The Florida Senate

Interim Project Report 2006-148 *September 2005*

Committee on Transportation and Economic Development Appropriations
Senator Mike Fasano, Chair

COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM REVIEW

SUMMARY

Since 1980 the Community Contribution Tax Credit Program (CCTCP) has granted businesses in Florida, on a limited basis, up to $200,000 each in tax credits for donations made to eligible projects designed to promote community revitalization, economic development or provide for low-income housing opportunities. Over time, the program's original mission of revitalization of blighted communities has become increasingly bifurcated with a dual focus on economic development and development of low income housing. The two program goals function independently and often in competition with each other. Utilization of the CCTCP tax credits for housing projects in recent years has far exceeded that for other community development projects in enterprise zones and Front Porch Florida Communities. Competition for limited tax credits for the two divergent goals has caused some program advocates to call for restrictions on how much of the tax credits may be used for each purpose, and to object to the method for calculating the value of non-cash donations.

The recommendations in this report include: establishing separate dollar caps in law for housing projects and community development projects in enterprise zones and Front Porch Florida Communities; maintaining the ten business day application submission period and pro rata distribution policy; and considering whether limiting the value of a donation to the actual value of the labor and materials supplied by the donor would be in the best interest of the program.

BACKGROUND

Sections 212.08(5)(q), 220.183, and 624.5105, Florida Statutes (F.S.), authorize a community contribution tax credit for corporations, insurance companies, and persons who collect or remit sales or use taxes for making donations to certain low-income housing and community development projects. Prior to July 1, 2005, applications to receive community contribution tax credits submitted to the Office of Tourism, Trade and Economic Development (OTTED) were processed on a first-come, first-served basis. Since creation of the program in 1980 through 1994 the total amount of tax credits granted statewide each fiscal year was capped at $3 million. In 1994 the program's expiration date was extended from that year until 2005, and the cap was decreased to $2 million. In 1998 the Legislature increased the cap to $5 million, and in 1999 it was raised again to $10 million.

In the 2005 Legislative Session, Committee Substitute for Committee Substitute for Senate Bill 202 (CS/CS/SB 202) was passed and became ch. 2005-282, Laws Of Florida (L.O.F.). This bill extended the Community Contribution Tax Credit Program (CCTCP) through June 30, 2015, increased from $10 million to $12 million the total annual amount of tax credits that may be granted under the program, and reserved 80 percent of $10 million of the available tax credits for businesses that contribute to home ownership opportunities for low-income and very-low-income households for the first 6 months of each fiscal year. For credits in excess of $10 million, 70 percent is reserved for businesses that contribute to low income housing programs.

Despite these recent changes to the law, there remains concern that not enough of the tax credits are allocated to the community development projects which must be located in enterprise zones and Front Porch Florida Communities. There is also concern that providing a disproportionate share of the tax credits for housing projects does not best achieve one goal of the program to attract and encourage private economic activity, including creating jobs. Beginning in Fiscal Year

1999-2000, the disparity between the amounts of tax credits approved for housing projects versus community development projects began to grow significantly. This project examines the growing disparity in tax credit approval for housing (e.g., Habitat for Humanity projects) and community development projects in the enterprise zones. (Tax credits for past community development projects in the enterprise zones have included contributions given to the Florida Holocaust Museum, Ringling School of Art and Design, Junior Achievement, The Victory Ship, Inc. Ship Rehab, Fresh Ministries, Inc. Incubator, and other projects by non-profit sponsors.) This project also addresses what should be done to address this disparity, and whether statutory changes should be made to the CCTCP in order to more effectively achieve the goals of the program. The study also addresses certain issues that have been raised by the Auditor General and others, including the determination of value for non-cash contributions.

METHODOLOGY

A review of the statutory history of the CCTCP was conducted, along with a review of prior relevant reports published by the Office of the Auditor General (OAG) and the Office of Program Policy and Government Accountability (OPPAGA). Statistical data was obtained from OTTED. Interviews were conducted with staff from OTTED, OAG, Department of Revenue (DOR), other legislative staff, tax credit project sponsors and their representatives.

