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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/03/2014	.	
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	.	

The Committee on Commerce and Tourism (Simpson) recommended the following:

Senate Amendment (with title amendment)

Delete lines 55 - 142

and insert:

Section 1. Subsection (1) of section 163.3202, Florida Statutes, is amended to read:

163.3202 Land development regulations.—

(1) Within 1 year after submission of its comprehensive plan or revised comprehensive plan for review pursuant to s. 163.3191 ~~s. 163.3167(2)~~, each county and each municipality shall



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11 adopt or amend and enforce land development regulations that are
12 consistent with and implement their adopted comprehensive plan.

13 Section 2. Subsections (5) and (6) are added to section
14 288.005, Florida Statutes, to read:

15 288.005 Definitions.—As used in this chapter, the term:

16 (5) "Loan administrator" means a statutorily eligible
17 recipient of state funds which is authorized by the department
18 to make loans under a loan program.

19 (6) "Loan program" means a program established in this
20 chapter to provide appropriated funds to an eligible entity to
21 further a specific state purpose for a limited period of time.
22 The term includes a "loan fund" or "loan pilot program"
23 administered by the department under this chapter.

24 Section 3. Section 288.006, Florida Statutes, is created to
25 read:

26 288.006 General operation of loan programs.—

27 (1) The Legislature intends to promote the goals of
28 accountability and proper stewardship by recipients of loan
29 program funds. This section applies to all loan programs
30 established under this chapter.

31 (2) State funds appropriated for a loan program may be used
32 only by an eligible recipient or loan administrator, and the use
33 of such funds is restricted to the specific state purpose of the
34 loan program, subject to any compensation due to a recipient or
35 loan administrator as provided under this chapter. State funds
36 may be awarded directly by the department to an eligible
37 recipient or awarded by the department to a loan administrator.
38 All state funds, including any interest earned, remain state
39 funds unless otherwise stated in the statutory requirements of



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40 the loan program.

41 (3) (a) Upon termination of a loan program by the
42 Legislature or by statute, all appropriated funds shall revert
43 to the General Revenue Fund. The department shall pay the entity
44 for any allowable administrative expenses due to the loan
45 administrator as provided under this chapter, unless otherwise
46 required by law.

47 (b) Upon termination of a contract between the department
48 and an eligible recipient or loan administrator, all remaining
49 appropriated funds shall revert to the fund from which the
50 appropriation was made. The department shall become the
51 successor entity for any outstanding loans. Except in the case
52 of the termination of a contract for fraud or a finding that the
53 recipient or loan administrator was not meeting the terms of the
54 program, the department shall pay the entity for any allowable
55 administrative expenses due to the loan administrator as
56 provided under this chapter.

57 (c) The eligible recipient or loan administrator to which
58 this subsection applies shall execute all appropriate
59 instruments to reconcile any remaining accounts associated with
60 a terminated loan program or contract. The entity shall execute
61 all appropriate instruments to ensure that the department is
62 authorized to collect all receivables for outstanding loans,
63 including, but not limited to, assignments of promissory notes
64 and mortgages.

65 (4) An eligible recipient or loan administrator must avoid
66 any potential conflict of interest regarding the use of
67 appropriated funds for a loan program. An eligible recipient or
68 loan administrator or a board member, employee, or agent thereof



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69 may not have a financial interest in an entity that is awarded a
70 loan under a loan program. A loan may not be made to a person or
71 entity if a conflict of interest exists between the parties
72 involved unless the eligible recipient or loan administrator
73 provides the department with full disclosure of the conflict of
74 interest.

75 (5) In determining eligibility for an entity applying for
76 the award of funds directly by the department or applying for
77 selection as a loan administrator for a loan program, the
78 department shall evaluate each applicant's business practices,
79 financial stability, and past performance in other state
80 programs, in addition to the loan program's statutory
81 requirements. Eligibility of an entity applying to be a
82 recipient or loan administrator may be conditionally granted or
83 denied outright if the department determines that the entity is
84 noncompliant with any law, rule, or program requirement.

85 (6) Recurring use of state funds, including revolving loans
86 or new negotiable instruments, which have been repaid to the
87 loan administrator may be made if the loan program's statutory
88 structure permits. However, any use of state funds made by a
89 loan administrator remains subject to subsections (2) and (3),
90 and compensation to a loan administrator may not exceed any
91 limitation provided by this chapter.

