

CRA BASICS

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MARGATE CRA WORKSHOP

SEPTEMBER 10, 2019

Community Redevelopment Agencies (CRA's)

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- Authorization for CRA's was passed in the Redevelopment Act of 1969 which became Chapter 163 Part III of the Florida Statutes
- **Not in widespread use until after 1980 when State of Florida v. Miami Beach was decided**
- As of last review there are 225 active CRA Districts registered with the Florida Department of Economic Opportunity
 - Second most used type of special district.... #1 is the Community Development District (CDD) with over 587 registered as active
- Currently the only form of Tax Increment Districts in widespread use in the State of Florida
 - Thought the Legislature likes allowing this form but few can make a go of it.
- CRA's may be created by a City or County to assist in the elimination of slum and/or blighting conditions
- State is not involved in the creation of CRA's

Legislative Intent (2)

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- The prevention and elimination of slum and blight is an area of state concern and state policy so that the state and its counties and municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive portion of its revenues because of the extra services required for services including but not limited to:
 - Police
 - Fire
 - Accident
 - Hospitalization
 - Other forms of protection

Legislative Intent (3)

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- The Legislation further declares that certain slum and/or blighted areas or portions thereof may require:

- Acquisition
- Clearance
- Disposition subject to restrictions

Since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation

- Other areas or portions thereof may be susceptible of conservation or rehabilitation in such a manner that the conditions and evils enumerated may be:
 - Eliminated
 - Remedied
 - Prevented
- That salvageable slum and blighted areas can be conserved and rehabilitated through appropriate public action as herein authorized and the cooperation and voluntary action of the owners and tenants of property in such areas.

Legislative Intent (4)

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- The powers conferred by this part are for public uses and purposes for which public money may be expended and police power exercised. The necessity in the public interest for the provisions herein enacted has been declared a matter of legislative determination.

Legislative Intent (5)

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- Preservation and enhancement of the tax base
- Tax increment financing is a tool for a declining tax base
- Community redevelopment enhances tax base
- Invests tax revenues up front
- Sustained tax revenue increases at end
- Public Private Partnerships constitutional under Florida law

Encouragement of Private Enterprise

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- Any county or municipality shall afford maximum opportunity to the rehabilitation or redevelopment of the community redevelopment area by private enterprise
 - Formulation of a workable program
 - Approval of community redevelopment plans, communitywide plans or programs for community redevelopment, and general neighborhood redevelopment plans
 - Development and implementation of community policing innovations
 - Exercise of zoning powers
 - Enforcement of other laws, codes, and regulations relating to land use and building use/occupancy/improvement

CREATING A COMMUNITY REDEVELOPMENT AGENCY

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**THE FINDING OF
NECESSITY
AGENCY CREATION
CRA BOARD CREATION**

Powers to Undertake Redevelopment

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- The powers under Chapter 163, Part III, Fla. Stat. vest with a municipality in a non-chartered county
- In a chartered county, the powers vest with the county.
- In order for a municipality in a chartered county to create a CRA, the county must delegate the powers under Chapter 163, Part III to the municipality

The Finding of Necessity

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- The Margate Community Redevelopment Area is defined as :
 - A blighted area

Blighted Area

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- A precondition – “substantial” number of deteriorated or deteriorating structures AND two or more of the following:
 - Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities
 - Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions
 - Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
 - Unsanitary or unsafe conditions
 - Deterioration of site or other improvements

Blighted Area (2)

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- Inadequate and outdated building density patterns
- Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality
- Tax or special assessment delinquency exceeding the fair value of the land
- Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality
- Incidence of crime in the area higher than in the remainder of the county or municipality

Blighted Area (3)

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- Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality
- A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area
- Governmentally owned property with adverse environmental conditions caused by a public or private

Creation of A Community Redevelopment Agency

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- The governing body adopts a resolution, supported by the data in the Finding of Necessity, which make a legislative finding that the slum or blight conditions exist in the area.

Governance of a CRA

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- **The CRA is considered a Dependent Special District** that is separate entity from the county or city that creates it.
- The powers of a CRA are to be exercised by its commissioners (board members). A majority of board members constitutes a quorum for the purposes of conducting business, exercising the powers of the agency, etc.
- Action can be taken upon the majority vote of present board members, unless bylaws require a larger number.

