

CRA: Community Working Together



Agenda

- What is redevelopment and what are Community Redevelopment Agencies (CRAs)
- How can you be an effective leader?
- What are the “Rules of Engagement”?
- What are the Best Practices?
- What is legal?
- Why do they work or not work?

Top Ten Reasons to Rebuild

- Economic Development
- Business retention
- Crime Prevention
- Streetscapes
- Housing
- Historic Preservation
- Clean and Safe Places To Be
- Storm water Management
- Parks and Recreation
- Sustainable Reuse and Urban Infill

What is Redevelopment?

Relative to your CRA, any activity authorized under Ch 163, Part III, Florida Statutes

Revolves around a publicly customized plan, funded by the increase in assessed values over time, called increment.

What Redevelopment is Not

- Anything spent outside the plan or the area
- Eminent domain for redevelopment purposes
- General government line items
- Grants or donations to non-profits or events that have nothing to do with the redevelopment plan
- Salaries for city or county staff that do not work on CRA activities
- Operations
- Maintenance normally done by city or county
- Comprehensive planning, zoning or land use

Redevelopment as a Contact Sport

- Chapter 163, Part III encourages government to invest public funds with private enterprise to ultimately bring an area back to life
- Diverse groups have differing ideas on how to use the money
- The money is locally generated, by cities and counties, can be political football
- People do not understand the how and when of the process
- Lack of leadership, vision and buy in

“What is the sound bite?”

As with most municipal issues, our message is complex and could lead to misunderstandings by citizens who don't hear the rest of the story. Try saying this: “for a limited period of time, CRAs eradicate slum and blight, to sustain an improved quality of life...all ships rise w the tide; the plan is developed by the community and is tailored to their needs and desires; for our community's future”....and the word TAX is in the glossary of terms!

Redevelopment is Good

- **A** wise investment, especially in tough economic times, in the future of an area
- **B**reathes new life into areas in need revitalization
- **C**onsistency and predictability for private sector
- **D**esigned, created and funded locally
- **E**very \$ of public leverages for \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ private
- **F**ully transparent public process to develop a common vision for sustainable viability

Powers of a CRA

(highly recommended reading)

- 163.358 Exercise of powers in carrying out community redevelopment and related activities.
- 163.370 Powers; counties and municipalities; community redevelopment agencies.
- 163.410 Exercise of powers in counties with home rule charters.
- 163.415 Exercise of powers in counties without home rule charters.
- 163.400 Cooperation by public bodies.

How to be a CRA Leader and Teacher

- Do your homework (call the FRA)
- Adopt a shared vision and work for it
- Explain WHAT, WHY, WHEN, WHERE, HOW as many times as necessary
- Talk with other leaders
- Seek out comment from citizens, businesses
- Work for consensus, not credit
- Do cost benefit analysis at each phase
- Get out of the way – steer don't row

To Do Visioning, or Not?

- No one right way to build consensus
- You can over think it
- Key indicators of when to stop don't go
- Key indicators of when to go don't stop
- Measuring success
- Measuring progress
- Measuring support

Things to Know

- What is the history of your CRA?
- What has been accomplished?
- What are the current projects?
- How much money is in the trust fund?
- How much does the county v. city contribute?
- How much longer has the CRA to operate?
- Review the plan, yes the whole thing, keep a copy
- When was the last time the plan was amended?
- What programs does the CRA offer?

Review: How is a CRA Created? All Local

- Notices and Public Meetings
- Finding of Necessity and “blight by statute, not Mr. Webster”
- Establish Board
- Create Trust Fund
- Adopt Redevelopment Plan
- No state approval required, but plenty of reporting

What is a CRA?

Agency or Area...Yes

- BD Members appointed by local government
- Dependent Special District
- Elected and or appointed people
- May have multiple CRA districts
- Law generally says only one CRA Board

The Plan as a Blueprint

- Board implements, (not sets), policy per City/Co
- Addresses unique customized needs
- A publically drafted master plan
- Sets goals, specifies priorities
- Roadmap for private sector
- Ensures focused investment
- Living document can be amended w/o limit

What is Increment Financing?

LONG TERM SEED \$

- Ad valorem property values frozen (base year) for area
- Yearly increase in property values applied to millage is “increment”
- 95% of amount is sent to CRA trust fund
- County and city write check annually
- CRA adopts budget based on amounts plus donations, loans, bonds, interest

What Can the \$ Be Spent on?

- Administrative and overhead to carry out adopted plan
- Planning, surveys, and financial analysis
- Reimbursement for start up costs
- Acquisition of real property in the redevelopment area
- Clearance and preparation of sites in redevelopment area
- Repayment of loans, advances, bonds, bond anticipation notes, and other debt
- Cost of issuance, sale, redemption, retirement, or purchase of agency bonds
- Affordable housing within the area
- Community policing innovations
- Anything in the plan or finding of necessity, and in area

Generally Not CRA Legal (check with your attorney)

Trust fund money for any project, program, donation, sponsorship, grant that is not expended in the area and is not clearly in the redevelopment plan.

*Exceptions by interlocal agreement ***

Also not CRA Legal

- Construction or expansion of administrative buildings for public bodies or police and fire buildings, unless each taxing authority agrees to such method of financing for the construction or expansion, or unless the construction or expansion is contemplated as part of a community policing innovation.
- Projects under any previously existing CIP or non CRA funding plan until they are off that list for three years
- General government operating expenses unrelated to planning and carrying out the community redevelopment plan

*Exceptions by inter local agreement ***

Inter local Agreements

- Alternative provisions to the statute may be mutually agreed to by the taxing authorities.
- Also, 163.387 (3)(b) states:
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.

Reductions in Revenues

Statute allows city or county to reduce contributions to CRA trust fund

- In order to preserve debt and future of CRA, should be done by inter local agreement
- For how long will money not be contributed?
- What about other taxing authorities?

CRA shares costs with city/county for projects in area and in the plan, eg. streetscape, infrastructure, parking, incentives

- Outline who pays for what in the developer/inter local agreement

Trust Fund Money Rule

163.387 (7) Funds left in CRA trust fund on September 30 shall be:

- Returned to each taxing authority OR
- Used to reduce outstanding debt; OR
- Deposited into an escrow account for later payment of outstanding debt; OR
- Appropriated to a specific redevelopment project pursuant to the plan, to be completed within three years from the date of appropriation

CRA Guiding Lights

- Chapter 163, Part III (money, plan, reporting)
- Chapter 189 Special Districts (reporting)
- Chapter 112, Part III (ethics)
- Chapter 218 (audits)
- Chapter 218 (local government reporting)

Redevelopment Incentives

- Screening candidates
- Rules of thumb
- How much is enough?
- Measuring return
- Agreement basic do and don'ts

CRA Facts

- Over 200 CRAs in the state, mostly cities
- All are dependent special districts created by city or county (www.floridaspecialdistricts.org)
- CRAs in Florida have terms from 7-30 years, avg. 20
- Increment trust fund contribution calculations vary: some based on “preliminary” rolls, some “final” roll
- Charter counties “delegate” authority to city CRAs
- Non charter counties can challenge the creation of city CRA by statutory process
- The fiscal year of all CRAs is October 1 – September 30

CRA Facts Too

- School boards, water management districts, and most other special districts do not pay into CRA trust funds
- CRAs (but not cities or counties) can give public dollars to private – their mission and process is a public benefit per the courts and legislature.
- Chapter 163 Part III was first passed in 1969. At that time, there were 15 legislatively created Downtown Development Authorities, which collected ad valorem for redevelopment.
- It wasn't until State v. Miami Beach Redevelopment Agency was decided in 1980, that CRAs proliferated. Strand v. Escambia County in 2007 affirmed the Miami Beach case.

Good Ideas

- Promote Projects Properly
- Celebrate and Share Success Often
- Create themes, campaigns, events, buzz
- Network, Network, Network
- Partnerships
- Code Reviews and Enforcement
- Be realistic about what can be accomplished, but...
- Be bold in setting goals

Step Back & Agree

- Redevelopment benefits everyone's taxpayers
- Long process, patience is a virtue worth having
- Planning, formal agreements, communication and consensus are critical
- Each area is unique so make it yours, establish an identity
- Be a champion for a shared vision

Amending a Plan

- Update plan every 5 yrs / re-set goals
- Must be consistent with the comprehensive plan (but not a required element)
- Process similar to creation of CRA
- Proposed by the CRA Board, sent to local planning agency, to governing body, notices, public hearing, governing body, then charter county approves
- Options
 - Expand or contract boundaries
 - Extend term of CRA
 - General updates, additions, edits

Best Practices

- Establish goals, tasks, track progress
- Analyze and study the market
- Apply for grants
- Do your research
- Understand the profit motive
- Monitor contracts with public eye
- Over communicate on expectations
- Use your legal counsel - pay now or pay more later

Best Practices Too

- Always separate CRA v. Commission meetings
- Public notice requirements same as local govt.
- Complete all appropriate reports
- Joint procedures for CRA and city, eg. personnel
- Separate insurance (errors/ommissions, liability)
- Adopt by-laws
- Mission, goals, objectives – keep copy handy
- Annual strategic planning workshop (two hours)
- Information and samples from FRA

CRA Reporting

- OCT - Fee and report to Special Districts Program (DCA)
- NOV – CRA info to city or county for inclusion in their Comprehensive Annual Financial Report (CAFR)
- NOV – APRIL CRA audit (can be component unit)
- MARCH 31 – CRA annual report to taxing authorities

CRA Budgets

- Adopt budget by resolution, file with city or county
- The total amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total of appropriations for expenditures and reserves.
- Adopted budget regulates expenditures of the CRA.
- Unlawful to expend or contract outside of budget.
- City or county may review budget.
- Presented per generally accepted accounting principles
- Budget must be contained within the general budget of the local governing authority (unless the local governing authority consents to a separate budget)
- Budget must be clearly stated as the budget of the CRA

Accounting

- CRAs use generally accepted accounting principles established by Governmental Accounting Standards Board (GASB) for states and local governments
- Timesheets and logs must be kept if part time city or any staff paid by CRA
- All expenses must be “in accordance with plan and budget”
- CCNA applies to bidding processes

Why Do CRAs Succeed?

- Leadership
- Power used for working the partnerships
- Vision
- Guts, passion, sticking with it, wisdom, patience
- Community support and trust
- PARTNERSHIPS
- Empowering citizens with sweat equity

FRA Can Help

- Legislative
- Technical Assistance
- Legal Opinions
- Web, Face book, Twitter, YouTube
- Professional Development and Training
- Brownfields and Grant Funding
- Certification Program
- News Clips

The Future

- Inter local agreements will be used more to outline who pays for what, when, how and why
- Cooperative instead of competitive approach to governing
- Dialogue, not monologue
- Strong legislative defense - any changes to the redevelopment act should empower, not limit.

Resources

Florida Chapter of the American Planning Association
www.floridaplanning.org

Florida Brownfields Association www.fba.org

Florida League of Cities www.flcities.com

Florida Association of Counties www.flcounties.com

Urban Land Institute www.uli.org

International Council of Shopping Centers
www.icsc.org

Florida Redevelopment Association

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