







CRA's 50 Year Anniversary Past, Present and Future

Florida League of Cities Annual Conference Orlando FL, Friday, August 16, 2019

Moderated by Scott Black, Dade City Commissioner

50 YEARS OF FLORIDA COMMUNITY REDEVELOPMENT

Community Redevelopment was created as part of the United States Federal Urban Redevelopment Program (later called urban renewal) under Title 1: Housing Act of 1949.

> In 1952, to match the Housing Act's Federal Dollars, California creates TAX INCREMENT FINANCING.

In the 1970s, the program was sunset and replaced by the Nixon Administration's Community Development Block Grant (CDBG) program.

Numerous states still operate varying forms of CRAs that have coalesced without national guidance. Nationwide CRA research is non-existent.

The Florida Redevelopment Act of 1969 went into effect on July 5, 1969, and approved into law without Governor Claude R. Kirk Jr.'s signature.

Increment Revenue via a TIF methodology was added in 1977.

CRA HISTORY:

Since 1969, there have been 37 Amendments to the Act

and 59 Court Cases involving a CRA

4 involving the State of Florida 2 by the State 2 by CRA/Local Government

1 Grand Jury Report

1 Federal Court Case

Most in a Year (7-2006)

18 from 2006 to 2009

46 Florida Attorney General Opinions

9 State Audits from 2006-2015

History of Florida Redevelopment Act of 1969

#	YEAR	SUBSTANTIVE	NUMBER OF LAWS
1	1969	CREATION	0
2	1973		1
3	1976		1
4	1977	ADD TIF/IR	1
5	1979	REVISOR	1
6	1981		1
7	1983		3
8	1984		1
9	1985		3
10	1987		2
11	1991	REVISOR	1
12	1992	PROPERTY DSPOSAL	1
13	1993	TAXING EXEMPTIONS	1
14	1994	HOUSING	2
15	1995	GENDER REVISOR	2
16	1996		1
17	1998	COMMUNITY POLICING INNOVATION	2
18	1999	REVISOR	1
19	2001		1
20	2002	TAXING EXEMPTIONS	2
21	2006	KELO-LITTLE PINK HOUSE-CHARTER COUNTY	2
22	2008		1
23	2011		1
24	2013	REVISOR	1
25	2015	SINKHOLE	1
26	2016	TAXING EXEMPTIONS	2
27	2019	TODAY	1
50	YEARS		37

CRA HISTORY:

1969-1990

1980 State vs. Miami Beach

Janet Reno for the State Bond validation Increment/State Constitution

1986 State versus Daytona Beach

Bond Validation and Special Taxing Districts

"We find that it is within the legislature's power to make community redevelopment one of the "respective purposes" of special taxing districts...We find no constitutional infirmity and, accordingly, affirm the final judgment validating the bonds."

YEAR	SUBSTANTIVE	CASES
1969		0
1970		0
1971		0
1972		0
1973		0
1974	City of Jacksonville v. Moman	1
1975	Griffin v. City of Jacksonville	1
1976		0
1977		0
1978		0
1979		0
1980	State of Florida v. Miami Beach Community Redevelopment Agency	1
1981		0
1982	Holloway v. Lakeland Downtown Development Authority	1
1983		0
1984		0
1985	Post v. Miami Dade	1
	Price v. City of Fort Pierce	
	Kelson v. City of Pensacola	
1986	State of Florida v. City of Daytona Beach	3
1987		0
1988	Striton Properties, Inc. v. the City of Jacksonville Beach	1
1989		0

Speaking of Janet Reno:

The Attorney General herself got in on the joke: turning up in a 2001 **"Janet Reno's Dance Party,"** skit by bursting through a fake brick wall, dancing the twist in a matching royal blue dress and shouting: "It's Reno time!"

> Janet Reno was born in Miami, Florida



CRA HISTORY:

1990-2006

2002 Panama City Beach CRA Versus the State

May undeveloped land be included in a Redevelopment Area?

"By substituting its own judgment for that of the locally elected officials, and thus failing to attach a presumption of correctness to the legislative determination, the trial court erred as a matter of law."