FINDINGS

The CCTCP mission has always been focused on state-private partnerships for community revitalization in a broad sense, and has been statutorily modified over the years to complement other economic development efforts and to address problems associated with the administration of the program.

The CCTCP began as the Community Improvement Act of 1980, created by Chapter 80-249, L.O.F. The Legislative findings stated in section 2 of that law include:

> "(1) There exists in the counties and municipalities [sic] conditions of blight evidenced by extensive deterioration of public and private facilities, abandonment of sound structures, and high unemployment and these conditions impede the conservation and development of healthy, safe, and economically viable communities….
>
> (3) In order to ultimately restore social and economic viability to declining or blighted areas, it is necessary to renovate or construct new housing, water and sewer infrastructure, and transportation facilities, and to specifically provide mechanisms to attract and encourage private economic activity."

The act established the policy that revitalization efforts should be a state-private partnership where private corporations' contributions to approved revitalization projects, sponsored by eligible public redevelopment organizations, would qualify the corporation for a partial state income tax credit. The original act also specifically focused the revitalization on "depressed and blighted areas for the benefit of low-income and moderate-income persons."[1] These legislative findings and intent were maintained in s. 220.183, F.S., until deleted as part of a repealer bill in 2000.[2]

In the original CCTCP act, "project" was defined as any activity undertaken by an eligible sponsor and designed to construct or substantially rehabilitate housing, commercial, industrial, or public resources and facilities and to improve entrepreneurial and job development opportunities of lower-income persons.

The eligible sponsors of projects were defined as:

- Community action programs;
- Community development corporations;
- Neighborhood housing services corporations;
- Local housing authorities, created pursuant to chapter 421, Florida Statutes (F.S.);
- Community redevelopment agencies, created pursuant to s. 163.356, F.S.;
- Florida Industrial Development Corporation;
- Historic preservation districts;
- Such other agencies as the secretary of the Department of Community Affairs may designate by rule.

Eligible projects had to be located in:

- An area designated as blighted under s. 163.355, F.S.;
- A neighborhood strategy area;
- A neighborhood housing services area;
- An historic preservation district;
- Other areas as the secretary of Community Affairs may designate by rule.

[1] Section 3, ch. 80-249, Laws of Florida (L.O.F.)
[2] Section 26, ch. 2000-210, L.O.F.

However, any project designed to ***construct or rehabilitate low-income housing*** was exempted from the project location requirement.[3]

The tax credit allowed under the original act was fifty percent of the contribution against any tax due in a fiscal year under chapter 220, F.S., (Income Tax Code) except that no business firm could receive more than $200,000 in tax credits annually, and except that the total amount of tax credits granted statewide each fiscal year was limited to $3,000,000, awarded on a first-come, first-served basis.[4]

Currently, the CCTCP program as set forth in three statutes[5] is similar to the original program created in 1980, but with the following significant changes:

1. The program is now administered by the Office of Tourism, Trade and Economic Development (OTTED) within the Office of the Governor instead of the Department of Community Affairs. (The program was also administered by the Department of Commerce from 1994 through 1996.)

2. "Project" is now defined in s. 220.03(1)(t), F.S., to mean any activity which is designed to construct, improve, or substantially rehabilitate housing that is affordable to low-income or very-low-income households; designed to provide commercial, industrial, or public resources and facilities; or designed to improve entrepreneurial and job-development opportunities for low-income persons. A project may be the investment necessary to increase access to high-speed broadband capability in rural communities with enterprise zones, including projects that result in improvements to communications assets that are owned by a business. A project may include the provision of museum educational programs and materials that are directly related to any project approved between January 1, 1996, and December 31, 1999, and located in an enterprise zone.