The CRA Board (6)

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- The governing body of the county or city **SHALL** designate a chair and vice chair among the CRA Board.
- Statute does not indicate the term of office for the chair or vice chair.

Powers of a City or County

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- Every county or city has the powers necessary to carry out and effectuate the purposes and provisions of this part. All of these powers can be delegated to a CRA, EXCEPT:
 - The power to determine an area to be a slum or blighted & to designate such area for community redevelopment and to hold any public hearings required with respect to such designated areas.
 - The power to grant final approval to community redevelopment plans and modifications thereof.
 - The power to authorize the issuance of revenue bonds.

Powers of a City or County (2)

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- **Powers continued:**
 - The power to approve the development of community policing innovations.
 - ✦ CRA's no longer have the ability to utilize eminent domain though language remains in Chapter 163, Part III of the Florida Statutes
 - The power of eminent domain

YOUR COMMUNITY REDEVELOPMENT AGENCY

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THE COMMUNITY REDEVELOPMENT PLAN

Community Redevelopment Plans

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- **The community redevelopment plan must:**
 - Conform to the comprehensive plan prepared by the LPA (Local Government Comprehensive Planning and Land Development Regulation Act)
 - Be sufficiently complete to indicate the following that may be proposed within the CRA area:
 - ✦ Land acquisition
 - ✦ Demolition and removal of structures
 - ✦ Redevelopment
 - ✦ Improvements
 - ✦ Rehabilitation
 - ✦ Zoning and Planning changes
 - ✦ Land uses
 - ✦ Maximum densities
 - ✦ Building requirements

Community Redevelopment Plans

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- The community redevelopment plan may provide for the development and implementation of community policing innovations

Warning.....

Don't let this get abused!

Contents of the Community Redevelopment Plan

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- **Legal Description of Redevelopment Area**
 - Reason for establishing these boundaries
- **Diagram and text describing:**
 - Approximate amount Open Space to be provided and Street Layout
 - Limitations on buildings
 - ✦ Size
 - ✦ Height
 - ✦ Number
 - ✦ Proposed use
 - Approximate number of dwelling units
 - Property intended for public parks, recreation areas, streets, public utilities and public improvements of any nature

Modification of Plans

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- If, at any time after the approval of a plan, the governing body feels it is necessary to modify or amend the approved plan, it may do so upon recommendation from the CRA. The CRA recommendation may include a change in the boundaries of the redevelopment area (to add or exclude land), or may include the development and implementation of community policing innovations.
- The governing body must hold a public hearing on the proposed modification after a public notice has been published in a newspaper of general circulation in the area in which the agency operates.
- If the modification includes expansion of the CRA boundaries, a Finding of Necessity must be prepared and adopted through the same procedures as if it were a new CRA.

Modification of Plans

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- The CRA must also report proposed modifications that change the boundaries of a CRA or extend its life to each taxing authority in writing **OR** by an oral presentation, **OR** both.
- If the modification is to a CRA that was not created pursuant to a delegation of authority by a county with a home rule charter, the non-charter provision related to the adoption of a Community Redevelopment Plan shall be utilized including
 - Notice to the County
 - Holding of a joint hearing between the county and municipalities governing bodies
 - All of the same timelines as exist in the CRP adoption procedure

YOUR COMMUNITY REDEVELOPMENT AGENCY

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THE POWERS OF A COMMUNITY REDEVELOPMENT AGENCY

Powers of CRA

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- An agency may employ the following:
 - Executive Director
 - Technical Experts
 - Counsel or Legal Staff
 - Other such agents & employees

Powers of a CRA (2)

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- Acquire and hold property
- Demolish buildings
- **Dispose of property at FAIR VALUE (not fair MARKET value)**
- Develop property Install, construct, and repair
 - Streets
 - Parks
 - Utilities
 - Playgrounds
 - Other public improvements

Powers of a CRA (3)

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- Enter into any building or property in the CRA to make inspections, surveys, appraisals, soundings or test borings and to obtain court order for this purpose
- Carry out a voluntary or compulsory repair and rehab of buildings (Code Enforcement)
- Solicit proposals for re/development (Developer RFP's)
- Borrow money or accept funds from any source (borrowing subject to approval of the Governing Body)
- Prepare and petition to: close, vacate, plan, replan streets, sidewalks, other places
- Enter into contracts and agree to appropriate conditions