92 (7) The Auditor General may conduct audits as provided in
93 s. 11.45 to verify that the appropriations under each loan
94 program are expended by the eligible recipient or loan
95 administrator as required for each program. If the Auditor
96 General determines that the appropriations are not expended as
97 required, the Auditor General shall notify the department, which



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98 may pursue recovery of the funds.

99 (8) The department may adopt rules under ss. 120.536(1) and
100 120.54 as necessary to carry out this section.

101 Section 4. Section 290.0411, Florida Statutes, is amended
102 to read:

103 290.0411 Legislative intent and purpose of ss. 290.0401-
104 290.048.—It is the intent of the Legislature to provide the
105 necessary means to develop, preserve, redevelop, and revitalize
106 Florida communities exhibiting signs of decline, ~~or~~ distress, or
107 economic need by enabling local governments to undertake the
108 necessary community and economic development programs. The
109 overall objective is to create viable communities by eliminating
110 slum and blight, fortifying communities in urgent need,
111 providing decent housing and suitable living environments, and
112 expanding economic opportunities, principally for persons of low
113 or moderate income. The purpose of ss. 290.0401-290.048 is to
114 assist local governments in carrying out effective community and
115 economic development and project planning and design activities
116 to arrest and reverse community decline and restore community
117 vitality. Community and economic development and project
118 planning activities to maintain viable communities, revitalize
119 existing communities, expand economic development and employment
120 opportunities, and improve housing conditions and expand housing
121 opportunities, providing direct benefit to persons of low or
122 moderate income, are the primary purposes of ss. 290.0401-
123 290.048. The Legislature, therefore, declares that the
124 development, redevelopment, preservation, and revitalization of
125 communities in this state and all the purposes of ss. 290.0401-
126 290.048 are public purposes for which public money may be



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127 borrowed, expended, loaned, pledged to guarantee loans, and
128 granted.

129 Section 5. Section 290.044, Florida Statutes, is amended to
130 read:

131 290.044 Florida Small Cities Community Development Block
132 Grant Program Fund; administration; distribution.—

133 (1) The Florida Small Cities Community Development Block
134 Grant Program Fund is created. All revenue designated for
135 deposit in such fund shall be deposited by the appropriate
136 agency. The department shall administer this fund as a grant and
137 loan guarantee program for carrying out the purposes of ss.
138 290.0401-290.048.

139 (2) The department shall distribute such funds as loan
140 guarantees and grants to eligible local governments on the basis
141 of a competitive selection process established by rule.

142 (3) The department shall require applicants for grants to
143 compete against each other in the following grant program
144 categories:

- 145 (a) Housing rehabilitation.
- 146 (b) Economic development.
- 147 (c) Neighborhood revitalization.
- 148 (d) Commercial revitalization.

149 (4) ~~(3)~~ The department shall define ~~the~~ broad community
150 development ~~objectives~~ ~~objective~~ to be achieved by the
151 activities in each of the ~~following~~ grant program categories
152 with the use of funds from the Florida Small Cities Community
153 Development Block Grant Program Fund. Such objectives shall be
154 designed to meet at least one of the national objectives
155 provided in the Housing and Community Development Act of 1974.



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156 ~~and require applicants for grants to compete against each other~~
157 ~~in these grant program categories:~~

- 158 ~~(a) Housing.~~
- 159 ~~(b) Economic development.~~
- 160 ~~(c) Neighborhood revitalization.~~
- 161 ~~(d) Commercial revitalization.~~
- 162 ~~(e) Project planning and design.~~

163 (5)~~(4)~~ The department may set aside an amount of up to 5
164 percent of the funds annually for use in any eligible local
165 government jurisdiction for which an emergency or natural
166 disaster has been declared by executive order. Such funds may
167 only be provided to a local government to fund eligible
168 emergency-related activities for which no other source of
169 federal, state, or local disaster funds is available. The
170 department may provide for such set-aside by rule. In the last
171 quarter of the state fiscal year, any funds not allocated under
172 the emergency-related set-aside shall be distributed to unfunded
173 applications from the most recent funding cycle.