3. Eligible project sponsors now also include:
- Nonprofit community-based development organizations whose mission is the provision of low-income housing or job-development opportunities for low-income persons;
- A regional workforce board;
- A direct support organization created in s. 1009.983, F.S. (Florida Prepaid College Foundation, Inc.);
- Enterprise zone development agencies created pursuant to s. 290.0056, F.S.;
- Community-based organizations incorporated under chapter 617, F.S., recognized as educational, charitable, or scientific pursuant to Internal Revenue Code and whose primary mission includes affordable housing, economic development or community development;
- Units of state or local government.

4. Eligible project locations, ***except for low-income housing projects***, now are **only** an enterprise zone or a Front Porch Florida Community. Low-income housing projects may still be located anywhere in the state.

5. The total amount of tax credits granted statewide each fiscal year is now limited to $12,000,000.

6. The tax credit can now be taken not only against corporate income taxes (s. 220.183, F.S.), but also against insurance premium taxes (s. 624.5105, F.S., since 1984) and more recently against sales taxes (s. 212.08(5)(q), F.S., since 2001).

7. As of July 1, 2005, the statutes now reserve 80 percent of $10 million of the available tax credits for businesses that contribute to home ownership opportunities for low-income and very-low-income households for the first six months of each fiscal year. For credits in excess of $10 million, 70 percent is reserved for businesses that contribute to low income housing programs. Since the cap is now set at $12 million, **$9.4 million must be reserved for home ownership projects and $2.6 million is available for all other projects during the first six months of the fiscal year.**

8. Instead of granting available tax credits on a first-come, first-served basis, the statutes now provide for a ten business day application submission period at the beginning of each fiscal year. If applications received by OTTED during those ten days do not exceed available tax credits, OTTED must grant the tax credits in full and then grant tax credits for applications received after the ten days on a first-come, first served basis. If there are not sufficient tax credits available for applications received during the first ten business days, applications for projects of an eligible sponsor that total less than $200,000 for that project must be granted,

[3] Section 6, paragraph (4), ch. 80-249, L.O.F.
[4] Section 5. of ch. 80-249, L.O.F.
[5] Sections 212.08(5)(q), 220.183, and 624.5105, F.S.

then the remaining credits are to be awarded on a pro rata basis.

As the CCTCP mission has evolved over the years, it has become increasingly bifurcated with a dual focus on economic development of blighted communities and development of low income housing.

It is notable that the CCTCP, though typically considered to be one of several incentives provided as part of the broader enterprise zone program,[6] was created two years before the Florida Enterprise Zone Act became law.[7] In 1982 the Legislature condensed several laws relating to revitalization of blighted areas into the Florida Enterprise Zone Act, which became chapter 290, F.S. Although that 1982 law changed the CCTCP statute in several places to use the term "enterprise zone" instead of "declining or blighted areas," enterprise zones were merely added to the original list of eligible CCTCP project locations.[8] Although the CCTCP continued to be discussed over the years in the context of the enterprise zone program, it nevertheless maintained a measure of programmatic autonomy in statute and in practice. When the enterprise zone program was transferred to the Department of Commerce in the 1994 reenactment of the enterprise zone program, specific reference was made in law to "the enterprise zone program, including the Community Contribution Tax Credit Program…", indicating that the CCTCP was still viewed as being related to but somewhat independent of the enterprise zone program.[9] The 1994 enterprise zone reenactment also deleted all of the eligible CCTCP project locations except for enterprise zones, yet still maintained the original CCTCP provision from 1980 allowing any project designed to construct or rehabilitate low-income housing to be exempt from the project location requirement.[10] Hence, the CCTCP, originally created for "revitalization" broadly, evolved into both a low-income housing program and an "economic development" incentive focused on enterprise zones, and thereby came to have a bifurcated mission with two goals that compete against one another for limited resources. The CCTCP is considered one of the primary mechanisms for promoting private investment in low-income housing opportunities anywhere in the state, unrelated to economic development. In fact, advocates for the low-income housing mission of the CCTCP contacted for this study consider the CCTCP to be the only state program that provides an incentive for private donations for low income housing. Interestingly, advocates for the non-housing community development projects claim that the CCTCP is the only or primary source of public support for their projects as well.

