

oppaga

Status Report

February 2004



Report No. 04-14

Urban Infill and Redevelopment Areas Have Uncertain Impact But Perceived as Useful

at a glance

The 1999 Growth Policy Act authorized local governments to designate urban infill and redevelopment areas to help stimulate investment and development in distressed urban centers. Thirteen local governments have designated such areas, and the Legislature appropriated \$2.5 million for the program in Fiscal Year 2000-01.

While limited data is currently available on the impact of urban infill and redevelopment area designations on local conditions, representatives of local governments that received urban infill and redevelopment assistance grants believed they were useful.

If the Legislature creates similar programs in the future, it should consider requiring local governments to compile and report information on program activities and outcomes.

Purpose

Section 163.2526, *Florida Statutes*, directed the Office of Program Policy Analysis and Government Accountability to review and evaluate the Growth Policy Act (ss. 163.2511–163.2526, *Florida Statutes*). Our review evaluated the effectiveness of urban infill and redevelopment areas in stimulating infill and redevelopment and strengthening urban centers.

Background

The Growth Policy Act (ss. 163.2511–163.2526, *Florida Statutes*) authorizes local governments to designate urban infill and redevelopment areas for the purpose of stimulating investment in distressed urban areas and strengthening urban centers.¹ The act defines an urban infill and redevelopment area as an area where

- public services (water and wastewater, transportation, schools, and recreation) are already available or are scheduled to be provided;
- the area, or one or more neighborhoods within the area, suffers from pervasive poverty, unemployment, and general distress;
- the proportion of properties that are substandard, overcrowded, dilapidated, vacant or abandoned, or functionally obsolete is higher than the average for the local government;
- more than 50% of the area is within one-fourth mile of a transit stop, or a sufficient number of such transit stops will be made available; and
- the area includes or is adjacent to a community redevelopment area, brownfield, enterprise zone, or Main Street program, or has been designated as a

¹ Chapter 99-378, *Laws of Florida*.

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federal empowerment zone, enterprise community, or brownfield showcase community.²

Urban infill and redevelopment area requirements. The act requires local governments that wish to designate an urban infill and redevelopment area to develop a plan that describes redevelopment objectives and strategies, or amend an existing plan associated with a community redevelopment area, Florida Main Street, Front Porch Florida Community, sustainable community, enterprise zone, or neighborhood improvement district. Local governments also must adopt their urban infill and redevelopment plans by ordinance and amend their comprehensive plans to delineate urban infill and redevelopment area boundaries. As of December 2003, 13 local governments had designated urban infill and redevelopment areas using this process.³

The act directs local governments to use a collaborative and holistic community participation process in preparing and implementing their urban infill and redevelopment plans. The process must involve various stakeholder groups, including community-based organizations, neighborhood associations, financial institutions, faith-based organizations, housing authorities, financial institutions, existing businesses, businesses interested in operating in the community, schools, and neighborhood residents. The plans also must include financial and local government incentives to encourage development. Such incentives may include waivers of license and permit fees, waivers of delinquent taxes or fees, exemption of sales made in the area from local option sales taxes, expedited permitting, and absorption of developers' concurrency costs. Local governments with designated areas also may issue revenue bonds, employ tax increment

financing, and levy special assessments to finance redevelopment projects.

Urban Infill and Redevelopment Assistance Grant Program. The act also creates the Urban Infill and Redevelopment Assistance Grant Program administered by the Department of Community Affairs. The grant program is intended to help local governments develop collaborative and holistic urban infill and redevelopment plans and provide matching funds for projects in designated areas.

In Fiscal Year 2000-01, the Legislature appropriated \$2.5 million to the grant program. The Department of Community Affairs awarded 22 grants to local governments in January 2001. (See Exhibit 1 for a map showing the local governments that were awarded grants.) These included

- 16 grants totaling \$729,930 to help local governments develop urban infill and redevelopment plans; planning grant awards ranged from \$25,065 to \$50,000; and
- 6 grants totaling \$1.7 million to help local governments implement projects directly related to an adopted urban infill and redevelopment plan.⁴ See Appendix A for a list of planning and implementation grant recipients.

