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CRA Basics

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CRA [SEE-R-A], noun: A dependent special district in which any future increases in property values are set aside to support economic development projects within that district.

[FRA CRA Brochure](#)

Community Redevelopment Agencies: What, When, and How

CRA's, as they are known, are quite common, but often there are many questions in the minds of those who don't work with them everyday. How are they authorized? Who oversees them? What is involved in their operation? How are they funded? This article is intended to simply answer those questions. It also summarizes the legislation passed in session 2002 relating to CRA's. For further information, please contact Carol Westmoreland of the Florida Redevelopment Association at cwestmoreland@frcities.com or call (850) 701-3608.

What is a Community Redevelopment Area or District?

Under Florida law (Chapter 163, Part III), local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist. Since all the monies used in financing CRA activities are locally generated, CRA's are not overseen by the state, but redevelopment plans must be consistent with local

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Hillsborough apartment project appeared doomed — but then campaign donations poured in
Posted on: Jan 25th, 2016

What is Tax Increment Financing?

Tax increment financing is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the "frozen value." Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as "increment," are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

It is important to note that property tax revenue collected by the School Board and any special district are not affected under the tax increment financing process. Further, unlike in some states, Florida taxing entities write a check to the CRA trust fund, after monies are received from the tax collector. In California, the increment is sent to the CRAs directly out of collected county tax revenues, before they are distributed to each taxing entity.

The tax increment revenues can be used immediately, saved for a particular project, or can be bonded to maximize the funds available. Any funds received from a tax increment financing area must be used for specific redevelopment purposes within the targeted area, and not for general government purposes.

How does the CRA Process Work?

A public meeting begins the designation process. Several steps will have to be accomplished before the Community Redevelopment Area becomes a reality. These steps are briefly outlined below.

- I. Adopt the Finding of Necessity. This will formally identify the blight conditions within the targeted area and establish the area boundary.
- II. Develop and adopt the Community Redevelopment Plan. The plan addresses the unique needs of the targeted area and includes the overall goals for redevelopment in the area, as well as identifying specific projects.
- III. Create a Redevelopment Trust Fund. Establishment of the Trust Fund enables the Community Redevelopment Agency to direct the increase in real property tax revenues back into the targeted area.

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RFP CRA Plan Update
Posted on: Jan 8th, 2016

Downtown Action Plan
Implementation and Manager
Plan - Jacksonville Beach
Posted on: Dec 21st, 2015

Request for Proposals for the
Waterfront Master Plan
Posted on: Dec 7th, 2015

Developer Wanted for Multi St
Mixed Use Parcel - Winter Ga
FI
Posted on: Nov 20th, 2015

Florida Redevelopment Assoc
RFP: Professional Certification
Course on Program Managem
Posted on: Nov 11th, 2015

Development Opportunity for
Vacant Lot in Historic Downton
Tarpon Springs
Posted on: Nov 6th, 2015

Redevelopment Opportunity
Available in Parramore
Neighborhood - Orlando
Posted on: Nov 5th, 2015

Brand Identity and Marketing I
for Maitland's Downtown Area
RFP:2015-CRA2
Posted on: Oct 27th, 2015

Downtown Vision and Master
inclusive of Maitland's CRA Di
RFQ:2015-CRA1
Posted on: Oct 27th, 2015

City of Alachua: RFP 2016-
01Market Study- Community
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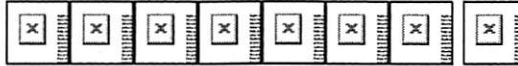
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Grandin, Susan

From: Florida Redevelopment Association <jjohnson@rboa.com>
Sent: Monday, August 08, 2016 6:19 AM
To: Grandin, Susan
Subject: New Question Posted on MyFRA!

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New Questions Posted to MyFRA

The Palmetto CRA has targeted its Main Street and playgrounds for increment revenue spending over the next few years. Where are the best downtowns and playgrounds in the State? We would love to see the award winners to learn from the best.