Further evidence of the CCTCP's mission dichotomy is found in the Florida Senate Commerce Committee's 2004 report on the enterprise zone program.[11] That report describes the results of a survey of economic development professionals who ranked housing opportunities as the lowest of seven goals for the enterprise zone program. They also ranked the importance of the CCTCP tax credit last (fifth out of five) compared to other enterprise zone credits available. The report also states that "…the majority of those surveyed tend to see the [enterprise zone] program's purpose more for traditional economic development than for overall zone community revitalization." Thus the CCTCP's low income housing projects are not viewed as important for, or even directly related to, the economic development goals for enterprise zones. Advocates for the non-housing community development projects contend that since the housing projects do not contribute to job growth, they should not receive such a disproportionate share of the capped tax credits.

In a 2004 proposal, one of the Governor's Hurricane Housing Work Group recommendations again reflects the independence of the two goals within the CCTCP. That task force recommended that $10 million of state housing funds be allocated on a one-time basis to provide CCTCP tax credits for low income housing projects in counties most impacted by the 2004 hurricanes, in addition to the statutory cap that was set at $10 million for the entire CCTCP at the time.[12] The

[6] In a 1988 report, the Office of The Auditor General cites the CCTCP as one of eight incentives provided by the state "to encourage the establishment of enterprise zones and stimulate business to locate in enterprise zones." (*Performance Audit of the Florida Enterprise Zone Act Administered by the Department of Community Affairs*, March 30, 1988, Report Number 11006, p.1.) Various other reports since then have also characterized the CCTCP as an enterprise zone program.

[7] Ch. 82-119, L.O.F., the Florida Enterprise Zone Act.

[8] Section 6., ch. 82-119, L.O.F., amended s. 220.183, F.S.

[9] Section 55 of ch. 94-136, L.O.F.

[10] Section 53 of ch. 94-136, L.O.F.

[11] *A Review and Evaluation of the Florida Enterprise Zone Program and Incentives*, Interim Project Report 2005-111, December, 2004, Florida Senate Committee on Commerce and Consumer Services, p.3.

[12] *Recommendations To Assist In Florida's*

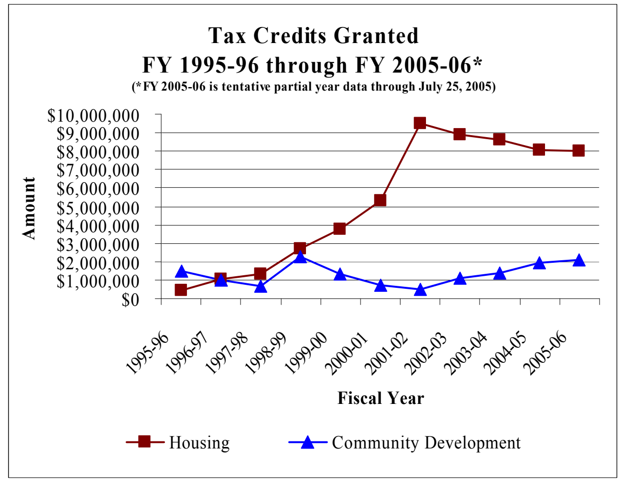
task force' recommendation underscores that the CCTCP is viewed as a strong mechanism for promoting low income housing independent of the enterprise zone program goal.

Utilization of the CCTCP tax credits for housing projects in recent years has far exceeded that for other community development projects in enterprise zones and Front Porch Florida Communities.

