proposal to the Department of Community Affairs that
3 includes:
4 (1) A map and narrative description of the service
5 areas for the community-based development organization.
6 (2) A copy of the documents creating the
7 community-based development organization.
8 (3) A listing of the membership of the board of the
9 community-based development organization, including individual
10 members' terms of office.
11 (4) The organization's annual revitalization plan that
12 describes the expenditure of the funds, including goals,
13 objectives, and expected results, and has a clear relationship
14 to the local municipality's neighborhood comprehensive plan.
15 (5) Other supporting information that may be required
16 by the Department of Community Affairs to determine the
17 organization's capacity and productivity.
18 (6) A description of the location, financing plan, and
19 potential impact of the business enterprises on residential,
20 commercial, or industrial development, that shows a clear
21 relationship to the organization's annual revitalization plan
22 and demonstrates how the proposed expenditures are directly
23 related to the scope of work for the proposed projects in the
24 annual revitalization plan.
25 Section 7. Reporting and evaluation
26 requirements.--Community-based development organizations that
27 receive funds under this act shall provide the following
28 information to the Department of Community Affairs annually:
29 (1) A listing of business firms and individuals
30 assisted by the community-based development organization
31 during the reporting period.

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

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

7 (4) A listing of the salaries and administrative and
8 operating expenses of the community-based development
9 organization.

10 (5) An identification and explanation of changes in
11 the boundaries of the target area.

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

14 (7) The number and description of projects in
15 predevelopment phase, projects under construction, ongoing
16 service programs, construction projects completed, and
17 projects at sell-out or lease-up and property management
18 phase, and a written explanation of the reasons that caused
19 any projects not to be completed for the projected development
20 phase.

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

25 (9) The number of housing units rehabilitated or
26 constructed at various stages of development, predevelopment
27 phase, construction phase, completion and sell-out or lease-up
28 phase, and condominium or property management phase by the
29 community-based development organization within the service
30 area during the reporting period.

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

8 (11) 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 (12) An identification and explanation of changes in
13 the boundaries of the service area.

14 (13) The impact of completed projects on residents in
15 the target area and the relationship of this impact to
16 expected outcomes listed in the organization's annual
17 revitalization plan.

18 (14) Such other information as the Department of
19 Community Affairs requires.

20 Section 8. There is hereby appropriated from the
21 General Revenue Fund to the Department of Community Affairs,
22 the sum of \$3 million to be distributed as grants to
23 community-based development organizations as provided by this
24 act.

25 Section 9. This act shall take effect July 1, 2000.

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HOUSE SUMMARY

Creates the "Community Development Corporation Assistance Act." Provides for grants to certain community-based development organizations for administrative and operating expenses related to housing and economic development projects. Provides for administration and distribution of grants by the Department of Community Affairs according to a three-tiered plan recognizing the needs of emerging, intermediate, and mature community-based development organizations. Describes activities eligible for funding. Provides requirements for application and for reports and evaluation of projects funded. Provides an appropriation.