

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Judiciary

BILL: SB 1242

INTRODUCER: Senator McClain

SUBJECT: Community Redevelopment Agencies

DATE: April 2, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Fleming</u>	<u>CA</u>	Favorable
2.	<u>Collazo</u>	<u>Cibula</u>	<u>JU</u>	Favorable
3.	<u> </u>	<u> </u>	<u>RC</u>	<u> </u>

I. Summary:

SB 1242 amends s. 163.3755, F.S., which regulates the termination of community redevelopment agencies (CRAs), to revise the statute's sunset provisions for CRAs and to prohibit the creation of new CRAs on or after July 1, 2025.

CRAs are dependent special districts authorized by the Community Redevelopment Act of 1969 to finance the redevelopment of designated slums and blighted areas and to address shortages of affordable housing.

Specifically, the bill:

- Terminates CRAs on the expiration date in their charters as of July 1, 2025, or on September 30, 2045, whichever is earlier.
- Eliminates statutory language allowing local governments to vote on extending the expiration dates of the CRAs created by them.
- Prohibits CRAs from initiating any new projects or issuing any new debt on or after October 1, 2025.
- Provides that notwithstanding the sunset provisions in the bill, CRAs having outstanding bonds as of July 1, 2025, that do not mature until after the termination date of the CRA or September 30, 2045, whichever is earlier, may remain in existence until the bonds mature.
- Prohibits CRAs operating on or after September 30, 2045, from extending the maturity dates of their outstanding bonds.
- Prohibits the creation of any new CRAs on or after July 1, 2025, although CRAs in existence before that date may continue to operate as provided in the bill.

The bill takes effect July 1, 2025.

II. Present Situation:

Community Redevelopment Agencies

Generally

A community redevelopment agency (CRA) is a public entity that finances redevelopment within focused, geographic areas created under Florida Statutes.¹ The Community Redevelopment Act of 1969² authorizes a county or municipality to create a CRA as a means of redeveloping “slum” and “blighted areas” and addressing shortages of affordable housing.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, and any one of the following factors is present:

- Inadequate 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.
- The existence of conditions that endanger life or property from fire or other causes.⁴

The Act defines a “blighted area” as an area in which there are a substantial number of deteriorated or deteriorating structures that are endangering life or property or are leading to economic distress. Two or more of the following factors must also be present:

- A 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 5 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 that are proportionately higher than in the remainder of the county or municipality.

¹ City of Brooksville, Fla., *Community Redevelopment Agency FAQs: What is a CRA?*, <https://www.cityofbrooksville.us/Faq.aspx?QID=88> (last visited Mar. 27, 2025).

² Chapter 69-305, Laws of Fla.; *see also* s. 163.330, F.S. (providing a short title for Part III, ch. 163, F.S.).

³ Sections 163.335(1), 163.355, and 163.356(1), F.S.

⁴ Section 163.340(7), F.S.

- 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.
- A substantial number or percentage of properties damaged by sinkhole activity which have not been adequately repaired or stabilized.⁵

However, an area may also be classified as blighted if only one of these factors is present and the taxing authorities having jurisdiction over the area all agree that the area is blighted, by interlocal agreement or by passage of a resolution by the governing bodies.⁶

Creation

Either a county or a municipal government may create a CRA. Before creating a CRA, a county or municipal government must adopt a resolution with a “finding of necessity.” This resolution must make legislative findings supported by data and analysis that the area to be included in the CRA’s jurisdiction is either a slum, blighted, or experiencing a shortage of affordable housing, and that redevelopment of the area is necessary to promote the public health, safety, morals, or welfare of residents.⁷

A CRA created by a county may only operate within the boundaries of a municipality when the municipality has concurred by resolution with the community redevelopment plan adopted by the county.⁸ A CRA created by a municipality may not include more than 80 percent of the municipality if it was created after July 1, 2006.⁹

As of March 31, 2025, there are more than 200 CRAs in Florida.¹⁰

Project Funding

CRA projects are funded by Tax Increment Financing (TIF) from each redevelopment area.

When a redevelopment area is established, the current assessed value of the property within the project area is designated as the base year value. TIF is a mechanism which captures a percentage of any new tax revenue generated within a redevelopment area. For example, if a CRA area is established in 2001, the [CRA] receives a percentage of any tax revenue greater than the amount of revenue captured in that base year. This percentage can range

⁵ Section 163.340(8), F.S.

⁶ *Id.*

⁷ Section 163.355, F.S.

⁸ Section 163.356(1), F.S.

⁹ Section 163.340(10), F.S.