As of July 11, 2005 there were 121 approved CCTCP project sponsors. Although OTTED does not know in advance whether these sponsors' donors will submit tax credit applications for housing or community development projects, an assumption could be made based on the sponsors' titles. Habitat for Humanity and other sponsors with "housing" or "builders" in their title account for 54 of the 121 sponsors, and it is likely that others are also involved with housing projects. Other non-housing project sponsors include community development agencies, economic development agencies, nonprofit entities associated with the arts, churches, health services entities, human/social services organizations, education centers, and city and county commissions. Hence, while housing project sponsors account for perhaps half of all sponsors, they now have 78.3% of the CCTCP tax credits reserved for their projects during the first six months of a state fiscal year ($9.4 million of the $12 million cap).

Chart 1 below shows the tax credits granted for housing projects and for other community development projects during the past ten years, and for the beginning of the 2005-06 fiscal year. From FY 1995-96 through FY 1998-99 the two types of tax credits followed the same trend, but in FY 1999-00 the housing project tax credits began a marked increase after the cap was raised to $10 million. The greatest increase in housing tax credits granted occurred in FY 2001-02, the year when the CCTCP was expanded to include credits against sales or use taxes. This change enabled many other businesses that paid little or no income taxes to participate in the CCTCP.

Chart 1



Source: Created from data provided by OTTED in July, 2005.

Table 1 below shows that there were significant tax credits unused for the first two years after the cap was increased to $10 million, but since then the entire allocation has been used, except for the current fiscal year (FY 2005-06). The table also shows steady increases in housing tax credits from year to year, but a more variable trend for community development tax credits until recent years. Various sources agree that the housing project sponsors have historically been awarded the largest portion of the tax credits due to their aggressive marketing efforts and due to the previous first-come, first-served application submission process. The disproportionate awards to housing projects may also be due to the fact that there is more year-to-year variability in community development projects, which are often one-time efforts (e.g., a capital campaign for facility expansion) whereas the Habitat for Humanity affiliates and other housing organizations are engaged in ongoing efforts to produce new housing each and every year.

Long Term Housing Recovery Efforts, Hurricane Housing Workgroup, February, 2005; http://www.myflorida.com/myflorida/governorsoffice/Hurricane/pdfs/hhwg_report.pdf last visited 8/16/05.

Table 1

TAX CREDITS GRANTED - FY 1995-06 through FY 2005-06[1]

Fiscal Year	Annual Allocation (cap)	Housing	Community Development	Credits Remaining
1995-96	2,000,000	465,542	1,472,255	62,203
1996-97	2,000,000	1,043,256	1,018,947	(62,203)
1997-98	2,000,000	1,348,500	651,500	0
1998-99	5,000,000	2,720,441	2,279,559	0
1999-00	10,000,000	3,764,283	1,302,178	4,933,539
2000-01	10,000,000	5,320,890	744,365	3,934,745
2001-02	10,000,000	9,484,489	515,464	47
2002-03	10,000,000	8,914,456	1,085,544	0
2003-04	10,000,000	8,622,769	1,377,231	0
2004-05	10,000,000	8,051,618	1,948,382	0
2005-06[1]	12,000,000	8,011,215	2,107,592	1,881,194
TOTAL	83,000,000	57,747,459	14,503,017	10,749,525

[1] FY 2005-06 data is tentative partial year (pending processing of applications) as of July 25, 2005.

<u>Recent utilization of the CCTCP, along with anecdotal information, indicates that the new $12 million tax credit cap and the reserve allocations may be sufficient for FY 2005-06, but increased demand for the program is likely to occur in the future.</u>

Since project sponsors and tax credit applicants typically do not submit their applications once they learn that there are no remaining tax credits available in a given year, there is no complete data available to show the unmet "demand" for tax credits in previous years. OTTED does have limited documentation showing that during FY 2003-04 there were 41 housing project applications totaling $970,320 received after the full statutory allocation was awarded for that year, while only 24 community development project applications totaling $593,597 were received after the allocation was awarded. However, in FY 2004-05, the opposite occurred, with only 8 housing project applications totaling $270,083 received after the allocation was awarded, and 36 community development project applications totaling $1,215,941 received after the allocation was awarded.