1990	Chavez v. City of Tampa	1
1991	Batmasian v. Boca Raton Redevelopment Agency	1
1992	Striton Properties Inc. v. City of Jacksonville Beach	1
1993	Key West Harbour Development Corporation v. City of Key West	1
1994		0
	JFR Investment v. Delray Beach Community Redevelopment Agency	
1995	City of Jacksonville Beach Community Redevelopment Agency, Appellants v. Prom	2
1996	Circa Limited v. City of Miami	1
1997	Lyles v. City of Riviera Beach	1
	Advantage West Palm Beach, Inc v. West Palm Beach Community Redevelopment Agency, Inc	
1998	Lyles v. City of Riviera Beach	2
1999	Lyles v. City of Riviera Beach	1
2000		0
2001		0
	Panama City Beach Redevelopment Agency v. State of Florida	
	Rectory Park, L.C. v. City of Delray Beach	
	Rukab v. City of Jacksonville Beach	
2002	Klauber v. City of Sarasota	4
2003	Klauber v. City of Sarasota	1
	Rukab v. City of Jacksonville Beach	
	City of Fort Lauderdale v. Palazzo Las Olas Group LLC.	
2004	Shulmister v. City of Pompano Beach	3
2005	Young Circle Garage LLC. v. Koppel	1
	Matthews v. City of Maitland	
	Dames v. 926 Company, Inc	
	Wade v. Brown	
	Fulmore v. Charlotte County	
	Citizens for Responsible Growth v. City of St. Pete Beach	
	City of Pompano Beach v. Swerdlow Lightspeed Management Company LLC.	
2006	Corie v. City of Pompano Beach	7

CRA HISTORY:

2006-PRESENT

2008 Parker CRA Versus the State

Bond Validation

2015 Miami Dade Grand Jury Report

"Behind every argument is someone's ignorance." ~ Louis Brandeis, US Supreme Court Justice.

	Citizens for a Better Government v. Bay County, Inc.	
	Wright v. Frankel	
2007	Palazzo Las Olas Group LLC v. City of Fort Lauderdale	3
	Feldman v. City of North Miami	
	Pompano Beach Community Redevelopment Agency v. Phillips	
	CRA v. 1843 LLC.	
	Bay County v. Town of Cedar Cove	
	City of Parker Community Redevelopment Agency v. State of Florida	
2008	1843, LLC v. City of Hollywood	6
	Gil Eriksen Properties, LLC v. Pompano Beach Community Redevelopment Agency	
2009	Braman v. Miami Dade County	2
2010	Gogreve v. Delray Beach Community Redevelopment Agency	1
	King v. Community Redevelopment Agency	
	Pompano Beach Community Redevelopment Agency v. Holland	
2011	City of Fort Lauderdale v. Scott	3
	City of Fort Lauderdale v. Scott	
2012	City of Riviera Beach v. Riviera Beach Citizens Task Force	2
	The City of Fort Lauderdale v. Hezzekiah Scott	
2013	United States of America v. David McLean	2
2014	Lozman v. City of Riviera Beach	1
2015	Miami Dade Grand Jury Report	1
2016		0
2017	Surf Works. LLC v. City of Jacksonville Beach	1
2018	Red Apple Hollywood, LLC v. MG3 Hollywood, LLC	1
2019		0
YEARS		59

End of CRA History



Murray Dubbins Esq.



