

**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 Rules

---

BILL: CS/SB 1242

INTRODUCER: Rules Committee and Senator McClain

SUBJECT: Community Redevelopment Agencies

DATE: April 22, 2025

REVISED: \_\_\_\_\_

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

---

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

---

**I. Summary:**

CS/SB 1242 amends law related to community redevelopment agencies (CRAs), 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:

- Amends the governing structure of CRAs such that, going forward, when a governing body of a county or municipality creates a community redevelopment agency the members of the governing body sit as members of the agency.
- Prohibits modification to a community redevelopment plan that expands the boundaries of the community redevelopment area or extends the time certain set forth in the redevelopment plan.
- Prohibits a CRA from expending funds on public areas of hotels, or sponsorship of concerts, festivals, holiday events, parades, or similar activities.
- Provides that a CRA will terminate when it reaches the time certain set forth for completing all redevelopment provided in the agency's charter, or as may have been extended by ordinance or resolution prior to May 1, 2025.

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.<sup>1</sup> The Community Redevelopment Act of 1969<sup>2</sup> authorizes a county or municipality to create a CRA as a means of redeveloping “slum” and “blighted areas” and addressing shortages of affordable housing.<sup>3</sup>

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.<sup>4</sup>

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.

---

<sup>1</sup> 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).

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

<sup>3</sup> Sections 163.335(1), 163.355, and 163.356(1), F.S.

<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup>

### ***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.<sup>7</sup>

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.<sup>8</sup> A CRA created by a municipality may not include more than 80 percent of the municipality if it was created after July 1, 2006.<sup>9</sup>

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

### ***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

---

<sup>5</sup> Section 163.340(8), F.S.

<sup>6</sup> *Id.*

<sup>7</sup> Section 163.355, F.S.

<sup>8</sup> Section 163.356(1), F.S.

<sup>9</sup> Section 163.340(10), F.S.

<sup>10</sup> 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.<sup>11</sup>

### ***Community Redevelopment Plans***

A community redevelopment plan must be in place before a CRA can engage in operations.<sup>12</sup> 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.<sup>13</sup>

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.<sup>14</sup>

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.<sup>15</sup> The local governing body that created the CRA must then hold a public hearing before the plan can be finally approved.<sup>16</sup>

To approve the plan, the local governing body must make certain findings as specified in statute.<sup>17</sup> 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.

<sup>11</sup> 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).

<sup>12</sup> Section 163.360(9), F.S.

<sup>13</sup> Section 163.362(10), F.S.

<sup>14</sup> Section 163.360(4), F.S.

<sup>15</sup> Section 163.360(5), F.S.

<sup>16</sup> Section 163.360(6), F.S.

<sup>17</sup> 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.<sup>18</sup>

### *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.<sup>19</sup> Under the amendments, a CRA is declared inactive if it has no revenue, expenditures, or debt for 6 consecutive fiscal years.<sup>20</sup>

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.<sup>21</sup>

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,<sup>22</sup> and Miami-Dade County extended the North Miami CRA to July 13, 2044.<sup>23</sup>

## **III. Effect of Proposed Changes:**

**Section 1** amends s. 163.356, F.S., related to the creating and governing structure of a community redevelopment agency. The bill provides that the alternate governing structure provided in current s. 163.357, F.S., replaces the current appointed board structure as the default for creating future agencies.

Under the bill, when the governing body of a county or municipality creates a community redevelopment agency the body will declare itself the agency, and the members of the governing body sit as members of the agency. A governing body that consists of five members may appoint two additional members to four year terms on the agency. The section removes statutory provisions related to the appointment of agency board members, preserving the ability of the agency to employ a director, technical experts, and other agents.

The amendments made to this section do not amend or require the amendment of the structure, membership, or bylaws of any preexisting agency.

**Section 2** repeals s. 163.357, F.S., which contained the alternate governing structure subsumed into the previous section of law.

---

<sup>18</sup> Section 163.360(2), F.S.

<sup>19</sup> See generally ch. 2019-163, Laws of Fla.

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

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

<sup>22</sup> 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](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).

<sup>23</sup> 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).

**Section 3** amends s. 163.361, F.S., to provide that a governing body may not adopt a modification to a community redevelopment plan that expands the boundaries of the community redevelopment area or extends the time certain set forth in the redevelopment plan. A redevelopment plan requires a time certain for completing all redevelopment financed by increment revenues, which must be set within either 30 or 40 years, depending on the age of the agency. Current law provides procedures for extending that time certain, and therefore extending the useful life of the agency itself, under certain circumstances; these provisions are stricken by the bill.

**Section 4** amends s. 163.370, F.S., to provide that a community redevelopment agency may not expend funds on:

- Public areas of major hotels that are constructed in support of convention centers, including meeting rooms, banquet facilities; or
- Sponsorship, whether direct or indirect, of concerts, festivals, holiday events, parades, or similar activities.

**Section 5** amends s. 163.3755, F.S., to simplify the statute relating to the termination of community redevelopment agencies. Under the bill, a community redevelopment agency will terminate when it reaches the time certain set forth for completing all redevelopment provided in the agency's charter, or as may have been extended by ordinance or resolution prior to May 1, 2025.

A community redevelopment agency with outstanding bonds as of October 1, 2025, that mature later will remain in existence until such bonds mature, and an agency may not extend the maturity date of any bonds beyond the agency's time certain for completing all redevelopment.

**Sections 6-12** make conforming amendments to various statutes.

The bill takes effect July 1, 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:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends sections 163.356, 163.361, 163.370, 163.3755, 112.3143, 163.340, 163.346, 163.360, 163.367, 163.380, and 163.512 of the Florida Statutes.

The bill repeals section 163.357 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

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

**CS by Rules on April 21, 2025:**

The committee substitute provides that:

- New community redevelopment agencies will use the governing structure where the local government's board sitting as the agency's board;
- Agencies may not be amended to expand their area of jurisdiction or to extend the time certain for completing projects;
- Agencies may not fund areas of hotels or sponsor, directly or indirectly, concerts, festivals, holiday events, parades; and
- Agencies will terminate on the time certain for completing projects established in their redevelopment plan, and may not extend bond maturity past this date.

The committee substitute also deletes statutory provisions related to the board of commissioners governing structure for community redevelopment agencies that will not be used going forward.

**B. Amendments:**

None.

---

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

---