

RESOLUTION NO. 21-

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS FOR PINELLAS, COUNTY, FLORIDA, RELATING TO COMMUNITY REDEVELOPMENT PURSUANT TO CHAPTER 163, PART III, FLORIDA STATUTES, THE COMMUNITY REDEVELOPMENT ACT; ADOPTING THE PINELLAS COUNTY COMMUNITY REDEVELOPMENT AREA 2021 POLICY, AND REPLACING THE PINELLAS COUNTY COMMUNITY REDEVELOPMENT AREA 2018 POLICY AND IMPLEMENTATION PROCEDURES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 163, Part III, F.S., local governments can create Community Redevelopment Agencies and Community Redevelopment Areas (“CRA”) where blighted and/or slum conditions exist;

WHEREAS, the Board of County Commissioners has long supported the creation of CRAs to support redevelopment and community revitalization throughout Pinellas County;

WHEREAS, The creation of a CRA allows for the utilization of Tax Increment Financing (TIF), a focused financing tool for redevelopment which allows for future property value increases associated with private investment in a CRA to be leveraged to finance public improvements, enhance existing public infrastructure, and maximize the benefits of other incentive tools;

WHEREAS, as a Charter County, Pinellas County can establish a County TIF participation rate and term length based on the parameters set forth in Florida Statutes and local policy;

WHEREAS, the Board of County Commissioners commissioned the Economic Impacts of Poverty Report (completed in 2012, updated in 2013), which identified specific At-Risk Zones throughout Pinellas County where community revitalization is most needed;

WHEREAS, in 2016, the Board directed County Staff to update the Community Redevelopment Area Policy, to establish an evaluation and scoring criteria to ascertain a CRA’s “Local Designation” to determine the County’s TIF funding participation rate and eligible uses of TIF with the intent of aligning resources with those areas most in need;

WHEREAS, in November of 2018, the evaluation and scoring criteria in the 2018 CRA Policy and Implementation Procedures were finalized;

WHEREAS, the Board subsequently hired a consultant to work with its staff to update the 2018 CRA Policy and Implementation Procedures;

WHEREAS, the 2021 CRA Policy seeks to accomplish three primary objectives: (1) change the rules governing the creation, reporting and allowable expenditures by Community Redevelopment Agencies, to be consistent with Florida House Bill 9 (2019); (2) establish

reporting requirements that allow Pinellas County and CRAs to track measurable progress on key issues, and evaluate the return on investment; and (3) align the County TIF contributions with priorities as identified by the Board in the County's Comprehensive Plan, Strategic Plan and other policy documents and statements; and

WHEREAS, the Board desires to adopt the 2021 CRA Policy to replace the 2018 CRA Policy and Implementation Procedures.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Pinellas County, Florida, in a regular meeting duly assembled on this ____ day of _____, 2021, that:

1. The Pinellas County Community Redevelopment Area 2021 Policy, attached as Exhibit "A", is hereby adopted.
2. The Pinellas County Community Redevelopment Area 2018 Policy and Implementation Procedures is hereby deleted in its entirety.
3. This Resolution shall take effect September 1, 2021.

Commissioner _____ offered the foregoing resolution and moved its adoption, which was seconded by Commissioner _____ upon the roll call the vote was:

Ayes:

Nays:

Absent and not voting:

APPROVED AS TO FORM
By: David S. Sadowsky
Office of the County Attorney

Exhibit A

Pinellas County CRA Policy BCC Approval Date: August 10, 2021

I. Background/Introduction

The 2021 CRA Policy update accomplishes three primary objectives. First, in 2019 Governor DeSantis signed HB 9 into law which amended Ch. 163 to change the rules governing creation, reporting, and allowable expenditures by Community Redevelopment Agencies (Redevelopment Agencies). Second, the CRA Policy establishes reporting requirements that allow the County and CRAs to track measurable progress on key issues (e.g., jobs or affordable housing units), and evaluate the return on investment. The third objective aligns County Tax Increment Finance (TIF) contributions with priorities as identified by the Board in the County's Comprehensive Plan, Strategic Plan, and other policy documents/statements. This update replaces the previous version from November 2018.

