

CRAS:

TIME TESTED AND POPULAR

One of the most effective tools for bringing improvements in quality of life that a municipality or county government can use today is the creation of a Community Redevelopment Agency, or CRA, to redevelop a rundown area.

CRAs first emerged in Florida in 1969 as a creation of the Legislature. Since then, they have proven to be a successful example of utilizing public/private partnerships and cooperation in restoring blighted areas to economic viability. CRAs are funded by Tax Increment Funding (TIF), which leverages public funds to promote private sector investment and is based on the dollar value of real property within a CRA.

According to the Florida Redevelopment Association, there are more than 140 CRAs of all sizes in the state. The largest of these is the North Miami CRA, whose economic catalyst is a \$1 billion,

193-acre project known as Biscayne Landing. Dubbed a smart-growth urban center, Biscayne Landing will be a master-planned community with up to 6,000 residential units, as well as commercial/retail space and a hotel. None of the TIF funds will be used as economic incentives for the development.

Statutes mandate that all increases in property tax revenue within the redevelopment area will be earmarked for expenditure only within that area – which encompasses almost 75 percent of the City of North Miami – and used primarily for upgrading existing distressed areas. The enhancements in North Miami will include a charter school, an Olympic training facility, a new library and a stipulation for affordable housing.

CRAs are increasingly offering solutions to communities grappling with affordable housing issues. In cities across the state, employers are finding it increasingly difficult to employ and maintain essential services personnel because employees can simply no longer afford to live in the areas in which they work, forcing many to commute hours to reach their jobs.

Pursuant to the Biscayne Landing agreements, the North Miami CRA can require that an affordable housing unit be developed or rehabilitated in the western and central parts of the city for every unit built at Biscayne Landing. This will be overseen by the North Miami Housing, Ltd. (NMH), which is a 49 percent minority-owned entity with representation from minority residents of the city. The developer will fund the capital requirements of NMH.

As Florida CRAs respond to addressing the affordable housing shortage, they have also been forced to rethink their land acquisition strategies due to the restrictions imposed by last session's legislation in response to the Kelo decision. The assembly of land will necessarily need to become more creative and ultimately more expensive. In the case of the North Miami CRA, the inability to utilize eminent domain may prove a challenge in delivering affordable housing as the city is largely built out.

Clearly, the use of CRAs in Florida positions the state as a national leader in finding innovative solutions to addressing urban blight and critical affordable housing needs by encouraging public/private partnerships. South Florida residents only have to look in their own backyards to see the benefits of these initiatives. ☺



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