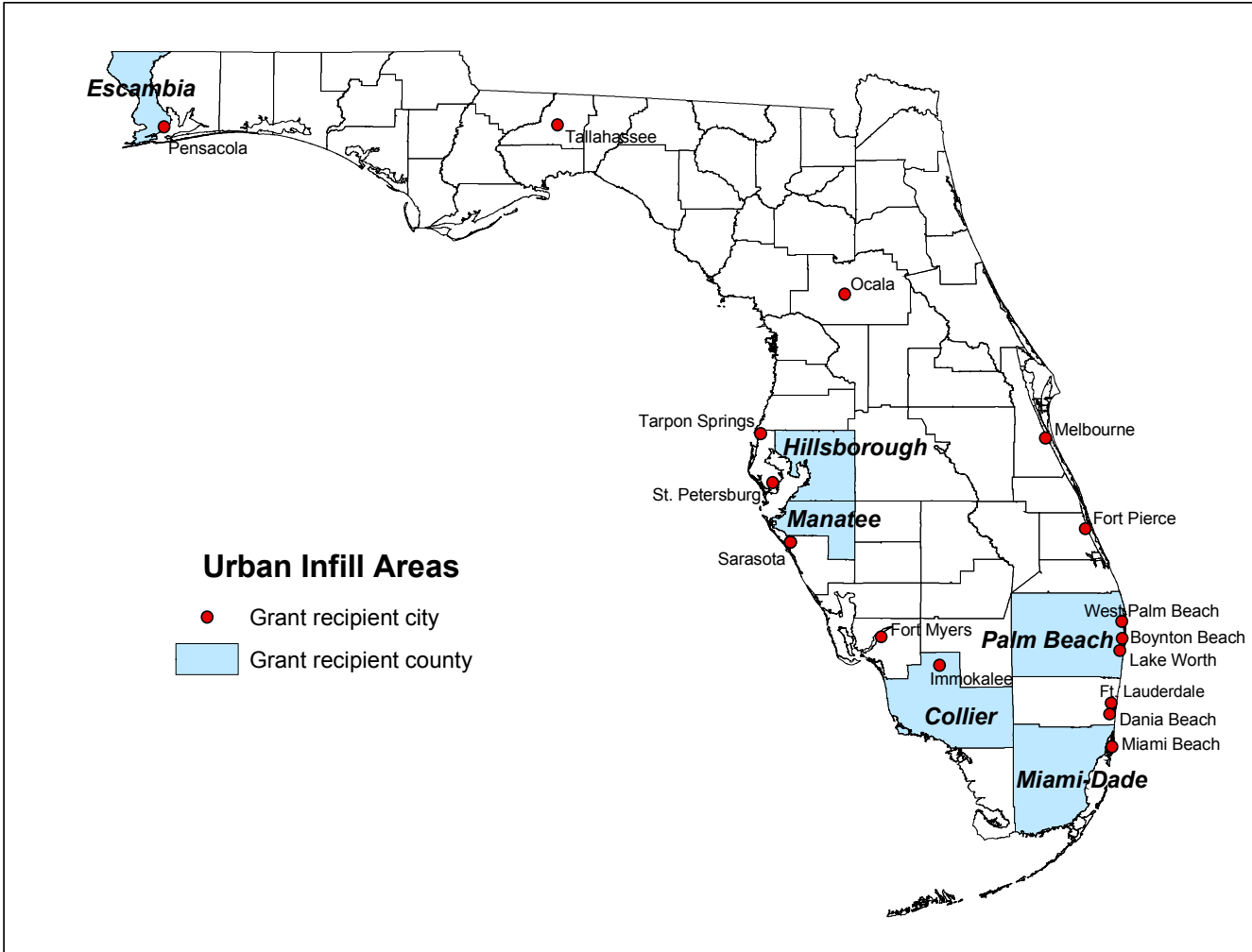
The Legislature did not appropriate any funds to the grant program in subsequent fiscal years.

² Brownfields are abandoned, idled, or under-used industrial and commercial properties where expansion or redevelopment is complicated by actual or perceived environmental contamination.

³ These local governments include Melbourne, North Miami Beach, Ocala, Pensacola, St. Petersburg, Sarasota, South Miami, Tallahassee, Tarpon Springs, West Palm Beach, Collier County, Escambia County, and Manatee County.

⁴ The department awarded implementation grants of \$300,000 to five local governments and one implementation grant of \$203,169 to another local government.

Exhibit 1
Twenty-Two Local Governments Received Urban Infill and Redevelopment Assistance Grants
in Fiscal Year 2000-01¹



¹ The City of Sarasota received both an implementation grant and a planning grant.
 Source: OPPAGA analysis of Department of Community Affairs records.