A. Implementation

Implementation of the CRA Policy enables the County to promote reinvestment in priority areas and direct those investments towards priority policy issues. The following sections set forth policy regarding the creation, funding, and management of CRAs seeking TIF from Pinellas County, whether initiated by the City, Community Redevelopment Agency (Agency), or County. The requirements of the CRA Policy apply to all new CRAs, expansions and extensions subject to consideration by the Board. Additionally, the CRA Policy applies to those CRAs currently undergoing local jurisdiction review and formalization but that do not have final approval by the Board. To provide continuity and develop a firm foundation for the CRA Policy regarding TIF, this Policy shall be considered effective as of September 1, 2021. In addition to this policy, staff has also developed a CRA Scoring Methodology and Implementation Procedures document which provides detailed guidance to provide transparency to the process.

The implementation of the CRA Policy or the application for public financing under this CRA Policy does not create or vest any rights nor guarantee that any CRA under consideration will be created by the City or County.

B. Local Designations

The local designation categorizes the primary function of, and priorities within a CRA, to ensure attention to County priority areas through TIF funding participation. Three local designations, each with a primary focus and distinguishing goals and objectives, are described below:

- **Urban Revitalization:** By definition, these areas are the most economically distressed areas, where poverty is endemic, and where other programs, such as Community Development Block Grants (CDBG), have targeted funding.
- **Community Renewal:** By definition, these areas are experiencing ongoing economic hurdles and investment/redevelopment has not kept pace, but conditions are not as severe as the Urban Revitalization areas.
- **Economic Development:** By definition, these areas may experience economic stagnation, but have opportunities due to a diversity of uses, inherent local economy, and location.

C. Scoring Criteria

The County will determine the level of County TIF funding and participation based on the CRA's matrix final score and corresponding local designation using the measurable factors listed below. The County will complete the scoring exercise during the review process for the creation of a CRA, an extension, or an expansion. The specific scoring criteria are identified in Table 1, below:

Table 1. CRA Scoring criteria matrix

Category	Max Points	Scoring
Demonstrated Need. This set of factors assesses whether the potential CRA is home to a high need population or if the physical environment requires new investment. These needs align with need as defined in CRA statute, as well as with County priorities to promote affordable housing and economic development in disadvantaged areas.		
Percent of Households Below Poverty Level	10	< 1.1 times County = 0 1.1-1.25 times County = 4 1.25-1.5 times County = 7 > 1.5 times County = 10
Median Household Income	15	<60% of County = 15 60-80% of County = 11 80-100% of County = 7 >100% of County = 0
% of area qualified for CDBG	5	<25% of area = 0 >25% of area = 5
Demonstrated Blight Factors (163.340(8), F.S.)	10	2 or less = 4 3 to 5 = 7 6 or more = 10 FON over 5 years old = 0
Coastal High Hazard Area	5	No overlap = 0 0% to 10% = 3 >10% = 5
Economic Development & Employment. The County has identified job retention and attraction as a near term priority. These factors indicate the level of economic activity in a CRA and the economic status of its residents.		
Employment Density	5	< 5/acre = 5 5-10/acre = 3 >10/acre = 0
Unemployment (Civilian Population)	10	< 1.1 times County = 0 1.1-1.25 times County = 4 1.25-1.5 times County = 7 > 150% of County = 10
Tax Value Trend	5	1 point per each year of the last five below the County annual percent change
Activity Centers and Target Employment Areas	5	>5% in Target Employment Area OR >20% in Activity Center = 5
Housing Affordability. The County has identified creation and preservation of quality, affordable housing as a near term priority. This factor assesses the extent to which households experience a housing cost burden.		
Percent of households that are housing cost burdened	10	<= County = 0 1 - 1.1 times County level = 4 1.1-1.25 times County = 7 > 1.25 times County = 10
Median Residential Values	15	<60% of County = 15 60%-80% of County = 11 80%-120% of County = 7 > 120% of County = 0
Mobility. The County places a priority on improving biking, walking, and transit options, particularly in designated corridors.		
Mobility	5	> 20% within quarter mile of Premium, Primary, or Secondary Transit Corridor = 5
Total Points	100	

