

# CRA Training

June 26, 2013

Fort Myers, Florida



# Agenda

- Why Redevelopment?
- What are Community Redevelopment Agencies (CRAs)?
- What can CRAs Do and Not Do?
- What are the “Rules of Engagement”?
- How to be an effective CRA Leader
- What are the Best Practices?

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# Ten Reasons to 'Re'develop

- Remove Slum & Blight
- Create Clean and Safe Places
- Prevent Crime
- Encourage Economic Development
- Build or Enhance Affordable Housing
- Fund Streetscape and other Capital Improvements
- Preserve Historic Buildings/Resources
- Retain and Recruit Business
- Enhance Parks and Recreation
- Increase the Tax Base

# What is Redevelopment?

- ANY activity authorized under Chapter 163, Part III, Florida Statutes.
- Activities authorized by your approved Redevelopment Plan and funded by the local CRA Trust fund
- Any activity that re-vitalizes, re-develops, re-uses, re-creates (not suburban)

# What is a CRA?

- Dependent Special District
- Board Members
- Law generally - only one Community Redevelopment Agency (Board) per jurisdiction
- Note: Except in Charter Counties over 1.6 million people
- One CRA may have multiple CRA districts

# Community Redevelopment Agencies (CRAs)

- Redevelopment Act 1969
- Amended over years, Chapter 163 Part III, F.S.
- Not in widespread use until 1980
- State of Florida v. Miami Beach
- Affirmed by Strand Case 2007
- 214 CRAs Florida Department of Economic Opportunity
- Only form of tax increment used widely in Florida
- State not involved in the creation or administration

# Mission: Eradicate Slum & Blight

- serious and growing menace, injurious to public health, safety, welfare
- disease and crime
- economic and social liability
- declining tax base
- Impediments to sound growth
- decent housing accommodations
- traffic problems/hazards

# How Created? All Local...

- Charter counties “delegate” authority to city CRAs
- Non charter counties can challenge the creation of city CRA by statutory process
- Finding of Necessity and “blight” as defined by statute, not Mr. Webster
- CRA Board is established
- Trust Fund is created
- Redevelopment Plan is adopted
- No state approval required, but reporting requirements



# The CRA Board

- Elected officials of city or county
- OR board of 5 – 9 appointed by electeds
- Inter local agreement may add representatives of other taxing authorities
- If governing body is only 5 members then it can be governing body + 2 appointed
- Chair and Vice Chair of the CRA designated by governing body (not the CRA Board)

# Redevelopment Plan = Blueprint

- A concept/program/project in the Plan may not happen
- But if a program or project is NOT contained in the Plan and the district it CANNOT be undertaken.
- Put everything you might want to do in the Plan if at that point it is possible.
- Be ready to point to page where activity is in the plan
- Strategic planning each year is key to details for carrying out the plan
- Include reasons why the concept/program/plan would be a good investment; tie into goals, outcomes broadly

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# Not allowed by statute/other...