Other anecdotal evidence of the demand for tax credits comes from interviews with selected CCTCP project sponsors. It is common knowledge that in years preceding FY 2005-06, there were long lines of sponsors and tax credit applicants at the beginning of each fiscal year trying to get their applications submitted to OTTED before the annual tax credit allocation was exhausted. People actually stayed in line overnight at the Capitol building in Tallahassee to be first served on July 1st, and many of those still did not receive tax credits because the cap was reached so quickly. In FY 2003-04, for example, all $10 million of the tax credit allocation was awarded on the first day of the fiscal year, reportedly within two hours. This led to many organizations' decision not to pursue the program in future years, and some sponsors contacted for this study indicated they had to return significant donations to businesses after informing them that the tax credits were not available for their donation. Contacted sponsors also contend that many potential donors would have given contributions had there been a guarantee of receiving the tax credit.

The most recent increase in the CCTCP cap to $12 million, along with the reserve allocations for housing and community development projects, appears to have met the immediate demand for the program. Table 1 above shows that in the current FY 2005-06, as of July 25th, there remained $1,881,194 of available tax credits based on the applications received under the new statutory provision that sets a ten business day application submission period for the initial tax credit awards. (For FY 2005-06, that ten business day period was July 1st through July 15th.) Of that $1.88 million, $1.38 million is still reserved for housing projects, and $492,408 is still reserved for community development projects until January 1, 2006. If any of the unused reserves for either type of project is still available on January 1, 2006, it can be used for any CCTCP projects on a first-come, first-served basis. Therefore, at the time of this writing there is no indication that the statutory amount of tax credits is insufficient for either the housing or community development projects for FY 2005-06. However, since more applications will likely be received by OTTED throughout the state fiscal year, the amounts requested by both housing and community development projects should be obtained from OTTED closer to the beginning of the 2006 legislative session. It is expected that sponsor organizations will solicit more donations once they become aware that tax credits are still available for FY 2005-06, particularly those who had given up on the program in prior years and had returned contributions.

<u>The issue of using fair market appraised value for calculating a tax credit has been addressed, in part, through policies recently implemented by OTTED, but further study of the issue may be warranted.</u>

Community contributions that qualify for a tax credit must take the following forms: (1) cash or other liquid assets; (2) real property; (3) goods or inventory; or (4) other physical resources as identified by OTTED.[13] The issue of granting tax credits based on the fair market value of the donation was raised by the Auditor General in a 2004 report.[14] That report states that the law does not specify whether the tax credit should be based on the businesses' cost associated with the contribution, the market value of the contributions at the time of donation, or some other method. OTTED policy is to use the cost or the fair market value of the capital and labor at the time of donation as the basis for the tax credit. For donated property, OTTED requires submission of an appraisers report and a real property donation affidavit. In addition, OTTED requires that the valuation of donated goods must be calculated in a manner consistent with U.S. Internal Revenue Service rules, and that the donor must provide supporting documentation of the fair market value claimed.

The Auditor General report noted that in instances where a business ensures the provision of both capital and labor, the fair market value of the finished project (e.g., a house built with volunteer labor) may be greater than the actual value of the labor plus materials. Hypothetically, a $50,000 cash cost of materials and other "hard costs" to build a house along with $40,000 worth of volunteer labor (at "market rate" for construction) may actually translate into a $100,000 "contribution" when the fair market appraised value of the house (not including the cost/value of the land) is used to calculate the fifty percent tax credit. The $50,000 of donated cash to build a $100,000 house can generate a $50,000 tax credit, so that the donor recoups 100 percent of the cash contribution.

Since publication of the Auditor General's 2004 report, OTTED has made changes to the documentation requirements for CCTCP donations of real property, as of January, 2005. Along with submitting the Real Property Donation Affidavit and a Deed of Improvements, a donor must also document the volunteers recruited by the donor that provided the necessary labor to convey the improvements, must submit a copy of the signed check for the donation, and must document that a minimum of 200 volunteer hours were provided. The donor must provide a listing of the names of the volunteers and employees that were recruited by the donor. This list must be made available for verification purposes during donation monitoring visits.