Powers of a CRA (4)

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- Apply for and accept grants from any government, agency or public or private source
- Appropriate funds for the petition for changes to land use, zoning
- Appropriate funds for the petition for changes to laws and regulations
- Develop and implement community policing innovations
- To invest funds in property or securities in which savings banks may legally invest

Powers of a CRA (4)

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A CRA can borrow money with the approval of the Governing Body

This borrowing can be in the form of:

- **Revenue Bond**
- **Bank Loan – including line of credit**
- **Loan from Governing Body**

Repayment period cannot exceed the life of the CRA

Notice must be given to Taxing Authorities and public notified through newspaper publication of time, date, purpose of meeting.

Acquiring Real Property

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- **CRA may acquire property for purposes in the Plan by:**
 - Purchase
 - Lease
 - Option
 - Gift
 - Grant
 - Other voluntary methods

Acquiring Real Property

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- CRA may temporarily operate and maintain acquired property pending disposition without regard to:
 - Preventing slum or blight
 - Uses outlined in the Community Redevelopment Plan
 - Uses which might otherwise carry out the mission and purposes of the Community Redevelopment Agency

Disposal of Real Property (2)

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- CRA can consider long term benefits
 - Must dispose of real property for FAIR VALUE (not fair market value as must a municipal or county government)
- CRA may restrict resale unless and until all improvements contracted for are in place
- Proposed use(s) must be in conformance with Plan

What CRA's Cannot Do

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- **Pay for General Government operating expenses**
- Reimburse City/County for expenses unless fully documented
- Construct or expand administrative buildings for any public body Unless:
 - Contemplated for a community policing innovation
 - Approved by each taxing authority
- Undertake a construction/repair of a publicly owned project if the project's completion was anticipated to be completed within 3 years of the approval of a Redevelopment Plan. (GUIDELINE..... UNTIL the project has been removed from such Capital Plan for at least 3 years).

What CRA's Cannot Do (2)

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- Undertake a project in another public entities Capital Improvement Program unless specifically mentioned as a funding source
- Pay for any project or program outside of the Redevelopment Area** (F.S. 163.387(6)(d))
- Pay Board Members/Commissioners for their service as a CRA Board member

What CRA's Cannot Do (3)

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- Create laws or regulations
- Regulate land use in any way (except by deed restriction or sponsored redevelopment in accordance with the Plan)
- Utilize the power of Eminent Domain
 - Carrying out the provisions of Chapter 163, Part III, Fla. Stat. are not considered “a public purpose” for purposes of eminent domain (§73.014(2), Fla. Stat.)
 - This power lost in 2006 in the aftermath of Kelo v. City of New London
 - County/City may still utilize in CRA areas for traditional purposes (roads, parks, parking, utilities, etc.) as outlined in Chapter 73, Fla. Stat.

Powers of a CRA

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Any project or program a CRA wishes to undertake must be outlined in the Community Redevelopment Plan (CRP)

**IF IT IS NOT IN THE PLAN
YOU CAN'T DO IT !!!!!**

YOUR COMMUNITY REDEVELOPMENT AGENCY

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**HOW IS
REDEVELOPMENT
FUNDED?**

The Redevelopment Trust Fund

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Upon the approval of the CRA Plan, the City created a Redevelopment Trust Fund by ordinance.

- Funds allocated are used to carry out activities in the Community Redevelopment Plan.
- Trust Fund can obtain monies from:
 - Donations
 - Grants
 - Allocations from Governing Body
 - Increment Revenues (Tax Increment Financing or TIF)

Use of the Redevelopment Trust Fund

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Money in the Trust Fund may be expended for projects and programs pursuant to an adopted CRP including:

- Administrative and Overhead
- Planning, surveys and analyses
- Acquisition of real property
- Clearance and preparation of sites
- Payment for bond principal and interest
- Bond sale expenses
- Development of affordable housing
- Community policing innovations

Not Allowed

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- Uses not in plan
- General services for municipal or county government
 - Items normally paid for by the municipal or county government
 - Items contained in any Capital Improvements programs where the CRA/increment is not specifically mentioned as the source of funding
- General government administration
 - Transfer for administration of CRA allowed with proper safeguards
- Payment for official board member or elected body salaries

Borrowing Money

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This borrowing can be in the form of:

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