¹⁰ See Dept. of Commerce, *Official List of Special Districts*, available at <https://www.floridajobs.org/community-planning-and-development/special-districts/special-district-accountability-program/official-list-of-special-districts> (last visited Mar. 12, 2025) (providing a way to download a PDF list of links to the office websites of all special districts in Florida, including CRAs).

between 50% and 95%. Currently, the CRA areas receive 95% of this increase as TIF funds to be used in the community redevelopment areas. TIF funds collected from a particular CRA area are invested back into that area only.¹¹

Community Redevelopment Plans

A community redevelopment plan must be in place before a CRA can engage in operations.¹² Each community redevelopment plan must provide a time certain for completing all redevelopment financed by increment revenues. The time certain must occur within 30 years after the fiscal year in which the plan is approved, adopted, or amended. However, for any agency created after July 1, 2002, the time certain for completing all redevelopment financed by increment revenues must occur within 40 years after the fiscal year in which the plan is approved or adopted.¹³

In terms of process, the county, municipality, the CRA itself, or any member of the public may propose a community redevelopment plan, and the CRA may choose which submitted plan it desires to use as its community redevelopment plan. The CRA must submit the plan to the local planning agency for review before the plan can be considered. The local planning agency must complete its review and issue written recommendations with respect to the conformity of the proposed community redevelopment plan to the CRA within 60 days after receipt.¹⁴

The CRA must submit the community redevelopment plan it recommends for approval, together with its written recommendations, to the governing body that created the CRA, as well as to each taxing authority that levies ad valorem taxes on taxable real property contained in the boundaries of the CRA.¹⁵ The local governing body that created the CRA must then hold a public hearing before the plan can be finally approved.¹⁶

To approve the plan, the local governing body must make certain findings as specified in statute.¹⁷ Ultimately, the community redevelopment plan must:

- Conform to the comprehensive plan for the county or municipality.
- Indicate intended:
 - Land acquisition, demolition, and removal of structures.
 - Redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area.
 - Zoning and planning changes, if any.
 - Land uses.
 - Maximum densities.
 - Building requirements.

¹¹ City of Brooksville, Fla., *Community Redevelopment Agency FAQs: How is a CRA funded?*, <https://www.cityofbrooksville.us/Faq.aspx?QID=88> (last visited Mar. 27, 2025).

¹² Section 163.360(9), F.S.

¹³ Section 163.362(10), F.S.

¹⁴ Section 163.360(4), F.S.

¹⁵ Section 163.360(5), F.S.

¹⁶ Section 163.360(6), F.S.

¹⁷ Section 163.360(7), F.S.

- Provide for the development of affordable housing in the area or state the reasons for not addressing the development of affordable housing in the plan.¹⁸

Sunsetting

In 2019, the Legislature amended the Act to increase accountability and transparency for CRAs and introduced a mechanism to have CRAs automatically declared inactive and terminated under certain circumstances.¹⁹ Under the amendments, a CRA is declared inactive if it has no revenue, expenditures, or debt for 6 consecutive fiscal years.²⁰

The 2019 legislation also created s. 163.3755, F.S., which provides that existing CRAs are terminated automatically at the earlier of the expiration date stated in the CRA's charter as of October 1, 2019, or on September 30, 2039. The governing board of the local government entity creating the CRA may prevent the termination of the CRA by majority vote.²¹

Since passage of the legislation, several CRAs have been extended by their local government entity. For example, the City of Fort Myers extended its CRA's termination date to September 30, 2050,²² and Miami-Dade County extended the North Miami CRA to July 13, 2044.²³

III. Effect of Proposed Changes:

The bill amends s. 163.3755, F.S., which regulates the termination of community redevelopment agencies (CRAs), to:

- Terminate CRAs on the expiration date in their charters as of July 1, 2025, or on September 30, 2045, whichever is earlier.
- Eliminate statutory language allowing local governments to vote on extending the expiration dates of the CRAs created by them.
- Prohibit CRAs from initiating any new projects or issuing any new debt on or after October 1, 2025.
- Provide that notwithstanding the sunset provisions in the bill, CRAs with outstanding bonds as of July 1, 2025, that do not mature until after the termination date of the CRA or September 30, 2045, whichever is earlier, may remain in existence until the bonds mature.
- Prohibit CRAs operating on or after September 30, 2045, from extending the maturity dates of their outstanding bonds.
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¹⁸ Section 163.360(2), F.S.

¹⁹ See generally ch. 2019-163, Laws of Fla.

²⁰ Chapter 2019-163, s. 7, Laws of Fla. (codifying s. 163.3756(2)(a), F.S.).

²¹ Chapter 2019-163, s. 6, Laws of Fla. (codifying s. 163.3755(1), F.S.).

²² City of Fort Myers, Resolution 2023-14, available at https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1831495/CFM_Agenda_2023-14_Extension_of_CRA_from_Sept_2039_to_Sept_2050.pdf (last visited Mar. 27, 2025).

²³ Miami-Dade County, Resolution No. R-902-23, available at <https://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2023/232093min.pdf> (last visited Mar. 27, 2025).

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

To the extent local governments will no longer be able to rely on the continued existence or creation of a CRA to help finance the redevelopment of slums or blighted areas or to address shortages of affordable housing within their jurisdictions, local governments may need to reallocate funds from other projects or find new sources of revenue to assist with existing or future redevelopment projects.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 163.3755 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
