

By the Committee on Comprehensive Planning, Local and Military Affairs; and Senator Jones

316-2021-00

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

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19 Be It Enacted by the Legislature of the State of Florida:
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21 Section 1. This act may be cited as the
22 "Community-Based Development Organization Assistance Act."

23 Section 2. Legislative findings and intent.--

24 (1) The Legislature finds that:

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

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 section
5 501(c)(3) of 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, area employees, and low-income residents. The
11 board of a community-based development organization shall
12 include low-income residents.

13 (3) The community-based development organization must
14 maintain a service area in which economic and housing
15 development projects are located and must meet one or more of
16 the following additional criteria:

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

22 (b) The area is a community development block grant
23 program area in which community development block grant funds
24 are currently being spent or have been spent during the last 3
25 years, as certified by the local government in which the
26 service area is located.

27 (c) The area is a neighborhood housing service
28 district.

29 (d) The area is contained within an enterprise zone
30 designated on or after July 1, 1995, in accordance with
31 section 290.0065, Florida Statutes.

1 (e) The area is contained within a federal empowerment
2 zone or enterprise community.

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

1 community-based development organization shall be eligible to
2 apply for a grant of up to \$50,000 per year for a period of 5
3 years.

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

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

11 (2) Monitoring and administering grants and loans,
12 providing technical assistance to businesses, and performing
13 any other administrative tasks essential to maintaining
14 funding eligibility or meeting contractual obligations.

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

21 (4) Providing technical, accounting, and financial
22 assistance and information to businesses and entrepreneurs
23 interested in locating, expanding, or operating in the service
24 area.

25 (5) Coordinating with state, federal, and local
26 governments and other nonprofit organizations to ensure that
27 activities meet local plans and ordinances and avoid
28 duplication of tasks.

29 (6) Assisting service area residents in identifying
30 and determining eligibility for state, federal, and local
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1 housing programs, including rehabilitation, weatherization,
2 home ownership, rental assistance, or public housing programs.

3 (7) Developing, selling, owning, and managing
4 subsidized affordable housing designed for persons with very
5 low incomes or low incomes, or for WAGES recipients, or
6 developing, selling, owning, and managing subsidized
7 affordable industrial parks providing jobs to such persons.

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

10 Section 6. Application requirements.--A
11 community-based development organization applying for a core
12 administrative and operating grant pursuant to this act must
13 submit a proposal to the Department of Community Affairs which
14 includes:

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

17 (2) A copy of the documents creating the
18 community-based development organization.

19 (3) A listing of the membership of the board of the
20 community-based development organization, including individual
21 members' terms of office and the number low-income residents
22 on the board.

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

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

30 (6) A description of the location, financing plan, and
31 potential impact of the business enterprises on residential,

1 commercial, or industrial development, which shows a clear
2 relationship to the organization's annual revitalization plan
3 and demonstrates how the proposed expenditures are directly
4 related to the scope of work for the proposed projects in the
5 annual revitalization plan.

6 Section 7. Reporting and evaluation
7 requirements.--Community-based development organizations that
8 receive funds under this act shall provide the following
9 information to the Department of Community Affairs annually:

10 (1) A listing of business firms and individuals
11 assisted by the community-based development organization
12 during the reporting period.

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

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

19 (4) A listing of the salaries and administrative and
20 operating expenses of the community-based development
21 organization.

22 (5) An identification and explanation of changes in
23 the boundaries of the target area.

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

26 (7) The number and description of projects in
27 predevelopment phase, projects under construction, ongoing
28 service programs, construction projects completed, and
29 projects at sell-out or lease-up and property management
30 phase, and a written explanation of the reasons that caused
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1 any projects not to be completed for the projected development
2 phase.

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

7 (9) The number of housing units rehabilitated or
8 constructed at various stages of development, predevelopment
9 phase, construction phase, completion and sell-out or lease-up
10 phase, and condominium or property management phase by the
11 community-based development organization within the service
12 area during the reporting period.

13 (10) The number of housing units, number of projects,
14 and number of persons served by prior projects developed by
15 the organization, the amounts of project financing leverage
16 with state funds for each prior and current project, and the
17 incremental amounts of local and state real estate tax and
18 sales tax revenue generated directly by the projects and
19 programs annually.

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

24 (12) An identification and explanation of changes in
25 the boundaries of the service area.

26 (13) The impact of completed projects on residents in
27 the target area and the relationship of this impact to
28 expected outcomes listed in the organization's annual
29 revitalization plan.

30 (14) Such other information as the Department of
31 Community Affairs requires.

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

3 Section 9. Three full-time-equivalent employees are
4 authorized for the Department of Community Affairs and the sum
5 of \$192,000 is appropriated from the General Revenue Fund to
6 the Department of Community Affairs to fund the administration
7 of this act. The sum of \$3 million is appropriated from the
8 General Revenue Fund to be distributed as grants to
9 community-based development organizations as provided by this
10 act.

11 Section 10. This act shall take effect July 1, 2000.

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13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
14 COMMITTEE SUBSTITUTE FOR
15 SB 942

16 The CS incorporates a number of changes recommended by the
17 Department of Community Affairs, which address the membership
18 of boards for community-based development organizations,
19 criteria for grants, and rulemaking authority. The CS also
20 provides an appropriation of three staff positions and
21 \$192,000 to DCA to administer the program.
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