Can someone provide a sample of a memo of understanding between a CRA and another jurisdiction, ideally regarding expenditure of CRA funds?

I would like to receive examples of budget resolutions.

We are refreshing our NAC member training program and would appreciate any documents, presentations, etc. that you have found effective.

We need examples of your redevelopment programs, policies and procedures.

**Florida Statutes, 2014
Chapter 163, Part III**

COMMUNITY REDEVELOPMENT

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163.340 Definitions

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(7) "Slum area" means an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements, whether residential or nonresidential, which are impaired by reason of dilapidation, deterioration, age, or obsolescence, and exhibiting one or more of the following factors:

- (a) Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- (b) High density of population, compared to the population density of adjacent areas within the county or municipality; and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or
- (c) The existence of conditions that endanger life or property by fire or other causes.

(8) "Blighted area" means an area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property, and in which two or more of the following factors are present:

- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- (b) 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;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Inadequate and outdated building density patterns;
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- (h) Tax or special assessment delinquency exceeding the fair value of the land;
- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality;
- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- (l) 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;
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

However, the term "blighted area" also means any area in which at least one of the factors identified in paragraphs (a) through (n) are present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement or agreements with the agency or by resolution, that the area is blighted. Such agreement or resolution shall only determine that the area is blighted. For purposes of qualifying for the tax credits authorized in chapter 220, "blighted area" means an area as defined in this subsection. (*Emphasis added*).

163.370 Powers; communities and municipalities; community redevelopment agencies.

* * *

(3) The following projects may not be paid for or financed by increment revenues:

(a) 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.

(b) **Installation, construction, reconstruction, repair, or alteration of any publicly owned capital improvements or projects if such projects or improvements were scheduled to be installed, constructed, reconstructed, repaired, or altered within 3 years of the approval of the community redevelopment plan by the governing body pursuant to a previously approved public capital improvement or project schedule or plan of the governing body which approved the community redevelopment plan unless and until such projects or improvements have been removed from such schedule or plan of the governing body and 3 years have elapsed since such removal or such projects or improvements were identified in such schedule or plan to be funded, in whole or in part, with funds on deposit within the community redevelopment trust fund.**

(c) General government operating expenses unrelated to the planning and carrying out of a community redevelopment plan.

(4) With the approval of the governing body, a community redevelopment agency may:

(a) Prior to approval of a community redevelopment plan or approval of any modifications of the plan, acquire real property in a community redevelopment area by purchase, lease, option, gift, grant, bequest, devise, or other voluntary method of acquisition; demolish and remove any structures on the property; and pay all costs related to the acquisition, demolition, or removal, including any administrative or relocation expenses.

(b) Assume the responsibility to bear any loss that may arise as the result of the exercise of authority under this subsection, in the event that the real property is not made part of the community redevelopment area.

History.—s. 9, ch. 69-305; s. 7, ch. 77-391; s. 11, ch. 84-356; s. 7, ch. 93-286; s. 8, ch. 94-236; s. 8, ch. 98-314; s. 10, ch. 2006-11; s. 6, ch. 2006-307; s. 9, ch. 2007-5.

163.387 Redevelopment trust fund.

*** * ***

(6) Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, including, but not limited to:

(a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency.

(b) Expenses of redevelopment planning, surveys, and financial analysis, including the reimbursement of the governing body or the community redevelopment agency for such expenses incurred before the redevelopment plan was approved and adopted.

(c) The acquisition of real property in the redevelopment area.

(d) The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants within or outside the community redevelopment area as provided in s. 163.370.

(e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.

(f) All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of bonds, bond anticipation notes, or other form of indebtedness, including funding of any reserve, redemption, or other fund or account provided for in the ordinance or resolution authorizing such bonds, notes, or other form of indebtedness.

(g) The development of affordable housing within the community redevelopment area.

(h) The development of community policing innovations.