Findings

Limited data is available for assessing the impact of urban infill and redevelopment area designations

A weakness in the Growth Policy Act is that it does not require local governments to compile and regularly report information on their activities or how conditions in the designated areas changed over time. In order to conduct an assessment of the impact of the

designations, information is needed on redevelopment activities occurring in the areas as well as changes in social and economic conditions such as property values, crime rates, and employment. In the absence of such quantitative information, we were unable to fully assess the effectiveness of urban infill and redevelopment area designations in stimulating investment and redevelopment and strengthening urban centers.

Some data may be available in the future through evaluation and appraisal reports submitted to the Department of Community

Affairs. These reports are evaluations of a local government’s comprehensive plan that are intended to accomplish several purposes, including assessing the degree to which the plan’s objectives have been achieved. The Growth Policy Act does require local governments that want to continue to be eligible to award economic and regulatory incentives in designated areas to demonstrate in these reports that the amount of combined annual residential, commercial, and institutional development in the area has increased by at least 10%. However, these evaluations are conducted once every seven years and most local governments that designated urban infill and redevelopment areas will not have to adopt their reports until 2005 or later. (See Exhibit 2.)

**Exhibit 2
Local Governments Are to Demonstrate Urban Infill and Redevelopment Activities in Evaluation and Appraisal Reports**

City or County	Due Date of Evaluation and Appraisal Report
Collier County	January 2004
Manatee County	September 2004
North Miami Beach	June 2005
South Miami	September 2005
Sarasota	November 2005
Tarpon Springs	January 2007
West Palm Beach	March 2007
St. Petersburg	June 2007
Tallahassee	July 2007
Escambia County	August 2007
Melbourne	February 2008
Pensacola	August 2008
Ocala	April 2011

Source: Department of Community Affairs.

Further, there is no assurance that the evaluation and appraisal reports will be useful in assessing the impact of the urban infill and redevelopment designations in stimulating revitalization. Department of Community Affairs employees told us that the department has not provided guidance to local governments on the information they will need to collect and report in order to demonstrate that a 10% increase in development occurred in an area. They said this was due to the Growth

Policy Act not specifically authorizing the department to develop standard methods for local governments to use in compiling and reporting data on their areas. Thus, local governments will have flexibility in deciding what information to include in their reports. As a result, the information reported by local governments on urban infill and redevelopment areas in their reports may differ widely and be of varying usefulness in evaluating the impact of the designations.

Urban Infill and Redevelopment Assistance Grant Program perceived as useful

While limited quantitative data is currently available on the impact of urban infill and redevelopment area designations on local conditions, representatives of local governments that received urban infill and redevelopment assistance grants believed they were useful in helping address local issues.

Representatives of local governments that received planning grants told us the planning process funded by the grants was beneficial and helped bring together stakeholders to identify issues of common concern and prioritize redevelopment issues. Representatives of the six local governments that received implementation grants reported that these grants helped them leverage other resources and provided flexibility in paying for a variety of community revitalization activities. For example, the City of Pensacola used its implementation grant along with funds from other programs to acquire 12 lots, construct seven new homes, and pay for 1,700 overtime hours worked by police officers patrolling the urban infill and redevelopment area. These activities were seen as helping encourage private developers to take more interest in building housing in the urban infill and redevelopment area.

Conclusions and Recommendations ———

Limited data is currently available to determine the impact of the urban infill

and redevelopment area designations in stimulating revitalization. Local governments were not required to compile and regularly report on redevelopment activities occurring in the areas or on changes in social and economic conditions such as property values, crime rates, and employment. Local governments are required to demonstrate during their comprehensive plan evaluation and appraisal reports that the amount of combined annual residential, commercial, and institutional development in a designated area has increased by at least 10%. However, these assessments are generally not due for several years, and the Department of Community Affairs believes that it lacks authority to specify how such information is to be collected and reported.

Representatives of the local governments that received urban infill and redevelopment assistance grants reported that the funds were useful. Planning grant recipients reported that the grants helped bring together various stakeholders to address common concerns and prioritize redevelopment decisions, while implementation grant recipients reported that the grants helped them fill funding gaps not

met by other programs and leverage community redevelopment resources.

We recommend that if the Legislature creates similar initiatives and grant programs in the future, it should consider requiring grant recipients to compile and report information on program-related activities and changes in outcomes.

We also recommend that the Legislature consider directing OPPAGA or another entity to evaluate state urban redevelopment programs. Multiple programs often operate in the same urban areas, and the programs should be assessed collectively to assess the overall impact of the state's urban assistance programs.

Agency Response

In accordance with the provisions of s. 11.51, *Florida Statutes*, a draft of our report was submitted to the Secretary of the Department of Community Affairs for her to review and respond. The Secretary's written response is reproduced herein in Appendix B on pages 7 and 8.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

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Gary R. VanLandingham, OPPAGA Interim Director

Appendix A

Urban Infill and Redevelopment Assistance Grants Were Awarded to 22 Local Governments in Fical Year 2000-01

The following table shows the 22 local governments that were awarded Urban Infill and Redevelopment Assistance Grants in Fiscal Year 2000-01. The Legislature appropriated \$2.5 million for this grant program in Fiscal Year 2000-01, but did not appropriate any funds to it in subsequent fiscal years. As of January 2004, all but two grants were closed out. According to Department of Community Affairs' employees, grants for the cities of Tallahassee and West Palm Beach will be closed out prior to July 1, 2004.

Planning Grants

City or County	Grant Amount
Miami-Dade County	\$ 50,000
St. Petersburg	50,000
Fort Myers/Lee County	50,000
Hillsborough County	50,000
Fort Pierce	50,000
Escambia County	50,000
Ocala	50,000
Melbourne	50,000
Fort Lauderdale	50,000
Boynton Beach	50,000
Lake Worth	50,000
Palm Beach County	50,000
Miami Beach	40,000
Sarasota	39,800
Dania Beach	25,065
Manatee County	25,065
Total Planning Grants	\$729,930

Implementation Grants

City or County	Grant Amount
Pensacola	\$ 300,000
West Palm Beach	300,000
Tarpon Springs	300,000
Collier County	300,000
Sarasota	300,000
Tallahassee	203,169
Total Implementation Grants	\$1,703,169

Source: Department of Community Affairs.

Appendix B



STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

"Dedicated to making Florida a better place to call home"

JEB BUSH
Governor

COLLEEN CASTILLE
Secretary

February 6, 2004

Gary R. VanLandingham, Interim Director
State of Florida, Office of Program Policy
Analysis and Government Accountability
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1475

RE: Preliminary and Tentative Findings, Urban Infill and Redevelopment
Areas Have Uncertain Impact But Perceived as Useful

Dear Mr. VanLandingham:

We have reviewed the preliminary and tentative findings and recommendations included with your letter dated January 22, 2004. As required by Section 11.51 (5), Florida Statutes, our response is attached.

We appreciate the recommendations, constructive comments, and technical assistance provided by your staff. If further information is needed, please contact Charles Anderson, our Inspector General, at 487-4658.

Yours truly,

/s/
Colleen M. Castille
Secretary

CMC/ca

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FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS
RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS
URBAN INFILL AND REDEVELOPMENT AREAS HAVE UNCERTAIN IMPACT
BUT PERCEIVED AS USEFUL

Department of Community Affairs — Urban Infill and Redevelopment response to Preliminary and Tentative Audit Findings dated January 22, 2004.

Conclusions and Recommendations:

Limited data is currently available to determine the impact of the urban infill and redevelopment area designations in stimulating revitalization. Local governments were not required to compile and regularly report on redevelopment activities occurring in the areas or on changes in social and economic conditions such as property values, crime rates, and employment.

We recommend that if the Legislature creates similar initiatives and grant programs in the future, it should consider requiring grant recipients to compile and report information on program-related activities and changes in outcomes.

We also recommend that the Legislature consider directing OPPAGA or another entity to evaluate state urban redevelopment programs. Multiple programs often operate in the same urban areas, and the programs should be assessed collectively to assess the overall impact of the state's urban assistance programs.

Response:

We concur with the analysis of the Growth Policy Act, related to a weakness in the availability of data from local governments who were participants in the Urban Infill and Redevelopment Grant Assistance Program. While the participating local governments believed that the grants were helpful in their infill and redevelopment efforts, we believe that the perception of the grants usefulness is not based on a solid body of hard data, comparable among the designated urban infill and redevelopment areas (UIRAs).

We agree that the data is limited to fully analyze the impacts of the UIRA designations.