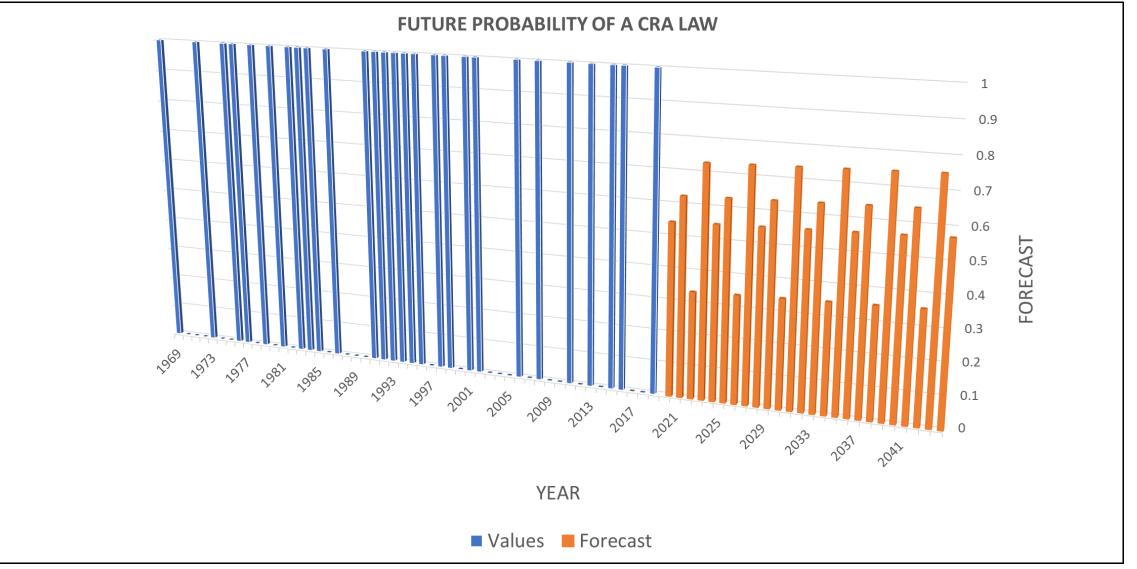
David E. Cardwell Esq.



Carol Westmoreland

BUILT ON AN INCREDIBLE FOUNDATION

When will the State amend The CRA Act Again?



GETTING OUR FACTS STRAIGHT OR THEY WILL BE MADE UP FOR US.

In 2013, we calculated that ALL Florida CRAs accumulated \$347,705,121 in increment Revenue.

In 2015, we calculated that ALL Florida CRAs accumulated \$387,237,374.

We used CRA, CITY and COUNTY Comprehensive Annual Financial Reports (CAFRs).

