

By Senator Jones

40-759-00

See HB

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,  
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 in enhancing and  
25 expanding revitalization efforts, and contribute to expanding  
26 the base of commerce, business, and affordable housing that  
27 will serve persons with very low incomes or low incomes, or  
28 WAGES 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 and must  
9 comprise 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 exceeding over 40 percent of the median income in the county  
16 where the projects and organization are located, and must  
17 further meet one or more of the following criteria:

18 (a) The area has been designated pursuant to section  
19 163.355, Florida Statutes, as a slum area or a blighted area,  
20 as defined in section 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  
26 section 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 which shall ensure equitable geographic distribution  
7 of the funding throughout the state. This three-tiered plan  
8 shall include emerging, intermediate, and mature  
9 community-based development organizations, recognizing the  
10 varying needs of the three tiers. Funding shall be provided  
11 for core 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  
12 describing the expenditure of the funds, goals, objectives,  
13 and expected results, and showing a clear relationship to the  
14 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, and industrial development, showing a clear  
21 relationship to the organization's annual revitalization plan  
22 and demonstrating 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 why any  
19 projects were not to be completed for the projected  
20 development 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 leveraged  
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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LEGISLATIVE 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.