174 (6)~~(5)~~ The department shall establish a system of
175 monitoring grants, including site visits, to ensure the proper
176 expenditure of funds and compliance with the conditions of the
177 recipient's contract. The department shall establish criteria
178 for implementation of internal control, to include, but not be
179 limited to, the following measures:

180 (a) Ensuring that subrecipient audits performed by a
181 certified public accountant are received and responded to in a
182 timely manner.

183 (b) Establishing a uniform system of monitoring that
184 documents appropriate followup as needed.



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185 (c) Providing specific justification for contract
186 amendments that takes into account any change in contracted
187 activities and the resultant cost adjustments which shall be
188 reflected in the amount of the grant.

189 Section 6. Section 290.046, Florida Statutes, is amended to
190 read:

191 290.046 Applications for grants; procedures; requirements.-

192 (1) In applying for a grant under a specific program
193 category, an applicant shall propose eligible activities that
194 directly address the objectives ~~objective~~ of that program
195 category.

196 (2) (a) Except for applications for economic development
197 grants as provided in subparagraph (b)1. ~~paragraph (c), an~~ each
198 eligible local government may submit one ~~an~~ application for a
199 grant ~~under either the housing program category or the~~
200 ~~neighborhood revitalization program category~~ during each
201 application ~~annual funding cycle. An applicant may not receive~~
202 ~~more than one grant in any state fiscal year from any of the~~
203 ~~following categories: housing, neighborhood revitalization, or~~
204 ~~commercial revitalization.~~

205 (b) 1. ~~An~~ Except as provided in ~~paragraph (c),~~ each eligible
206 local government may apply up to three times in any one annual
207 funding cycle for an economic development ~~a grant under the~~
208 ~~economic development program category~~ but may not ~~shall~~ receive
209 ~~no~~ more than one such grant per annual funding cycle. A local
210 government may have more than one open economic development
211 grant ~~Applications for grants under the economic development~~
212 ~~program category may be submitted at any time during the annual~~
213 ~~funding cycle, and such grants shall be awarded no less~~



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214 ~~frequently than three times per funding cycle.~~

215 2. The department shall establish minimum criteria
216 pertaining to the number of jobs created for persons of low or
217 moderate income, the degree of private sector financial
218 commitment, and the economic feasibility of the proposed project
219 and shall establish any other criteria the department deems
220 appropriate. Assistance to a private, for-profit business may
221 not be provided from a grant award unless sufficient evidence
222 exists to demonstrate that without such public assistance the
223 creation or retention of such jobs would not occur.

224 (c)1. A local government ~~governments~~ with an open housing
225 rehabilitation, neighborhood revitalization, or commercial
226 revitalization contract is ~~shall~~ not be eligible to apply for
227 another housing rehabilitation, neighborhood revitalization, or
228 commercial revitalization grant until administrative closeout of
229 its ~~their~~ existing contract. The department shall notify a local
230 government of administrative closeout or of any outstanding
231 closeout issues within 45 days after ~~of~~ receipt of a closeout
232 package from the local government. A local government
233 ~~governments~~ with an open housing rehabilitation, neighborhood
234 revitalization, or commercial revitalization community
235 development block grant contract whose activities are on
236 schedule in accordance with the expenditure rates and
237 accomplishments described in the contract may apply for an
238 economic development grant.

239 2. A local government ~~governments~~ with an open economic
240 development community development block grant contract whose
241 activities are on schedule in accordance with the expenditure
242 rates and accomplishments described in the contract may apply



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243 for a housing rehabilitation, ~~or~~ neighborhood revitalization, or
244 ~~and a~~ commercial revitalization community development block
245 grant. A local government ~~governments~~ with an open economic
246 development contract whose activities are on schedule in
247 accordance with the expenditure rates and accomplishments
248 described in the contract may receive no more than one
249 additional economic development grant in each fiscal year.

