

## Frequently Asked Questions

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#### 1. What is a Community Redevelopment Agency (“CRA”)?

A CRA is a dependent taxing district set up by the City (called the “governing body”) for the purpose of eliminating slum and blight, enhancing the tax base and encouraging both public and private improvements in the CRA Area. The CRA is governed by State Statutes, Chapter 163, Part III. The CRA’s source of revenue with which it can deploy to make public improvements is derived from tax increment.

CRA’s have been used by many cities in Florida to revitalize urban areas such as the one being considered in Pompano Beach. Other city examples include Ft. Lauderdale (beach), Hollywood (beach), Delray Beach and Sarasota.

An important part of creating a CRA is the preparation and adoption of a CRA Master Redevelopment Plan, which set forth the programs for improvement for the redevelopment area.

#### 2. What is a CRA Redevelopment Plan?

The Redevelopment Plan is a legal document that is required by State law to be approved by the City and the County. The plan sets forth the goals and objectives of the plan, generally to eliminate blight and to improve the economic conditions. Most importantly it sets forth the many programs for improvement. These programs may include street improvements, park improvements, marketing programs, housing programs, retail assistance and many others. The redevelopment plan will include a financing program and implementation schedule.

#### 3. What is a Charrette?

A Charrette is a public planning process in which the City invites as many citizens as possible to participate in developing a plan for the area being considered for redevelopment. In a Charrette everyone’s opinion is considered important and no idea is a bad idea. It is a very democratic process in which every citizen is encouraged to participate. A Charrette usually takes place over a short period of time and urban design professionals act as facilitators. After a day-long public planning meeting in which the public creates design teams and forwards their ideas for the future of the area, the consultants synthesize the ideas into a common plan. The citizens are asked to plan without constraints of existing codes and plan for what they want their area to become in twenty years. It is a long-range planning endeavor.

A Charrette public kick-off meeting is scheduled for Friday, August 24<sup>th</sup> from 7-9 p.m., and the Charrette is scheduled for Saturday, August 25<sup>th</sup> from 9 a.m. to 4 p.m. Both of these sessions will be held at Saint Martin-In-The-Fields Episcopal Church located at 140 SE 28<sup>th</sup> Avenue. The results of the Charrette and Conceptual Master Plan Presentation will be held on Thursday August 30<sup>th</sup> at 7 p.m., at the Pompano Beach City Commission Chambers.

#### 4. What is tax increment and tax increment financing?

Tax increment is the property taxes contributed by the City and County (and any other contributing taxing districts) to the CRA Trust Fund. The contribution is based upon only new values of real estate created within the CRA Area after its creation. For example, if a vacant piece of land is valued at \$100,000 and a new building is constructed on the land and the result is that the new building including the land value is valued at \$1,100,000 then the incremental difference in value is \$1,000,000. Taxes collected by the City and County (and the other contributing authorities) will be distributed to the CRA according to the difference between the new taxable value and the base year value of the CRA. The value is discounted by 5%. Typically in the early years of a CRA the tax increment is small but as new projects are built and as existing properties make improvements, then the tax increment rises.

Tax increment financing is the pledging of future revenues of the CRA to pay the debt service on revenue bonds. The proceeds of the bonds pay for improvements in the CRA, those which are identified in the CRA Redevelopment Plan.

## **5. Why create a CRA?**

A CRA is a very useful tool for a City to use in order to make changes in an economically dysfunctional area. While it is not the only tool the City has, it has proven to be a successful method to upgrade a depressed area. Many other cities have utilized their CRA to make significant improvements in their older urban areas, both commercial and residential. Examples of cities include Ft. Lauderdale, Hollywood, Delray Beach, and West Palm Beach.

Because the CRA receives contributions from both the City and County, the funds can be concentrated on a small area for projects that positively impact the area over a short period of time. In addition the CRA projects can also have great impact in attracting new private capital and new building projects to the area. By creating a CRA, the City sends an important message to the current property owners and residents, that it will invest both time and money in improving the area.

## **6. Who governs a CRA?**

The CRA has a Board of Commissioners, either 5 or 7 members that govern the activities of the CRA. The most common composition of commissioners is for the city commission to sit as the CRA board. Some cities in Florida have elected to add two other members, which they appoint. A third method is for all five or seven to be appointed by the City Commission. Under any one of the methods of composition, the City Commission still has great authority in overseeing the affairs of the CRA. The City Commission must approve the annual budget and approve any financial activities, such as the issuance of a revenue bond for public improvements. The financial books of the CRA are merged with the books of the City for each fiscal year.