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

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

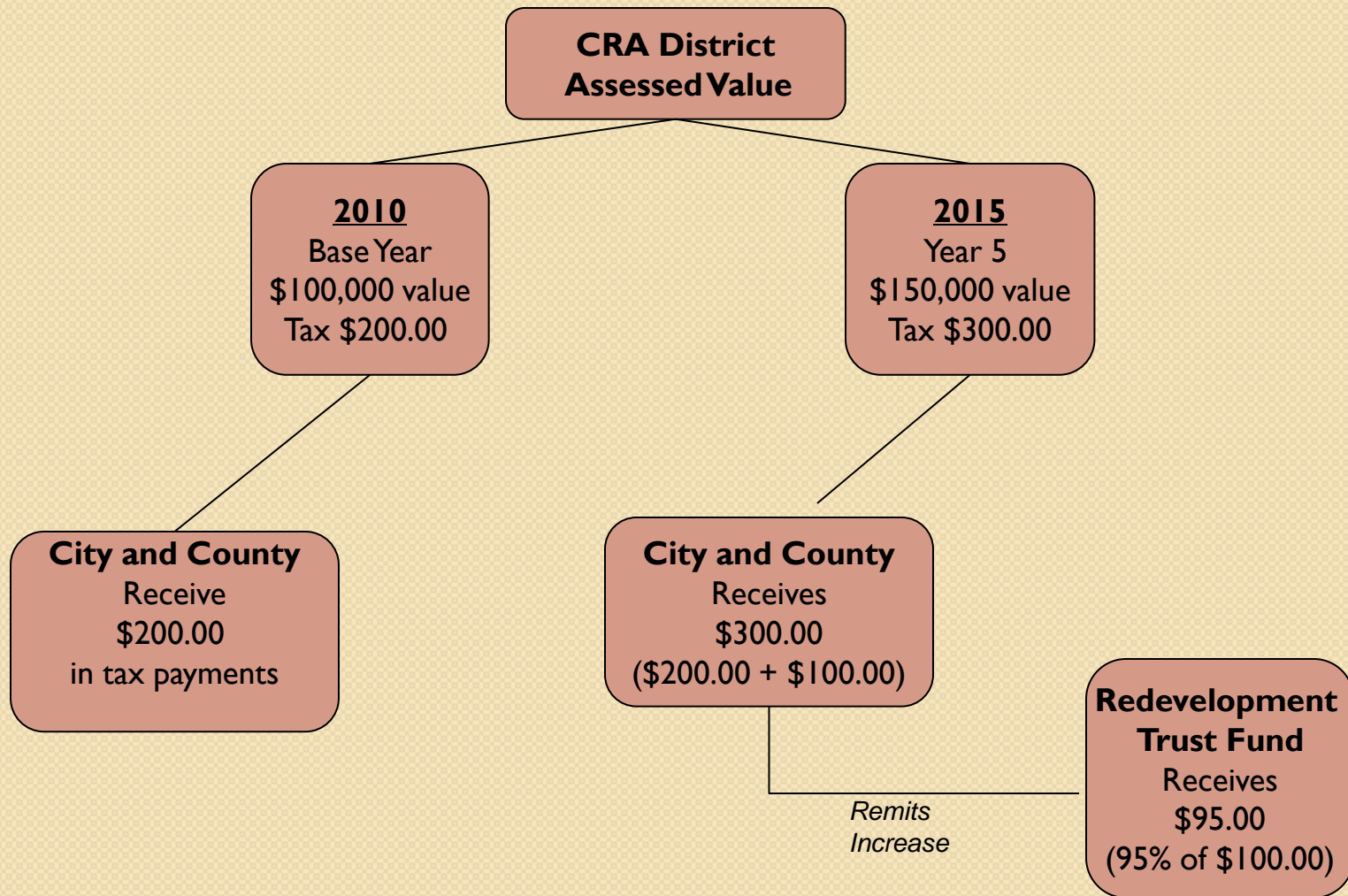
# What is *Increment Revenue*?

- “Tax Increment Financing” or “TIF”
- Contributed by cities, counties, very few districts
- Not school boards, water or library districts
- Increases in taxes collected from property values improving over time ostensibly from CRA activities
- What you put in, you get out, plus much more through private partnerships
- Technically not ad valorem tax – “amount equal to”
- This fine point reaffirmed in Strand case 2007
- Increment is 95% or less of the revenues per statute (5% admin fee for processing by local govt)

# Calculating Increment

- All taxable properties in the CRA
- Difference in value between ad valorem revenues this year and year CRA was created
- Does not include debt service millage
- Collected for no longer than 40 years (60 years if created before July 1, 2002)
- This can differ from statute by interlocal agreement

# Tax Increment Revenues



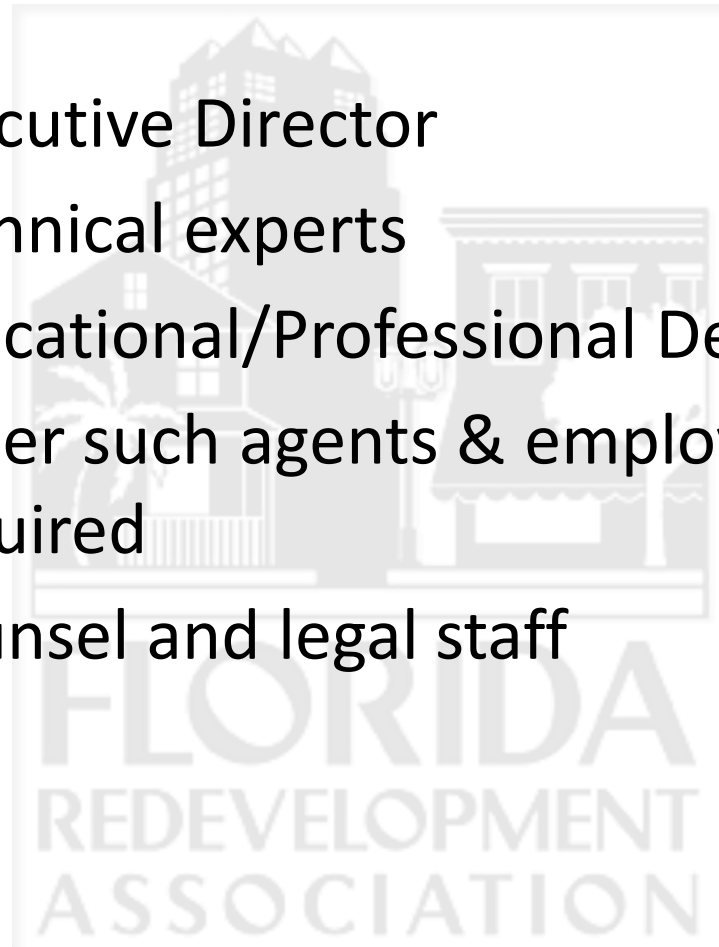
# Use of Funds Ch. 163, Part III, F.S.

*Anything in plan and district, including but not limited to:*

- Administrative and overhead expenses
- Redevelopment planning, surveys, & financial analysis
- Acquisition of real property in the CRA district
- Clearance/preparation & relocation of occupants
- Repayment of borrowed funds
- All expenses related to bonds/other indebtedness
- Development of affordable housing
- Community policing innovations

# Administrative/Overhead

- Executive Director
- Technical experts
- Educational/Professional Development
- Other such agents & employees as required
- Counsel and legal staff





# E/O/Liability Insurance?

- CRA is a separate legal entity
- Governing body's insurance may or may not cover the CRA Board and staff
- Check with the city/county's carrier if the CRA does not have its own insurance

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# What CRAs Can't Pay For (s. 163.370)

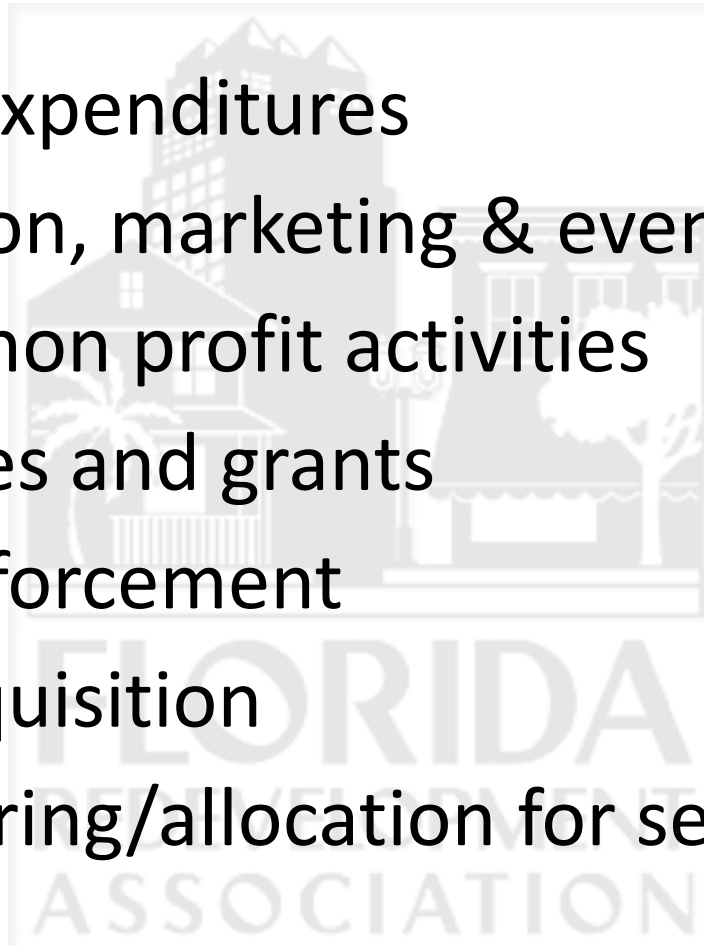
- Construction / expansion administrative buildings for public bodies/police/fire facilities
- *Publicly owned capital improvements* if scheduled in city or county capital improvement plan until removed from schedule or plan and 3 years have elapsed.
- General government operating expenses unrelated to the planning & carrying out of a community redevelopment plan

# Other Things CRAs Can't Pay For

- Activities/projects not covered in plan
- Board Members/Commissioners payment for service as CRA Bd member
- Project or program outside of the development area
- However, interlocal agreement can authorize uses of funds outside the CRA Area and not in plan

# Things CRAs Can Pay For

- Capital expenditures
- Promotion, marketing & events
- Limited non profit activities
- Incentives and grants
- Code enforcement
- Land acquisition
- Cost sharing/allocation for services



# Be Careful With.....

- Market/direct funding events (AG-2010-40)
- Funding non-profits (AG-2010-40)
- Substitution of CRA funding for city/county duties/projects done previously by them
- Maintenance and repair ongoing
- Community Policing – details, details
- Reimbursement to city/county of expenses (Auditor General Reports 2006)
- Subject to all GASB requirements

# Inter Local Agreements

- 163.387 (3)(b)
- Alternate provisions contained in an inter local agreement between a taxing authority and the governing body....
- May supersede the provisions of this section with respect to that taxing authority.
- The Community Redevelopment Agency may be an additional party to any such agreement.

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# Five (5) Reporting Requirements

1. **Proposed and Final Budgets posted on official website *two days prior/30 days after (September/October)***
2. **Annual report to the *Florida Department of Economic Opportunity (DEO), Special Districts Information Program (December)***
3. **Annual Report to governing body and taxing authorities (March 31)**
4. **Audit (separate or city/county component unit) to each taxing authority *and to Auditor General (45 days after completion or June 30)***
5. **Inclusion in Annual Financial Report (AFR/CAFR) to the Florida Department of Financial Services by city or county (June 30)**

# Amending the Redevelopment Plan

- Modification of boundaries, terms, language, trust fund, board composition = amendment
- A lot like the creation process
- Governing body amends on recommendation from the CRA board (separate legal body even if same folks)
- Governing body holds public hearings and notices all taxing authorities that collect a millage within the CRA district
- New Finding of Necessity must be prepared and adopted for a new area or expanded area.

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# \$\$ End of the Fiscal Year

*Funds left in the Redevelopment Trust Fund on the last day of the Fiscal Year shall be:*

- Returned to the taxing authorities
- Used to reduce debt
- Deposited in an escrow account for reducing debt later
- Appropriated to a specific project contained in the Redevelopment Plan that will be completed within three (3) years
- No carryover into the next fiscal year of an “undesigned fund balance”

**FOR MORE INFORMATION....**

*Redevelopment Academy*

**REDEVELOPMENT 101**

*Basics of Redevelopment and CRA's*

**Tuesday, October 29, 2013**

**Tampa, FL**

**[http://redevelopment.net/annual\\_conference](http://redevelopment.net/annual_conference)**

*Indeed, it has been said that democracy is the worst form of government except all those other forms that have been tried from time to time.*

-- Winston Churchill

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# The Rules

- Open Meetings
- Open Records
- Ethics



# What's the Use?

- Attract private investment (capital) into slum or blighted areas
- Stabilize the tax base
- Consistency, continuity and civic leadership for businesses
- Investment won't occur without public assistance...
- It just won't (in most cases)
- Ultimate measurement? "But for the CRA, this would not have happened".

