

Question

of the Month

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How is a community redevelopment agency created?

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Currently, there are 170 community redevelopment agencies (CRAs) in Florida. Of these, 148 were created by cities, while 22 were created by counties. Several community redevelopment areas or districts can exist within each CRA. Further, each district or area by law has to have a separate trust fund. CRAs are unique in their ability to leverage public dollars with the private sector to redevelop slum and blighted areas. In 1980, the Florida Supreme Court ruled that public expenditures using Tax Increment Financing (TIF) are constitutional, since the result under Chapter 163, Part III, Florida Statutes, is a public benefit. CRAs use TIF incentive programs to encourage and support private investment.

Steps to Create a CRA:

- The city or county establishes by resolution or ordinance that there is a need for redevelopment in a defined area with slum or blight conditions that meet the statutory criteria (Chapter 163, Part III).
- A CRA board is established. Seventy-five percent of the time this board is the same as the city or county commission. For liability and administrative purposes, once the CRA is established, it is a separate legal entity from the city or county that created it.
- The CRA and local government create a redevelopment plan. This serves as a blueprint for future redevelopment in the newly defined area. This plan may be amended locally, must be consistent with the comprehensive plan, and is not dependent on state approval. The plan may include projects scheduled for up to 20 years.
- A trust fund is then established to receive the TIF monies from the taxing entities in the CRA area (school boards, water management districts and library boards are exempt). TIF is calculated this way: a base year is established (the year the CRA is created) and the dollar amount of revenues collected from ad valorem property taxes in the area for that year is noted and frozen. If the value of the property goes up (not the rate), the difference between the previous year and the current year in revenue dollars is diverted to the TIF trust fund by the city or county. Then, the city and/or county literally writes a check to the CRA.

The Florida Redevelopment Association (FRA) advocates for successful downtown redevelopment using TIF and other programs. The Florida League of Cities provides contractual support services to the FRA. For more information on the FRA and CRA, visit FRA's Web site at www.redevelopment.net or call Carol Westmoreland, associate director of membership development for the League, who also serves as executive director of the FRA.

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League staff is available as a resource and information service to Florida's municipal officials. As a regular column in Quality Cities, we'll answer a recently asked question that might be of interest to your city as well.

If you have a question about a municipal issue, call the League. If you don't know which staff member to contact, call the Membership Development Department staff at (850) 222-9684 or e-mail cwestmoreland@flcities.com.