250 (d) ~~Beginning October 1, 1988,~~ The department may not shall
251 award a ~~no~~ grant until it ~~the department~~ has conducted
252 ~~determined,~~ based upon a site visit to verify the information
253 contained in the local government's application, ~~that the~~
254 ~~proposed area matches and adheres to the written description~~
255 ~~contained within the applicant's request. If, based upon review~~
256 ~~of the application or a site visit, the department determines~~
257 ~~that any information provided in the application which affects~~
258 ~~eligibility or scoring has been misrepresented, the applicant's~~
259 ~~request shall be rejected by the department pursuant to s.~~
260 ~~290.0475(7). Mathematical errors in applications which may be~~
261 ~~discovered and corrected by readily computing available numbers~~
262 ~~or formulas provided in the application shall not be a basis for~~
263 ~~such rejection.~~

264 (3) (a) The department shall rank each application received
265 during the application cycle according to criteria established
266 by rule. The ranking system shall include a procedure to
267 eliminate or reduce any population-related bias that places
268 exceptionally small communities at a disadvantage in the
269 competition for funds ~~Each application shall be ranked~~
270 ~~competitively based on community need and program impact.~~
271 ~~Community need shall be weighted 25 percent. Program impact~~



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272 ~~shall be weighted 65 percent. Outstanding performance in equal~~
273 ~~opportunity employment and housing shall be weighted 10 percent.~~

274 (b) Funds shall be distributed according to the rankings
275 established in each application cycle. If economic development
276 funds remain available after the application cycle closes, the
277 remaining funds shall be awarded to eligible projects on a
278 first-come, first-served basis until such funds are fully
279 obligated ~~The criteria used to measure community need shall~~
280 ~~include, at a minimum, indicators of the extent of poverty in~~
281 ~~the community and the condition of physical structures. Each~~
282 ~~application, regardless of the program category for which it is~~
283 ~~being submitted, shall be scored competitively on the same~~
284 ~~community need criteria. In recognition of the benefits~~
285 ~~resulting from the receipt of grant funds, the department shall~~
286 ~~provide for the reduction of community need scores for specified~~
287 ~~increments of grant funds provided to a local government since~~
288 ~~the state began using the most recent census data. In the year~~
289 ~~in which new census data are first used, no such reduction shall~~
290 ~~occur.~~

291 (c) The application's program impact score, equal
292 employment opportunity and fair housing score, and communitywide
293 needs score may take into consideration scoring factors,
294 including, but not limited to, unemployment, poverty levels,
295 low-income and moderate-income populations, benefits to low-
296 income and moderate-income residents, use of minority-owned and
297 woman-owned business enterprises in previous grants, health and
298 safety issues, and the condition of physical structures ~~The~~
299 ~~criteria used to measure the impact of an applicant's proposed~~
300 ~~activities shall include, at a minimum, indicators of the direct~~



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301 ~~benefit received by persons of low income and persons of~~
302 ~~moderate income, the extent to which the problem identified is~~
303 ~~addressed by the proposed activities, and the extent to which~~
304 ~~resources other than the funds being applied for under this~~
305 ~~program are being used to carry out the proposed activities.~~

306 ~~(d) Applications shall be scored competitively on program~~
307 ~~impact criteria that are uniquely tailored to the community~~
308 ~~development objective established in each program category. The~~
309 ~~criteria used to measure the direct benefit to persons of low~~
310 ~~income and persons of moderate income shall represent no less~~
311 ~~than 42 percent of the points assigned to the program impact~~
312 ~~factor. For the housing and neighborhood revitalization~~
313 ~~categories, the department shall also include the following~~
314 ~~criteria in the scoring of applications:~~

315 ~~1. The proportion of very-low-income and low-income~~
316 ~~households served.~~

317 ~~2. The degree to which improvements are related to the~~
318 ~~health and safety of the households served.~~

319 ~~(4) An applicant for a neighborhood revitalization or~~
320 ~~commercial revitalization grant shall demonstrate that its~~
321 ~~activities are to be carried out in distinct service areas which~~
322 ~~are characterized by the existence of slums or blighted~~
323 ~~conditions, or by the concentration of persons of low or~~
324 ~~moderate income.~~

325 ~~(4)-(5)~~ In order to provide citizens with information
326 concerning an applicant's proposed project, the applicant shall
327 make available to the public information concerning the amounts
328 of funds available for various activities and the range of
329 activities that may be undertaken. In addition, the applicant