# Private Sector Investment Doesn't Occur Without Public Sector

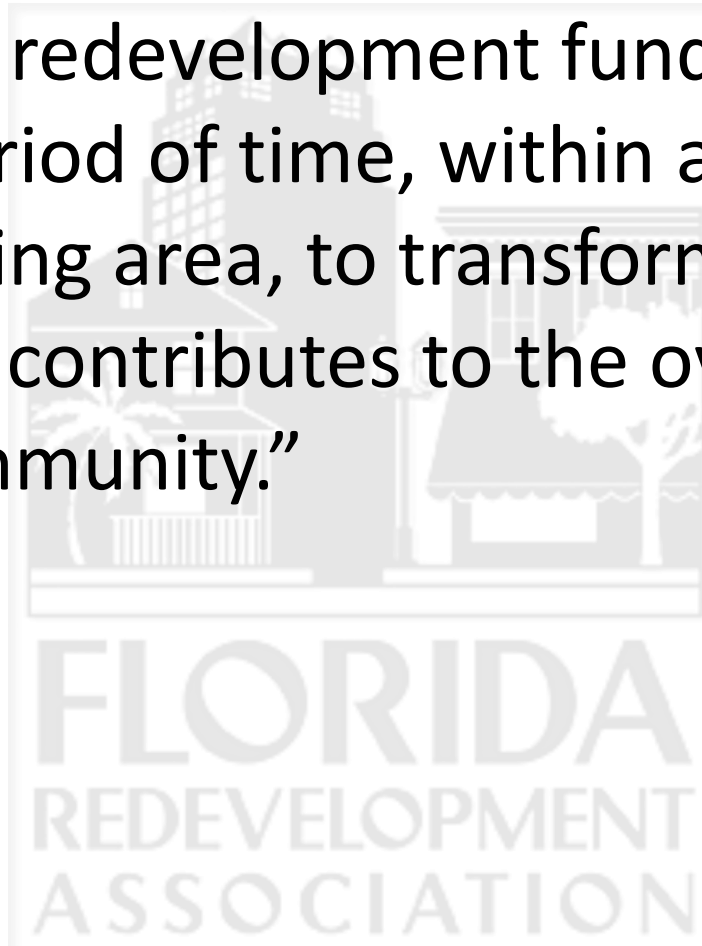
- *Investors: perceived inadequate ROI*
  - Understand how ROI is measured
  - Any intangibles present? (eg. quality of life)
  - Balance Community w Cost w Risk
  - Public has to do the homework (hire private to do it?)
- *Lenders perceive an unacceptable level of risk*
  - Understand how lenders evaluate risk
  - Identify ways to reduce risk of default and foreclosure
- *Citizens “Government Spending”*
  - Communicate investment /expectations
  - Measure/show return whenever possible
  - Include in conversations, media, blogs, groups

# Redevelopment - a Contact Sport

- Chapter 163, Part III encourages government to invest public funds with private enterprise to ultimately bring an area back to life.
- Local funds, generated by cities and counties, can be a political football.
- Diverse groups have vastly differing ideas on how to use the money.
- Lack of vision, leadership, buy-in, and responsible implementation can lead to mission drift
- Who, What, When, Where and Why of the process

# Sound Bite

“CRAs use redevelopment funds, for a limited period of time, within a deteriorating area, to transform it into one that again contributes to the overall health of the community.”





# How to be a 'CRA Leader'

- Do your homework (benefit from FRA experience).
- Seek input from citizens, businesses – build consensus.
- Adopt the shared vision and make a personal commitment to it.
- Explain '*Who, What, When, Where & Why*' as many times as necessary
- Get out of the way – steer don't row.
- Work for redevelopment success, not credit.