Florida Community Redevelopm	ent Agency Aggregate	Increment Reve	nue Report	
Palmetto CR	A: Jeff Burton and Nicole Trem	blay.		
University of South Florida Urban & Regional Planning: Sou	omin Kim, Haiairat Chancherdpl	hai, Kiran Kumar Nave	eneethakumar and Yikun L	.uo.
NAME OF CRA	2015	2013	Difference	%
lachua Community Redevelopment Agency	\$352,067.00	\$274,053.00	\$78,014.00	128%
Itamonte Springs Community Redevelopment Agency	\$2,122,665.00	\$1,923,253.00	\$199,412.00	110%
Apalachicola Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
Apopka Community Redevelopment Agency	\$194,677.00	\$108,784.00	\$85,893.00	179%
uburndale Community Redevelopment Agency	\$828,397.00	\$668,528.00	\$159,869.00	124%
von Park Community Redevelopment Agency	\$142,538.00	\$124,628.00	\$17,910.00	114%
Babcock Street Community Redevelopment Agency	\$645,083.00	\$650,685.00	-\$5,602.00	99%
Bartow Community Redevelopment Agency	\$728,956.00	\$697,248.00	\$31,708.00	105%
Bayfront Community Redevelopment Agency	\$649,262.00	\$666,723.00	-\$17,461.00	97%
Blountstown Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
Boca Raton Community Redevelopment Agency	\$7,183,269.00	\$6,729,850.00	\$453,419.00	107%
Boynton Beach Community Redevelopment Agency	\$9,585,902.00	\$7,022,119.00	\$2,563,783.00	137%
Bradenton Beach Community Redevelopment Agency	\$246,540.00	\$73,088.00	\$173,452.00	337%
Bradenton Community Redevelopment Agency	\$2,238,389.00	\$2,058,166.00	\$180,223.00	109%
Broward County Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
Bunnell Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
Callaway Community Redevelopment Agency	\$25,567.00	\$29,932.00	-\$4,365.00	85%
ape Canaveral Community Redevelopment Agency	\$126,140.00	\$30,794.00	\$95,346.00	410%
Cape Coral Community Redevelopment Agency	\$255,534.00	\$160,409.00	\$95,125.00	159%
Carrabelle Community Redevelopment Agency	\$1,702,691.00	\$0.00	\$1,702,691.00	-
Carver Heights / Montclair Community Redevelopment Agency	\$491,802.00	\$403,255.00	\$88,547.00	122%
Center Hill Community Redevelopment Agency	\$0.00	\$7,983.00	-\$7,983.00	0%
Central Community Redevelopment Agency	\$806,339.00	\$777,834.00	\$28,505.00	104%
harlotte Harbor Community Redevelopment Agency	\$650,901.00	\$0.00	\$650,901.00	0%
Chipley Redevelopment Agency	\$132,555.00	\$129,545.00	\$3,010.00	102%
ity of Belle Glade Community Redevelopment Agency	\$6,776.00	\$0.00	\$6,776.00	
ity of Brooksville Community Redevelopment Agency	\$91,131.00	\$87,790.00	\$3,341.00	104%
ity of Casselberry Community Redevelopment Agency	\$198,480.00	\$183,711.00	\$14,769.00	108%
ity of Cedar Key Community Redevelopment Agency	\$465,431.00	\$0.00	\$465,431.00	-
ity of Clewiston Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
ity of Coral Springs Community Redevelopment Agency	\$220,375.00	\$205,529.00	\$14,846.00	107%
ity of Crescent City Community Redevelopment Agency	\$15,775.00	\$14,713.00	\$1,062.00	107%
ity of DeLand Downtown Tax Increment District	\$203,670.00	\$224,620.00	-\$20,950.00	91%
ity of Dunnellon Community Redevelopment Agency	\$142,116.00	\$127,487.00	\$14,629.00	111%
ity of Eagle Lake Community Redevelopment Agency	\$41,068.00	\$42,086.00	-\$1,018.00	98%
ity of Edgewater Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
City of Fort Meade Community Redevelopment Agency	\$0.00	\$0.00	\$0.00	0%
ity of Holly Hill Community Redevelopment Δσερογ	\$1 971 683 00	\$1 847 257 00	\$124 426 00	107%

GETTING OUR FACTS STRAIGHT OR THEY WILL BE MADE UP FOR US.

The Legislature's Office on Program Policy Analysis & Government Accountability (OPPAGA) presented \$594,400,000 to the legislature.

OPPAGA' s presentation (NOT REPORT) recommended some very negative improvement options,

Yet....

How Are CRAs Funded?

- Tax increment financing is primary source of funding
- For Fiscal Year 2014-15, CRAs reported
 \$594.4 nillion in revenues
 \$005.2 million in expenditures
 - \$714.5 million in debt
- During a 10-year period, CRAs issued \$1.35 billion in bonds

 $ppaga \mid$ the florida legislature's office of program policy analysis & government accountability

GETTING OUR FACTS STRAIGHT OR THEY WILL BE MADE UP FOR US.

10 YEARS EARLIER...

"Our review evaluated the effectiveness of urban infill and redevelopment areas in stimulating infill and redevelopment and strengthening urban centers."

"We recommend that if the Legislature creates similar initiatives and grant programs in the future."

-OPPAGA

oppaga Status Report



February 2004

Urban Infill and Redevelopment Areas Have Uncertain Impact But Perceived as Useful

at a glance

The 1999 Growth Policy Act authorized local governments to designate urban infill and redevelopment areas to help stimulate investment and development in distressed urban centers. Thirteen local governments have designated such areas, and the Legislature appropriated \$2.5 million for the program in Fiscal Year 2000-01.

While limited data is currently available on the impact of urban infill and redevelopment area designations on local conditions, representatives of local governments that received urban infill and redevelopment assistance grants believed they were useful.

If the Legislature creates similar programs in the future, it should consider requiring local governments to compile and report information on program activities and outcomes.

Purpose-

Section 163.2526, Florida Statutes, directed the Office of Program Policy Analysis and Government Accountability to review and evaluate the Growth Policy Act (ss. 163.2511–163.2526, Florida Statutes). Our review evaluated the effectiveness of urban infill and redevelopment areas in stimulating infill and redevelopment and strengthening urban centers.

Background

The Growth Policy Act (ss. 163.2511–163.2526, *Florida Statutes*) authorizes local governments to designate urban infill and redevelopment areas for the purpose of stimulating investment in distressed urban areas and strengthening urban centers.⁴ The act defines an urban infill and redevelopment area as an area where

- public services (water and wastewater, transportation, schools, and recreation) are already available or are scheduled to be provided;
- the area, or one or more neighborhoods within the area, suffers from pervasive poverty, unemployment, and general distress;
- the proportion of properties that are substandard, overcrowded, dilapidated, vacant or abandoned, or functionally obsolete is higher than the average for the local government;
- more than 50% of the area is within onefourth mile of a transit stop, or a sufficient number of such transit stops will be made available; and
- the area includes or is adjacent to a community redevelopment area, brownfield, enterprise zone, or Main Street program, or has been designated as a

¹ Chapter 99-378, Laws of Florida.

Office of Program Policy Analysis and Government Accountability

WE CAN'T DO IT BY OURSELVES

The Florida League of Cities is our Best Defender!

We appreciate you!

Take Advantage of the FRA Redevelopment Academy.

To be reintroduced in October in association with a University of Central Florida partnership.

ASK WHO HAS TAKEN A COURSE? CERTIFIED? INTEREST IN A CRA BOARD MEMBER DESIGNATION?



WE CAN'T DO IT BY OURSELVES

ALL THE CIRCLES ARE FROM THE CITY OF PALMETTO



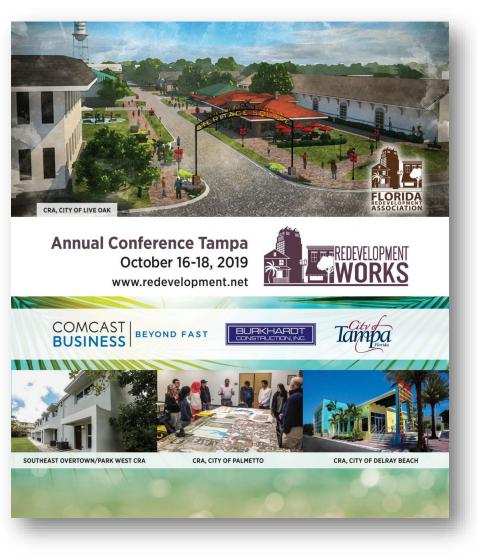
SPEAKING ABOUT OCTOBER

Attend the Annual Conference in Tampa

Take advantage of your membership

If you aren't a member, become one...

WE NEED YOU!











CRA's 50 Year Anniversary Past, Present and Future

QUESTIONS FOR THE PANEL

FOR DATA EMAIL BURTON.JEFF@OUTLOOK.COM

Moderated by Scott Black, Dade City Commissioner



Community Redevelopment Act: What the 2019 Legislative Changes Mean to Your City/CRA

Florida League of Cities 2019 Annual Conference August 16, 2019 John A. Titkanich, Jr., AICP, ICMA-CM City Manager

Required ethics training...

- Consistent with the ethics training for constitutional officers and elected municipal officers...<u>beginning on</u> January 1, 2020, CRA commissioners must complete 4 hours of ethics training each calendar year which addresses <u>at a minimum</u>:
 - The Code of Ethics for Public Officers and Employees
 - Public Records and Public Meeting Laws
- If you're a City Councilmember or Commissioner and you're a member of the CRA Board, you already comply with this requirement.



Section 163.367 (1), Florida Statutes Section 112.3142 (2)(c), Florida Statutes



Procurement of commodities and services...

CRAs <u>shall</u> procure all commodities and services under the same purchasing processes and requirements that apply to the County or Municipality that created the agency.

Section 163.370 (5), Florida Statutes



- ✓ <u>BE CERTAIN</u> your City Purchasing Process and Policies are known by CRA Board and Staff.
 - Update your purchasing manuals to include CRAs.
 - Ensure CRA staff receive training on your City's purchasing and procurement policies.