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330 shall hold a minimum of two public hearings in the local
331 jurisdiction within which the project is to be implemented to
332 obtain the views of citizens before submitting the final
333 application to the department. The applicant shall conduct the
334 initial hearing to solicit public input concerning community
335 needs, inform the public about funding opportunities available
336 to address community needs, and discuss activities that may be
337 undertaken. Before a second public hearing is held, the
338 applicant must publish a summary of the proposed application
339 that provides citizens with an opportunity to examine the
340 contents of the application and to submit comments. The
341 applicant shall conduct a second hearing to obtain comments from
342 citizens concerning the proposed application and to modify the
343 proposed application if appropriate ~~program before an~~
344 ~~application is submitted to the department, the applicant shall:~~
345 ~~(a) Make available to the public information concerning the~~
346 ~~amounts of funds available for various activities and the range~~
347 ~~of activities that may be undertaken.~~
348 ~~(b) Hold at least one public hearing to obtain the views of~~
349 ~~citizens on community development needs.~~
350 ~~(c) Develop and publish a summary of the proposed~~
351 ~~application that will provide citizens with an opportunity to~~
352 ~~examine its contents and submit their comments.~~
353 ~~(d) Consider any comments and views expressed by citizens~~
354 ~~on the proposed application and, if appropriate, modify the~~
355 ~~proposed application.~~
356 ~~(e) Hold at least one public hearing in the jurisdiction~~
357 ~~within which the project is to be implemented to obtain the~~
358 ~~views of citizens on the final application prior to its~~



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359 ~~submission to the department.~~

360 (5)~~(6)~~ The local government may ~~shall~~ establish a citizen
361 advisory task force composed of citizens in the jurisdiction in
362 which the proposed project is to be implemented to provide input
363 relative to all phases of the project process. ~~The local~~
364 ~~government must obtain consent from the department for any other~~
365 ~~type of citizen participation plan upon a showing that such plan~~
366 ~~is better suited to secure citizen participation for that~~
367 ~~locality.~~

368 (6)~~(7)~~ The department shall, before ~~prior to~~ approving an
369 application for a grant, determine that the applicant has the
370 administrative capacity to carry out the proposed activities and
371 has performed satisfactorily in carrying out past activities
372 funded by community development block grants. The evaluation of
373 past performance shall take into account procedural aspects of
374 previous grants as well as substantive results. If the
375 department determines that any applicant has failed to
376 accomplish substantially the results it proposed in its last
377 previously funded application, it may prohibit the applicant
378 from receiving a grant or may penalize the applicant in the
379 rating of the current application. An ~~No~~ application for grant
380 funds may not be denied solely upon the basis of the past
381 performance of the eligible applicant.

382 Section 7. Subsections (3) and (6) of section 290.047,
383 Florida Statutes, are amended to read:

384 290.047 Establishment of grant ceilings and maximum
385 administrative cost percentages; elimination of population bias;
386 loans in default.-

387 (3) The maximum percentage of block grant funds that can be



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388 spent on administrative costs by an eligible local government
389 shall be 15 percent for the housing rehabilitation program
390 category, 8 percent for both the neighborhood and the commercial
391 revitalization program categories, and 8 percent for the
392 economic development program category. The maximum amount of
393 block grant funds that may be spent on administrative costs by
394 an eligible local government for the economic development
395 program category is \$120,000. The purpose of the ceiling is to
396 maximize the amount of block grant funds actually going toward
397 the redevelopment of the area. The department will continue to
398 encourage eligible local governments to consider ways to limit
399 the amount of block grant funds used for administrative costs,
400 consistent with the need for prudent management and
401 accountability in the use of public funds. However, this
402 subsection does ~~shall not be construed, however, to~~ prohibit
403 eligible local governments from contributing their own funds or
404 making in-kind contributions to cover administrative costs which
405 exceed the prescribed ceilings, provided that all such
406 contributions come from local government resources other than
407 Community Development Block Grant funds.

408 (6) The maximum amount ~~percentage~~ of block grant funds that
409 may be spent on engineering and architectural costs by an
410 eligible local government shall be determined in accordance with
411 a method ~~schedule~~ adopted by the department by rule. Any such
412 method ~~schedule~~ so adopted shall be consistent with the schedule
413 used by the United States Farmer's Home Administration as
414 applied to projects in Florida or another comparable schedule as
415 amended.