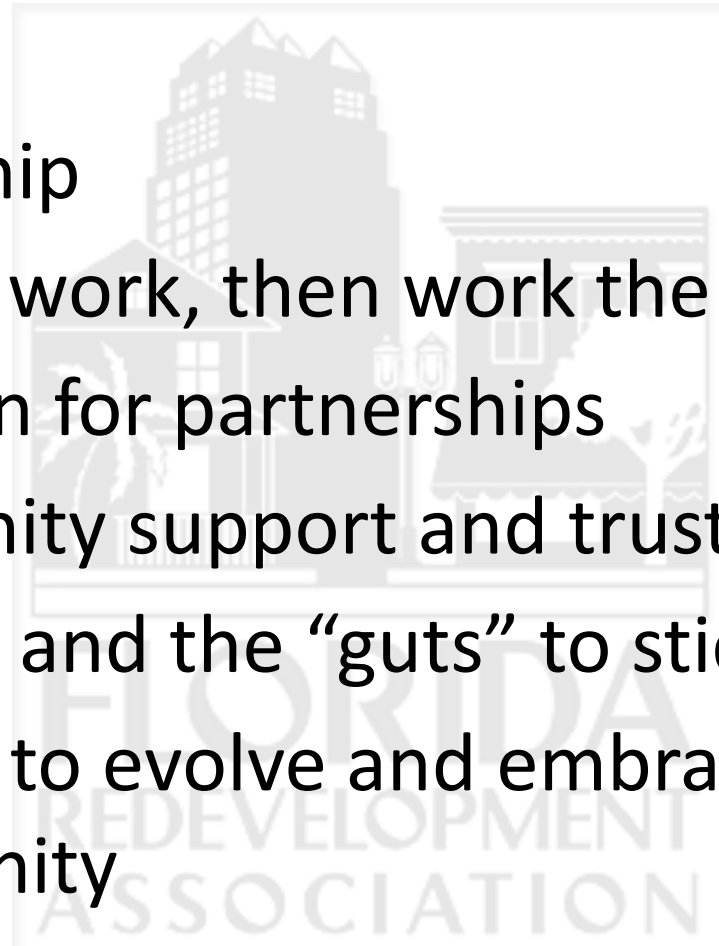
# Homework:

## *Things to Know About Your CRA*

- What is the history of your CRA?
- What has been accomplished?
- What are the current projects?
- What programs does the CRA offer?
- What's in the plan? Read it in entirety.
- How much money is in the trust fund?
- How much does the county v. city contribute?
- How much longer has the CRA to operate?
- When was the last time the plan was amended?

# Successful CRAs

- Vision
- Leadership
- Plan the work, then work the plan
- A passion for partnerships
- Community support and trust
- Patience and the “guts” to stick with it
- Wisdom to evolve and embrace the next opportunity



# Building the Consensus

## *To Vision or Not to Vision . . .*

- No one right way to build consensus
- You can over think it – ask yourself:
  - Is it time to get the community involved?
  - Is it time to move charge forward regardless?
- Identify easy-to-understand measurement for progress and success
- Continuously build support for the program

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# Good Ideas

- Be realistic about what can be accomplished, but...
  - ... be bold in setting goals
- Vision, Mission, Goals, Objectives – keep them up front
- Understand the private sector/profit motive
- Annual strategic planning workshop (two hours)
- Let the annual budget tell the story
- Communicate, Communicate, Communicate

# Best Practices

- Understand the Market
- Review Land Use & Zoning
- Create Successful Partnerships
- Track Your Progress
- Promote Projects and Success Stories
- Create Themes, Campaigns, Events, and “Buzz” in the district