Reporting Requirements



Section 163.371, Florida Statues

By January 1, 2020

- Publish on website Digital Map depicting boundaries and total acreage of CRA
- Changes to boundaries/acreage updated within 60 days
- Beginning March 31, 2020 (and every year thereafter)
 - File Annual Report with County or Municipality that created CRA
 - Publish Annual Report on CRA's website
 - <u>Report must include:</u>
 - 1. Most Complete Recent Audit Report*
 - 2. Performance Data (as of December 31st of reporting year)
 - 3. Summary of what the CRA has achieved in its community redevelopment plan



Performance Data





New Requirement

As of December 31st of the reporting year

Section 163.371 (2)(b), Florida Statutes

- 1. Total number of projects started and completed and the estimated cost for each project.
- 2. Total expenditures from the redevelopment trust fund.
- 3. Original assessed real property values...day the agency was created.
- 4. Assessed real property values...as of January 1st of the reporting year
- 5. Total amount expended for affordable housing for low-income and middle-income residents.

Termination of CRAs...



CRAs in existence on October 1, 2019

- Shall terminate on the expiration date provided in the agency's charter on October 1, 2019, or on September 20, 2039, whichever is earlier
- <u>UNLESS</u>, governing body that created the CRA approves its continued existence by a majority vote
- <u>OR</u>, if a CRA with outstanding bonds on October 1, 2019, until the date the bonds mature
 - CRA <u>may not</u> extend maturity date of bonds
 - Governing body that created CRA must issue a new finding of necessity...limited to the timely meeting bond obligations

<u>However</u>, a CRA cannot extend beyond statutorily limit of 60 years (pre-2002) or 40 years (post-2002)

Redevelopment Trust Fund – s. 163.387, Florida Statutes

Generally amended to provide the following:

- Effective October 1, 2019, moneys in redevelopment trust fund may be expended as described in the redevelopment plan and <u>ONLY</u> pursuant to the adopted annual budget by the CRA Board and consistent with revised section on expenditures.
 - 1. Administrative and overhead expenses <u>directly or indirectly</u> necessary to implement redevelopment plan
 - 2. Planning, surveys, and financial analysis...reimbursement to Governing Body for start-up costs
 - 3. Acquisition of real property
 - 4. Clearance and preparation of redevelopment sites and relocation of site occupants
 - 5. Repayment of loans, advances, bonds, bond anticipation notes, and other forms of debt
 - 6. Expenses connected to issuance, sale, redemption, retirement, or purchase of bonds
 - 7. Development of affordable housing
 - 8. Development of community policing innovations
 - 9. Expenses that are necessary to exercise powers of CRAs granted under s. 163.370, F.S. and as delegated under s. 163.358, F.S.

Redevelopment Trust Fund – s. 163.387, Florida Statutes

Important provisions to note:

- CRAs shall submit its annual budget to the BOCC within 10 days after adoption and submit amendments of its annual budget to the BOCC within 10 days after adoption.
- CRAs with revenues or total expenditures of more than \$100,000 shall provide for a financial audit...the audit <u>MUST</u> include a finding by the auditor as to whether the CRA is in compliance with authorized expenditures (s. 163.387 (6), F.S) <u>and</u> the use of remaining money on the last day of CRA fiscal year (s. 163.387 (7), F.S.)
 - Returned to each taxing authority which paid the tax increment (proportionally)
 - Used to reduce the amount of any indebtedness to which increment revenues are pledged
 - Deposited into an escrow account for the purpose of later reducing any indebtedness; or
 - Shall be appropriated to a specific redevelopment project. The funds appropriated for such project <u>MAY</u> <u>NOT</u> be changed unless the project is amended, redesigned, or delayed, in which case the funds must be reappropriated in the next annual budget adopted by the CRA (eliminated former 3 years completion requirement).
- □ The annual financial report and audit report must be submitted to the Department of Financial Services <u>and</u> a copy of the audit report to each taxing authority.





CRAs that have reported no revenue, no expenditures, and no debt for 6 consecutive years (beginning no earlier than October 1, 2016) must be declared inactive by the Department of Economic Opportunity

 Governing board of CRA declared inactive may seek to invalidate the declaration

Section 163.3756, Florida Statutes





Thank You...questions?