416 Section 8. Section 290.0475, Florida Statutes, is amended



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417 to read:

418 290.0475 Rejection of grant applications; penalties for
419 failure to meet application conditions.—Applications are
420 ineligible ~~received~~ for funding if ~~under all program categories~~
421 ~~shall be rejected without scoring only in the event that~~ any of
422 the following circumstances arise:

423 (1) The application is not received by the department by
424 the application deadline;~~—~~

425 (2) The proposed project does not meet one of the three
426 national objectives as contained in federal and state
427 legislation;~~—~~

428 (3) The proposed project is not an eligible activity as
429 contained in the federal legislation;~~—~~

430 (4) The application is not consistent with the local
431 government's comprehensive plan adopted pursuant to s.
432 163.3184;~~—~~

433 (5) The applicant has an open community development block
434 grant, except as provided in s. 290.046(2)(b) and (c) and
435 department rules; 290.046(2)(e).

436 (6) The local government is not in compliance with the
437 citizen participation requirements prescribed in ss. 104(a)(1)
438 and (2) and 106(d)(5)(c) of Title I of the Housing and Community
439 Development Act of 1984, s. 290.046(4), and department rules;
440 or—

441 (7) Any information provided in the application that
442 affects eligibility or scoring is found to have been
443 misrepresented, and the information is not a mathematical error
444 which may be discovered and corrected by readily computing
445 available numbers or formulas provided in the application.



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446 Section 9. Subsection (5) of section 290.048, Florida
447 Statutes, is amended to read:

448 290.048 General powers of department under ss. 290.0401-
449 290.048.—The department has all the powers necessary or
450 appropriate to carry out the purposes and provisions of the
451 program, including the power to:

452 ~~(5) Adopt and enforce strict requirements concerning an~~
453 ~~applicant's written description of a service area. Each such~~
454 ~~description shall contain maps which illustrate the location of~~
455 ~~the proposed service area. All such maps must be clearly legible~~
456 ~~and must:~~

457 ~~(a) Contain a scale which is clearly marked on the map.~~

458 ~~(b) Show the boundaries of the locality.~~

459 ~~(c) Show the boundaries of the service area where the~~
460 ~~activities will be concentrated.~~

461 ~~(d) Display the location of all proposed area activities.~~

462 ~~(e) Include the names of streets, route numbers, or easily~~
463 ~~identifiable landmarks where all service activities are located.~~

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

466 And the title is amended as follows:

467 Delete lines 3 - 9

468 and insert:

469 Opportunity; amending s. 163.3202, F.S.; requiring
470 each county and municipality to adopt and enforce land
471 development regulations in accordance with the
472 submitted comprehensive plan; amending s. 288.005,
473 F.S.; defining terms; creating s. 288.006, F.S.;

474 providing requirements for loan programs relating to



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475 accountability and proper stewardship of funds;
476 authorizing the Auditor General to conduct audits for
477 a specified purpose; authorizing the department to
478 adopt rules; amending s. 290.0411, F.S.; revising
479 legislative intent for purposes of the Florida Small
480 Cities Community Development Block Grant Program;
481 amending s. 290.044, F.S.; requiring the Department of
482 Economic Opportunity to adopt rules establishing a
483 competitive selection process for loan guarantees and
484 grants awarded under the block grant program; revising
485 the criteria for the award of grants; amending s.
486 290.046, F.S.; revising limits on the number of grants
487 that an applicant may apply for and receive; revising
488 the requirement that the department conduct a site
489 visit before awarding a grant; requiring the
490 department to rank applications according to criteria
491 established by rule and to distribute funds according
492 to the rankings; revising scoring factors to consider
493 in ranking applications; revising requirements for
494 public hearings; providing that the creation of a
495 citizen advisory task force is discretionary, rather
496 than required; deleting a requirement that a local
497 government obtain consent from the department for an
498 alternative citizen participation plan; amending s.
499 290.047, F.S.; revising the maximum amount and
500 percentage of block grant funds that may be spent on
501 certain costs and expenses; amending s. 290.0475,
502 F.S.; conforming provisions to changes made by the
503 act; amending s. 290.048, F.S.; deleting a provision



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504 authorizing the department to adopt and enforce strict
505 requirements concerning an applicant's written
506 description of a service area; amending s. 331.3051,
507 F.S.; requiring