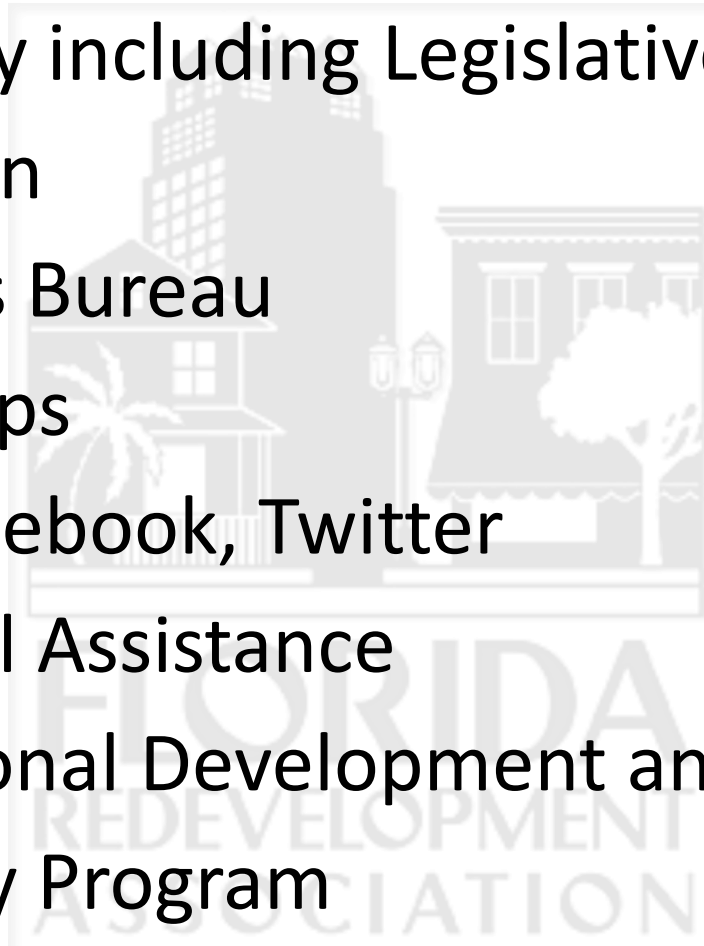
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# More Best Practices

- Always separate CRA vs. Commission meetings
- Consider joint procedures for CRA and city, e.g.. Personnel Policies
- Maintain separate insurance (errors/omissions, liability)
- Monitor CRA contracts
- Complete all appropriate reports
- Use your legal counsel - pay now or pay more later

# FRA Can Help

- Advocacy including Legislative
- Education
- Speakers Bureau
- News Clips
- Web, facebook, Twitter
- Technical Assistance
- Professional Development and Training
- Academy Program





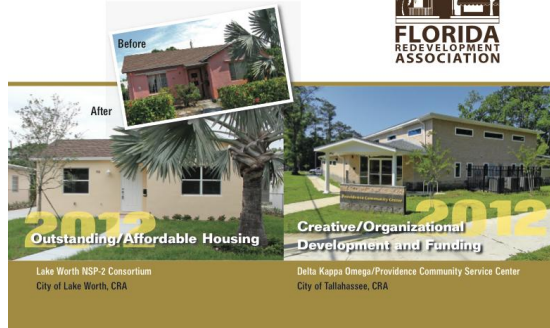
# 2013 FRA Annual Conference

- “Redevelopment Defined”
- October 30 – November 01
- Tampa Waterside Marriott



## Redevelopment Defined

▪ October 30 - November 1, 2013 ▪  
Tampa Waterside Marriott  
[www.redevelopment.net](http://www.redevelopment.net)



# Resources

- Florida Chapter of the American Planning Association  
[www.floridaplanning.org](http://www.floridaplanning.org)
- Florida League of Cities [www.flcities.com](http://www.flcities.com)
- Florida Association of Counties  
[www.flcounties.com](http://www.flcounties.com)
- International Council of Shopping Centers  
[www.icsc.org](http://www.icsc.org)
- Urban Land Institute [www.uli.org](http://www.uli.org)
- Florida Brownfields Association  
[www.fba.org](http://www.fba.org)

# Florida Redevelopment Association

- 850.701.3608
- [www.redevelopment.net](http://www.redevelopment.net)
- Carol Westmoreland, Executive Director
- [cwestmoreland@flcities.com](mailto:cwestmoreland@flcities.com)
- Jan Piland, Executive Assistant
- [jpiland@flcities.com](mailto:jpiland@flcities.com)