REFRESHER: HB 17

COMMUNITY REDEVELOPMENT AGENCIES

BACKGROUND

HB 17 reforms community redevelopment agencies (CRAs), which are created by cities or counties to address slum, blight, or affordable housing shortages through redevelopment.

Last session's CRA bill, CS/CS/CS/HB 13, passed the House, but died in the Senate. It was reintroduced by Rep. Raburn and was reported favorably with Committee Substitute by the Government Accountability Committee on November 14, 2017.

The bottom line: HB 17 ensures that CRAs are held to the highest standards that taxpayers deserve by increasing transparency and accountability and ensuring that CRAs are using their funds appropriately.

BILL HIGHLIGHTS

- The bill increases transparency and accountability for CRAs by:
  - Requiring the governing board members of a CRA to undergo four hours of ethics training annually.
  - Requiring CRAs to use the same procurement and purchasing process as the creating city or county.
  - Expanding the annual reporting requirements for CRAs to include audit information and performance data and requiring the information to be posted online.
  - Requiring cities and counties to include CRA data in their annual financial report.
  - Requiring a CRA created by a city to provide its budget and any amendments to the board of county commissioners for the county where the CRA is located within 10 days after the date of adoption.
- The bill also:
  - Requires the Department of Economic Opportunity to declare CRAs that have reported no financial activity for three consecutive years as inactive.
  - Provides for the phase-out of nearly all existing CRAs by 2038, which the exception of those CRAs with outstanding bond obligations.
  - Allows current CRAs to continue operating but only if approved by a supermajority vote of the governing board of the city or county that created the agency.
  - Provides that the creation of new CRAs on or after October 1, 2018, may only occur by special act of the Legislature.

Did You Know?

According to a Miami-Dade grand jury report in 2016,

- CRAs appeared to be a fund for pet projects for elected officials.
- CRAs are flirting with "slush fund" status.

In Brevard County,

- Records indicated the mayor of Palm Shores hired herself to administer the town's CRA for over 5 years.
- The mayor collected $84,529, paid for by the taxpayers.

In a recent OPPAGA report,

- 72% of CRAs responding to an OPPAGA survey indicated their boards are comprised exclusively by local elected officials.
- Only 27% of CRAs have private citizens on their boards.

In 2015, CRAs statewide reported

- Almost $600 million in revenue;
- $605 million in expenditures; and
- $715 million in debt.