John A. Titkanich, Jr., AICP, ICMA-CM jtitkanich@cocoafl.org

Community Redevelopment Act What the 2019 Legislative Changes Mean to Your City/CRA

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Report must include:

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- OR, if a CRA with outstanding bonds on October 1, 2019, until the date the bonds mature
 - CRA may not extend maturity date of bonds
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- The annual financial report and audit report must be submitted to the Department of Financial Services and a copy of the audit report to each taxing authority.

Inactive CRAs Section 163.3756. Florida Statutes

CRAs that have reported no revenue, no expenditures, and no debt for 6 consecutive years (beginning no earlier than October 1, 2016) must be declared inactive by the Department of Economic Opportunity. Governing board of CRA declared inactive may seek to invalidate the declaration

Prepared by the City of Cocoa as an overview of legislative changes for 2019. For specific questions about your CRA, consult with your CRA Attorney.

Procurement of Commodities and Services

CRAs shall procure all commodities and services under the same purchasing processes and requirements that apply to the County or Municipality that created the agency. Section 163.370 (5), Florida Statutes

BE CERTAIN your City Purchasing Process and Policies are known by CRA Board and Staff.

- Update your purchasing manuals to include CRAs.
- Ensure CRA staff receive training on your City's purchasing and procurement policies.

Performance Data Section 163.371 (2)(b), Florida Statutes Total number of projects started and completed and the estimated cost for each project.

Total expenditures from the redevelopment trust fund.

Original assessed real property values...day the agency was created.

Assessed real property values...as of January 1st of the reporting year.

Total amount expended for affordable housing for low-income and middle-income residents.







PEEBLES SMITH & MATTHEWS

EDUCATING TALLAHASEE ON COMMUNITY REDEVELOPMENT AGENCIES

FLORIDA LEAGUE OF CITIES ANNUAL CONFERENCE

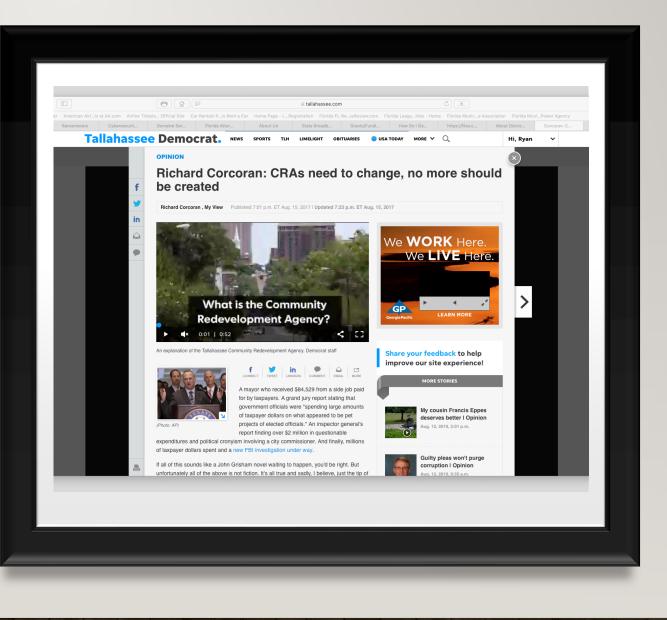
AUGUST 16, 2019

WHAT TALLAHASSEE BELIEVES...



THE GENESES OF 2019 CRA LEGISLATION

The root of the ire of the Florida Legislature began in 2015, with the release of a Florida Auditor General Report critical of CRA agencies



FLORIDA AUDITOR GENERAL RECOMMENDATIONS:

- Finding No. I: Current law could be enhanced to be more specific as to the types of expenditures that qualify for undertakings of a community redevelopment agency (CRA).
- Finding No. 2: Current law could be enhanced to provide <u>county taxing authorities more control</u> over expenditures of CRAs created by municipalities to help ensure that CRA trust fund moneys are used appropriately.
- Finding No.3: Current law could be enhanced to require that <u>all CRAs, including those created before October 1, 1984, are</u> <u>subject to statutory provisions that specify authorized uses of CRA trust fund</u> moneys.
- Finding No. 4: Current law could be enhanced to allow CRAs to provide for reserves of unexpended CRA trust fund balances to be used during financial downturns.
- Finding No. 5: Current law could be enhanced to promote compliance with the audit requirement in Section 163.387(8), Florida Statutes, and to require such audits to include a determination of compliance with laws pertaining to expenditure of, and disposition of unused, CRA trust fund moneys.