## **7. What are the CRA funds used for?**

CRA funds can be used for only those programs written into the Redevelopment Plan. Typically these programs include street improvements, land acquisition, park improvements, parking, lighting, marketing, housing, and many others which qualify under the plan.

## **8. If the purpose of a CRA is to encourage the redevelopment of its area, does redevelopment cause any adverse conditions such as traffic?**

If a CRA is successful by its redevelopment efforts, traffic is likely to increase. However increased traffic should not always be considered to be only negative. A successful CRA area will concurrently provide better pedestrian walkways, transit and even parks. And a successful CRA area will provide higher access to shopping and entertainment, relieving the local residents of having to drive to another part of the County to shop, dine and entertain them. Traffic trips can actually be reduced for the local residents who chose to walk or ride transit instead of drive. Traffic trips may increase as a result of others in the City wishing to visit a dynamic and beautiful area of the City, but the trips usually occur during the non peak hours at nighttime. As specific redevelopment projects are identified and integrated into the plan, related modifications to vehicle and pedestrian spaces and movements will be studied. Significant roadway improvements at the intersection of Federal Highway (US 1) and Atlantic Boulevard, within the CRA area have already been designed and will be completed in the Spring of 2001.

## **9. Does redevelopment increase crime?**

No, quite the contrary. Redevelopment reduces crime since there are many more people on the street walking and socializing in a successful urban environment. Criminals do not like to carry on their activities when a lot of people are around. Every pedestrian becomes a citizen on patrol, watching out for his or her neighbors.

## **10. Will my taxes rise as a result of creating a CRA?**

No. A CRA does not levy taxes; it only receives contributions from existing taxing authorities such as the City and County. The tax millage rates set by the taxing authorities are not affected by the existence of a CRA.

## **11. Will property values be affected as a result of creating a CRA?**

Historically it has been shown that property values have risen in successful CRA districts. In very successful cities, such as Delray Beach, values doubled over a ten year period. Residential property owners were exuberant since their homes increased in value but their taxes rose at a maximum of 3% annually.

**12. Will the CRA be acquiring new property?**

The CRA has the legislative authority to acquire property. It is an option that may be part of the redevelopment plan.

**13. Will the CRA Redevelopment Plan encourage residential development in the area?**

It is a possibility and certainly one that has been encouraged by many successful CRA's in Florida. Residential is important since it will bring new consumers to the area that will help, along with the existing residents, to support new retail and new employment. In addition the residential does not impact traffic as significantly as other uses such as retail and office. Residential also produces more people to utilize the wider urban sidewalks associated with a dynamic urban village.

**14. Will the CRA Redevelopment Plan encourage retail development especially that which will serve the existing residents?**

Many CRA plans of other cities attempt to encourage retail such as grocery stores, books, restaurants, art, music, apparel, antiques, home accessories, and many other varieties to serve the local residents. Much of the retail may be tucked into mixed-use buildings. The development of quality retail depends upon the ability to encourage people of all ages to live in the area.

**15. How will the plan deal with parking?**

Many CRA plans of other cities discourage large areas of asphalt parking and encourage structured parking. In addition good planning encourages parking on the street so that a shopper or visitor can have easy access to a shop for a short period of time. The on-street parking also provides a buffer between the pedestrian and the moving vehicles in the street.

**16. Will redevelopment increase the demand for more classrooms?**

Historically urban residential does not contain many families with school-age children. Urban residents tend to be childless but range in age groups from the young professional and downtown workers to middle-aged professionals to retirees and second home residents.

**17. When will the plan be completed?**

The City Commission is expected to make its final approval of the Plan on December 11<sup>th</sup>, 2001

**18. How can citizens participate in the planning process of the CRA?**

The City of Pompano Beach encourages all of its citizens to participate in this unique process. The starting point is to participate in the Charrette to be held on August 23-30. However, many other public meetings will occur during the process and a list will be made available at the Charrette. These meetings include approvals of the plan by various boards of the City including the Planning and Zoning Board.

**19. I live/Work within the CRA and did not receive a public notice. Why?**

The mailing list was primarily developed based on property owners listings in and within 500 feet of the CRA. If you are renting your residence or leasing business space you may not have received a notice. The City Staff has been supplementing our mailing list with any interested persons and will add your name to the list for any further mailings.