HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1237   Alachua County
SPONSOR(S): Clemons, Sr.
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	10 Y, 2 N	Darden	Miller
2) Ways & Means Committee			
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Community Redevelopment Act authorizes counties and municipalities to create community redevelopment agencies (CRAs) as a means of redeveloping slums and blighted areas. CRAs are controlled by a governing board that either is composed of members of the local governing body creating the CRA or commissioners appointed by the local governing body. CRAs operate under a community redevelopment plan that is approved by the local governing body. CRAs are primarily funded by tax increment financing, calculated based on the increase of property values inside the boundaries of the CRA.

Four municipalities in Alachua County (Alachua, Gainesville, Hawthorne, and High Springs) are currently operating CRAs.

The bill provides that each taxing authority which provides at least 20 percent of the total budget of a CRA located in Alachua County must have at least one member of the taxing authority's governing board also serving as a member of the CRA's governing board. A taxing authority may choose not have a member serve on the CRA's governing board. The bill provides that a taxing authority shall have a number of seats on the governing board of the CRA in proportion to the percentage of tax increment financing provided by the taxing authority. The bill provides an exemption for a CRA in a municipality with a population of less than 20,000.

The bill provides the act takes effect upon becoming law.

Pursuant to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. The provisions of House Rule 5.5(b) appear to apply to this bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Community Redevelopment Act

The Community Redevelopment Act of 1969 (Act)[1] authorizes a county or municipality to create a community redevelopment agency (CRA) as a means of redeveloping slums and blighted areas. The Act defines a "blighted area" as an area in which there are a substantial number of deteriorated structures causing economic distress or endangerment to life or property and two or more of the following factors are present:
- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the five years prior to the finding of such conditions;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Inadequate and outdated building density patterns;
- Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- Tax or special assessment delinquency exceeding the fair value of the land;
- Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- Incidence of crime in the area higher than in the remainder of the county or municipality;
- Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- 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;
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area;
- Governmentally owned property with adverse environmental conditions caused by a public or private entity; or
- A substantial number or percentage of properties damaged by sinkhole activity that have not been adequately repaired or stabilized.[2]

An area also may be classified as blighted if one of the above factors is present and all taxing authorities with jurisdiction over the area have agreed that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.[3]

The Act defines a "slum area" as "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" in poor states of repair with one of the following factors present:
- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- 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

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[1] Chapter 163, part III, F.S.
[2] Section 163.340(8), F.S.
[3] *Id*.

- The existence of conditions that endanger life or property by fire or other causes.[4]

Community Redevelopment Agency Boards

The Act allows the local governing body creating a CRA to choose between two structures when establishing the agency's governing board.

One option is to appoint a board of commissioners consisting of five to nine members serving four-year terms.[5] The local governing body may appoint any person as a commissioner who lives in or is engaged in business in the agency's area of operation.[6] The local governing body making the appointment selects the chair and vice chair of the commission.[7] Commissioners are not entitled to compensation for their services, but may receive reimbursement for expenses incurred in the discharge of their official duties.[8] Commissioners and employees of an agency are subject to the code of ethics for public officers and employees under ch. 112, F.S.[9]

The other option is for the local governing body to appoint itself as the agency board of commissioners.[10] If the local governing body consists of five members, the local governing body may appoint two additional members to four-year terms.[11] The additional members either must meet the selection criteria for appointed board members under s. 163.356, F.S., or may be representatives of another taxing authority within the agency's area of operation, subject to an interlocal agreement between the local governing body creating the CRA and the other taxing authority.[12] A local governing body that serves as the governing body of the CRA does not have the power to otherwise adjust the composition of the CRA board once the district is created.[13]

Community Redevelopment Agencies in Alachua County

There are currently four CRAs operating in Alachua County:[14]
- Alachua Community Redevelopment Agency,
- Gainesville Community Redevelopment Agency,
- Hawthorne Community Redevelopment Agency, and
- High Springs Community Redevelopment Agency.

Effect of Proposed Changes

The bill creates an exception to general law. The bill provides that each taxing authority which provides at least 20 percent of the total budget of a CRA located in Alachua County must have at least one member of the taxing authority's governing board also serving as a member of the CRA's governing board. A taxing authority may choose not have a member serve on the CRA's governing board. The bill provides that a taxing authority shall have a number of seats on the governing board of the CRA in proportion to the percentage of tax increment financing provided by the taxing authority. The bill provides an exemption for a CRA in a municipality with a population of less than 20,000.

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[4] Section 163.340(7), F.S.

[5] Section 163.356(2), F.S.

[6] Section 163.356(3)(b), F.S. A person is "engaged in business" if he or she owns a business, performs services for compensation, or serves as an officer or director of a business that owns property or performs services in the agency's area of operation.

[7] Section 163.356(3)(c), F.S.

[8] Section 163.356(3)(a), F.S.

[9] Section 163.367(1), F.S, *but cf.* s. 112.3142, F.S. (requiring ethics training for specific constitutional officers and elected municipal officers).

[10] Section 163.357(1)(a), F.S.

[11] Section 163.357(1)(c), F.S.

[12] Section 163.357(1)(c)-(d), F.S.

[13] Op. Att'y Gen. Fla. 84-74 (July 30, 1984).

[14] *See* Special District Accountability Program, *Official List of Special Districts Online*, Dept. of Economic Opportunity, http://specialdistrictreports.floridajobs.org/webreports/mainindex.aspx (last accessed Jan. 10, 2018).

B. SECTION DIRECTORY:

Section 1:   Provides that each taxing authority which provides at least 20 percent of the budget of a CRA in Alachua County shall be represented on the board of that CRA at the option of said taxing authority. Provides an exception for CRAs in a municipality with a population under 20,000.

Section 2:   Provides that the bill shall take effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED?   Yes [x]   No []

IF YES, WHEN?   December 4, 2017

WHERE?   The *Gainesville Sun*, a daily newspaper of general circulation published in Alachua County, Florida.

B. REFERENDUM(S) REQUIRED?   Yes []   No [x]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED?   Yes, attached [x]   No []

D. ECONOMIC IMPACT STATEMENT FILED?   Yes, attached [x]   No []

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Pursuant to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. The provisions of House Rule 5.5(b) appear to apply to this bill.

The bill is unclear on who selects the member of the taxing authority's governing body that serves on the CRA board. It is also unclear if the members of the CRA's governing board representing the taxing authority serve in addition to or in the place of current CRA governing board members.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES