



Research Tool Available for Identifying and Examining Distressed Areas Within Florida

at a glance

As part of our review of state community revitalization programs, OPPAGA developed a research tool that graphically displays data on distressed areas throughout the state. This research tool measures and maps local areas' level of distress based on an index of social and economic indicators. The Legislature and other state and local stakeholders can use the index to examine conditions in distressed areas throughout the state. Maps showing distressed areas identified by this index are available in a user-friendly format on CD-ROM.

Background

Definition of distress. Many local areas within Florida are considered to be economically distressed. Florida statutes define distress in terms of conditions that negatively affect the fiscal and economic viability of urban and rural communities.¹ Distressed areas are typified by conditions such as low per capita income, high unemployment, high poverty levels, low housing values, dilapidated buildings, and poor infrastructure. These conditions reduce residents' quality of life and make the areas less attractive to private sector investment, thereby discouraging private revitalization efforts. Distressed conditions also decrease the local government tax base.

State offers programs for addressing distress. As noted in a recent OPPAGA report, the state has created several programs to help local governments revitalize their distressed areas.² These include the Enterprise Zone Program, the Brownfield Redevelopment Program, and the Front Porch Florida Initiative. These programs provide incentives, such as tax credits and refunds, and technical assistance to encourage public and private investment in distressed areas. Local governments also can use other state programs that are not specifically targeted to distressed communities, such as housing assistance programs, to help address problems in these areas.

The state has lacked a tool for identifying and assessing distressed areas. Although the state has created programs to help local governments address distressed conditions, it has not had a systematic way to identify where these conditions exist, measure the extent of this distress, or assess changes in the areas over time. This may hinder the state's ability to develop policies and programs targeted to addressing these conditions.

¹ Conditions of distress are identified in Ch. 163, Part III, *F.S.*, s. 290.0058, *F.S.*, and s. 288.0656, *F.S.*

² *Locals Find State Urban Revitalization Programs Useful; More Centralized Program Information Would Be Helpful*, Report No. 05-32, May 2005.

Economic Conditions Index Developed

As part of our review of state community revitalization programs, OPPAGA created the Economic Conditions Index to identify and measure distressed areas throughout the state. The index is similar to those developed by other states, universities, and some local governments.³

The index categorizes U.S. Census block groups in Florida based on their level of distress as measured by three key factors—unemployment, families in poverty, and substandard housing. Data on these factors was drawn from the 2000 U.S. Census.⁴ We calculated two types of index scores. First, we calculated an index score for each census block group based on comparing its indicator scores to the average scores for the county in which the block group was located. This identified the most distressed areas within each county. Second, we computed index scores for each urban and rural block group based on comparing its indicator scores to all other urban or rural block groups in the state.^{5,6} This approach compares similar urban and rural distressed areas throughout the state.

³ See Serkin, A., and Whitlow, S., *The State of North Carolina Urban Distressed Communities*, Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill, February 2005, and *Distressed area methodology*, Oregon Department of Economic and Community Development.

⁴ We based the index on the civilian unemployment rate, the percentage of families below the poverty level, the percentage of homes lacking adequate plumbing facilities, the median year homes were constructed, and the median home value. In developing the index, we combined the three measures of substandard housing conditions into a single indicator.

⁵ Census block groups with 500 or more persons per square mile were considered urban, while all other census block groups were considered rural.

⁶ Index scores for these areas were calculated in a similar way as the index scores based on county-level comparisons. Indicator scores for each census block group in an urban or rural area were compared to the average scores for all urban or rural groups in the state. The results for each indicator were averaged to arrive at a single index score for each block group.

Exhibit 1 demonstrates how these index scores were calculated.⁷ The research tool allows policymakers and researchers to analyze distressed areas using both of these index scores.

Exhibit 1 Economic Conditions Index Calculated Using Unemployment, Poverty, and Substandard Housing Indicators

Step 1. Values for indicators for census block groups were divided by the county-wide value to create an indicator score.	
Block Group Unemployment Rate (11.5%)	= 1.69
Unemployment Score County Unemployment Rate (6.8%)	
Step 2. Indicator scores for each census block group were summed and averaged to provide an overall Economic Conditions Index score.	
Unemployment Index = 1.69 Family Poverty Index = 1.75 Housing Index = 2.86	
Index score for block group = (1.69+1.75+2.86)/3 = 2.10 ¹	

¹ The higher the index score, the greater level of distress in a census block.

Source: OPPAGA analysis of 2000 U.S. Census data.

Distressed Areas Mapped—

To provide a user-friendly manner to view distressed areas identified by the Economic Conditions Index, we used geographic information system (GIS) software to map index scores at the state and county level. Exhibit 2 shows an example of a map of distressed areas in Leon County as identified by their index scores.

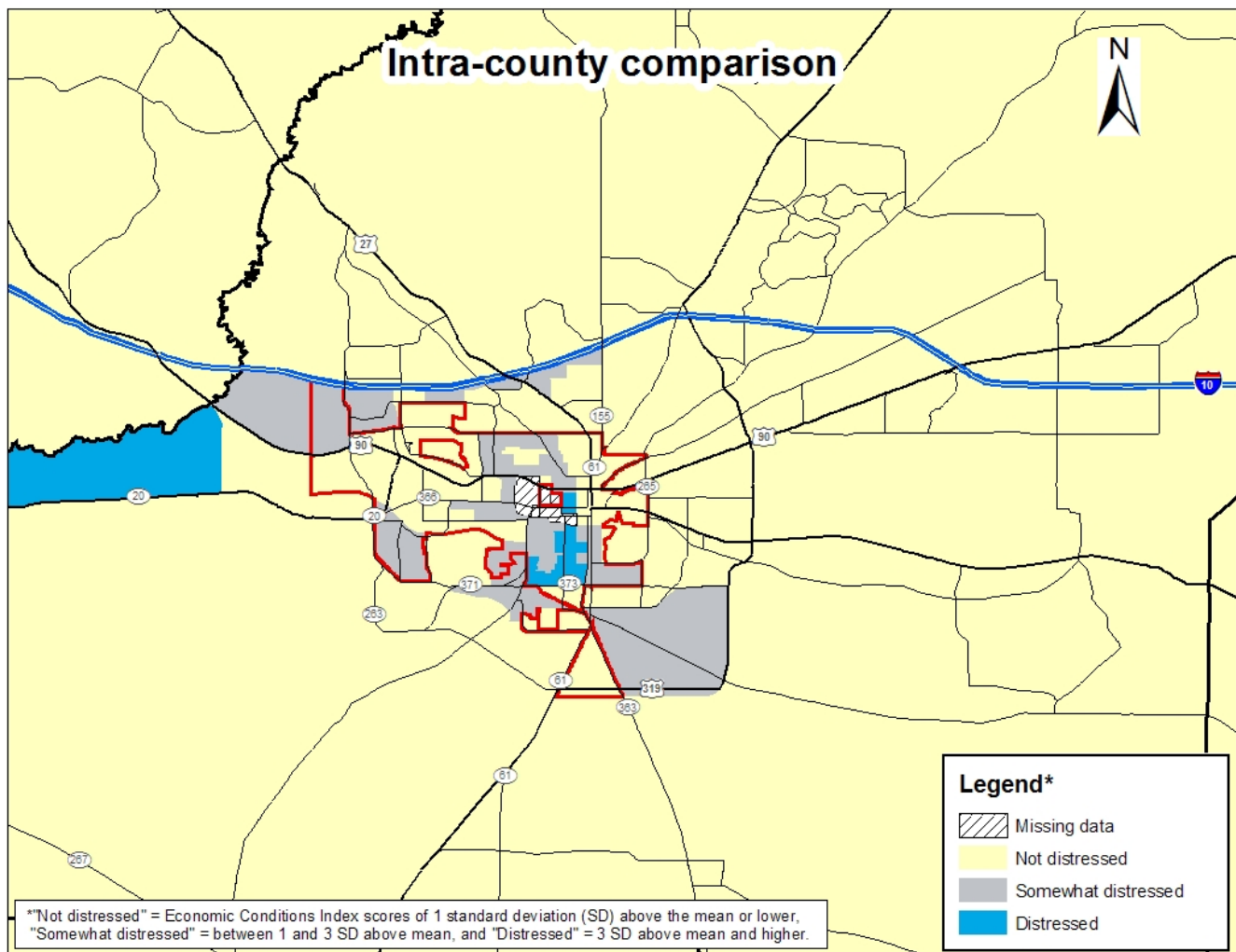
⁷ Index scores were computed for each of the 9,112 census block groups in Florida.

In this map, the census block group areas with index scores of three or more standard deviations above the mean score for all the block groups in the county are shaded blue while areas with index scores between one and three standard deviations above the mean index score are shaded gray. Census block group areas without index scores due to missing data are cross-hatched.

The index and the GIS software can also be used to identify and map conditions within neighborhoods or areas designated under various state economic development programs, such as enterprise zones or brownfield areas. Exhibit 2 shows how the Tallahassee-Leon County enterprise zone, whose boundaries are shown in red, corresponds with the location of distressed areas within the county.

Exhibit 2

Leon County Has Several Distressed Areas and an Enterprise Zone



Source: 2000 U.S. Census and OPPAGA analysis.

Potential Uses of the Economic Conditions Index

State and local policymakers can use the Economic Conditions Index and maps of distressed areas in several ways.

- Helping design policies and strategies for revitalizing distressed areas. At the state level, the Legislature and agencies that administer state economic development programs could use the index to help target these programs to appropriate areas. For example, the Legislature could use the index and maps when considering local government requests to establish new enterprise zones or to alter the boundaries of existing zones. The index and maps would help the Legislature determine whether the proposed areas within an enterprise zone are highly distressed.
- Examining changes in distressed conditions over time. The Legislature, local governments, and researchers could use the index to establish baseline data on the level of distress within specified areas such as enterprise zones and brownfield sites. Once additional data becomes available, such as from the 2010 U.S. Census, the Legislature, local governments, and researchers could use the index to assess whether conditions in distressed areas had changed over time.
- Targeting resources and technical Assistance. State agencies and local governments could use the index and maps to identify and target local areas needing financial and technical assistance to spur revitalization. This could help the state and local governments use their limited resources in the most effective manner.

The research tool is available in a user-friendly format on a CD-ROM. The CD-ROM includes maps showing distressed areas within counties. A copy of the CD-ROM can be obtained by contacting our office.

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). Cover photo by Mark Foley.

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