MIAMI-DADE GRAND JURY REPORT

- Also in the Spring of 2015 the State Attorney for Miami-Dade County issued a Grand Jury report highly critical of Miami-Dade CRAs recommending:
 - Mandatory civilian membership on CRA boards
 - Mandatory county commission membership on CRA boards
 - A statutory cap on administrative expenditures
 - That CRAs be required to use the procurement process of the city or county that created the CRA
 - A mandatory 10-20% affordable housing set aside
 - Biannual ethics training

OPPAGA

 In February of 2017 the Florida Legislature's Office of Program Policy Analysis and Governmental Accountability made a presentation to the Florida House Local Government Committee echoing many of the recommendations made by the Grand Jury and the Auditor General.

JAMES MADISON INSTITUTE

- In the December 6, 2017, Journal of The James Madison Institute (JMI) an article was published entitled "Community Redevelopment Agencies Stifle Urban Development."
- The Koch brothers organization Americans For Prosperity has consistently supported Florida CRA bills. Among other items, the article stated:
 - The combination of the broad mandate of CRAs to redevelop blighted areas, their ability to make targeted public investments in private businesses, and their <u>lack of accountability</u> and transparency make them <u>especially</u> <u>vulnerable to corruption and mismanagement</u>.
 - As currently structured, many community redevelopment agencies <u>divert funds</u> from vital public services <u>to pet</u> <u>projects of well-connected local elites</u>.
 - CRAs may be inconsistent with an appropriate role of government in a market economy. As redevelopment
 agencies attempt to increase real-estate prices to boost property tax revenue, <u>they may distort market prices</u>
 and encourage a misallocation of scarce resources from productive to relatively less productive uses.

FLORIDA LEGISLATURE

- First draft in 2017
 - Prohibited any expenditure on new projects after October 1, 2017
 - Imposed an 18% cap on administrative expenses
 - Prohibited expenditures on festivals, grants to not for profits or expenditures to promote tourism
 - Recreated the current exemplary list of authorized expenditures as an exclusive list, thereby prohibiting expenditures even for basic infrastructure projects.
 - Mandated all civilian boards for CRAs
 - Required 2 civilian members on CRA boards
 - Required that counties have board membership proportional to their TIF contribution

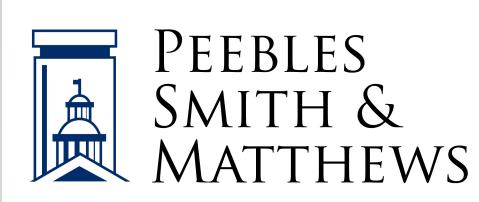
LEGISLATURE CONTINUED...

- Prohibited the creation of new CRAs
- Required a special act of the Florida Legislature to create a CRA
- Required a 2/3rds supermajority of the voters of the entire county to create a CRA
- Required a supermajority of the city or county to create new CRAs or to extend the life of a CRA beyond 2039
- Required a very long, very detailed annual report, including requiring the inclusion of substantial information which is not readily available
- Imposed a very extensive, highly bureaucratic lobbyist registration process
- Required that CRA budgets be submitted to the county 60 days prior to adoption

WHAT HAPPENED?

- Not often an association can kill a Speaker priority two years in a row
- Members of FRA spent significant time educating members of the legislature
- Legislation by anecdote is not a recipe for policy success
- Personal connections were utilized by elected and non-elected (staff) with policy makers
- Final product is pragmatic from a transparency and accountability standpoint
- Best practices adopted and followed by membership
- FRA leadership engaged

THE END?



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