In researching this issue further with staff of the Auditor General, it was determined that the recently implemented policies governing the documentation of volunteer labor recruited by the donor resolve some, but not all, of the issue of whether the fair market appraised value of real property should be attributed completely to the tax credit applicant. The changes made by OTTED to the documentation requirements now quantifies the labor provided, but there is still concern that OTTED should obtain documentation of the value of the labor and materials (separately accounted for by the CCTCP sponsor) contributed to a project at the time the donation is made instead of using the appraised value of the real property upon completion of the project. In a typical case of a Habitat for Humanity project, the land is owned by Habitat for Humanity or by a partner family. Although a donor provides the materials and labor to build a house on that property, that donor has no opportunity to dispose of the improvements other than to deed them to Habitat for Humanity. When the property and/or house are conveyed to a private family through a zero interest mortgage, it is Habitat for Humanity that is realizing the opportunity to dispose of an asset at fair market appraised value, not the donor of materials and labor. In addition, the labor to build the house often includes hundreds of hours of "sweat equity" by the homeowner candidates, not just the volunteers that may be recruited by the donor. Further, the value of an asset is a function not only of the inputs (labor and raw materials) but the production process itself, without which the asset would not be produced. Without the value added by Habitat through finding the donors, providing donors with the expertise on how to build the house, providing financing assistance for the home buyer and coordinating the project (securing materials, labor, contractors, permits, etc.), little family housing for low income home buyers would be produced. Therefore, an argument could be made for limiting the value of a donation to the value of the labor and materials supplied by the donor. This would require adoption of a uniform methodology for determining labor value and would make the CCTCP much more administratively complex. While such a policy may reduce the tax credits per project and allow more projects to access the limited tax credits, it is unknown

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[13] Sections 212.08(5)(q)2.a., 220.03(1)(d), and 624.5105(5)(a), F.S.

[14] *Executive Office of the Governor Office of Tourism, Trade and Economic Development Operational Audit*, Report No. 2005-010, July, 2004,Office of the Auditor General.

how much that would be offset by a reduction in donations. Sponsors of housing projects contacted for this study insist that any reduction in the valuation of a contribution from the current policy would significantly curtail the contributions for their projects, drastically decreasing the number of homes that could be built each year. One Habitat for Humanity affiliate representative estimated that their production of housing has doubled since they began using the CCTCP. It is notable that for the last two calendar years (2003 and 2004), the top three producing Habitat for Humanity affiliates in the nation were Florida affiliates.[15] Once again, this highlights the conflict between the two missions of the CCTCP. A change in contribution valuation policy might make more of the tax credits available for other projects, both housing and community development, but could overall be detrimental to the low-income housing mission.

RECOMMENDATIONS

1. After December 31, 2005, an analysis of the CCTCP utilization for the first six months of FY 2005-06 compared to the statutory reserve allocations for housing and community development projects should be conducted by legislative staff in cooperation with OTTED to help the Legislature determine whether adjustments are warranted in the allocations.
2. The Legislature should consider establishing separate dollar caps for the CCTCP in law, one for housing projects and one for other community development projects within enterprise zones and Front Porch Florida Communities. This would eliminate the need for statutory reserve allocations and reduce the conflict between the two competing missions of the CCTCP. Future Legislative policy decisions regarding the amount of tax credits to allow in law could then be made independently for each of the two missions.
3. The newly enacted ten business day CCTCP application submission period and the pro rata distribution policy should be maintained in law, but redrafted as needed to address separate caps if that change is made in law.
4. The Legislature should consider whether limiting the value of a donation to the actual value of the labor and materials supplied by the donor, or some other method, would be in the best interest of the program.

[15] According to information supplied by the Collier County Habitat for Humanity affiliate.