



## Legislation Text

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**TO:** Chair and Members of the Board

**FROM:** Diane Colonna, Executive Director

**DATE:** November 10, 2015

### CRA FACADE IMPROVEMENT GRANTS - NONPROFIT ORGANIZATIONS AND RELIGIOUS INSTITUTIONS

**BACKGROUND:** At the MCRA meeting of October 14, 2015, the board directed staff to research the issue of providing façade improvement grants to nonprofit organizations (including religious institutions). The MCRA's current façade program guidelines reference commercial properties, and do not specifically state if nonprofits are eligible for funding.

CRA Attorney Eugene Steinfeld has researched the issue, and references the Florida Constitution and several relevant cases in the attached memo. There is no specific case where the courts have decided a question of an agency making a grant to a religious institution for building improvements. Mr. Steinfeld concludes that if the CRA were to approve a grant and was subsequently challenged, the issue would likely ultimately be decided by the Florida Supreme Court.

MCRA staff surveyed other CRAs in the South Florida area as to their policies regarding façade grants for nonprofit organizations and has summarized the results in the attached chart. Most programs prohibit grants to nonprofit entities, based on the fact that they do not pay property taxes.

F.S. Chapter 163 Part III regarding CRAs does not specifically address the use of increment revenues for nonprofits. There was a 2010 Attorney General opinion related to funding nonprofits for promotional activities, but it did not address grants for physical improvements.

**RECOMMENDATION:** The Board should consider expanding the Façade and Landscape Improvement program eligibility to nonprofits that are located on commercial properties (i.e. on the tax roll).

**FISCAL IMPACT:** N/A - Annual program budget will remain the same.

**CONTACT PERSON:** Diane Colonna, Executive Director