D. Scoring Range

Table 2. Local designation scoring ranges

Local Designation	Scoring Range
Urban Revitalization	Above 75
Community Renewal	Between 45 – 74
Economic Development	Below 44

II. County Contribution Level and Term

The determination of the County's contributions to CRAs is made based upon the guidance in Florida Statutes, the CRA's local designation, and the proportion of funds that the CRA expends on County goals and priorities.

A. County Priorities

The County priorities for TIF expenditures is based upon the County's comprehensive plan, strategic plan, and other policy documents/initiatives that have been approved by the Board of County Commissioners. Three priority areas have been identified and are described below.

- **Affordable Housing:** Create, preserve, or improve income-restricted affordable housing units and prevent displacement
- **Economic Development & Employment:** Increase quality employment opportunities, particularly in the County target industries
- **Mobility:** Improve transit, walking, and biking options and access to transit

B. Maximum County Contribution and Priority Match

Florida Statutes Chapter 163, Part III authorizes Pinellas County as a Charter County to determine the amount of tax increment it will contribute to a CRA. The level of County TIF contribution (percentage) is determined in part by the CRA's local designation, which indicates CRA's primary functionality, priorities, and ability to stimulate private investment. Pursuant to the statute, the maximum contribution is 95%.

All CRAs that have been approved by the Board of County Commissioners to receive County TIF will receive base contribution of at least 50% which can be used for eligible expenditures as defined by the County (see Table 3).

CRAs that demonstrate a commitment to funding projects that help achieve County priorities are eligible for additional County TIF contribution in the form of a "**priority match**". The priority match will also be determined by the percentage of CRA budget (both City and County CRA TIF dollars) allocated to County priorities. In order to receive the full priority match, 50% of the total TIF budget (City and County) must be contributed to County priorities. The maximum County priority match is summarized in Table 3 below.

Table 3. Term and County contribution by local designation type

CRA Type	Maximum Term	Base County Contribution	Minimum Local Contribution	Max Priority Match	Maximum Total Contribution
Urban Revitalization	20 years with Midpoint Review at year 10	70%	25%	25%	95%
Community Renewal	20 years with Midpoint Review at year 10	50%	25%	25%	75%
Economic Development	10 years / Midpoint Review at year 5	50%	0%	0%	50%

C. Midpoint Review Process

The Midpoint Review will assess overall progress and alignment between the percentage of CRA TIF dollars budgeted for County priorities – which determined the priority match - and the percentage of dollars expended on County priorities. CRAs that have not made progress on their project list or spend less than 75% of their percentage commitment to expend funds on County priorities will receive an equivalently reduced County match after the potential match is calculated based on the proposed budget for the remaining term. CRAs that allocate less than 50% of their percentage commitment to expend funds on County priorities will only receive a County contribution for a defined project list, confirmed via an interlocal agreement with the County for the remaining term.

For example:

- 1) A CRA commits to expend 50% of its TIF dollars on priority issues, receiving the maximum County contribution possible
- 2) At Midpoint Review, the CRA has used 35% of its expended dollars on projects eligible for County priority match
 - a. 35% divided by 50% equals 70%, *less than 75%*
 - b. If the CRA can show that sufficient dollars are being reserved for in-process projects meeting County priority definitions, the CRA can still receive its full match
 - c. If none of the missing funds are being reserved for near-term projects meeting County priorities, the County contribution will be reduced commensurately

To offer flexibility in meeting the percentage target, CRAs may reallocate funds within any of the defined priority issues, as long as the total priority area percentage remains in alignment. In addition, where project delays caused the mismatch between commitments and expenditures, CRAs may provide documentation on reserved funds, work in progress, contracts for study or construction, and similar evidence that the project has a path to near-term completion.

If the County revises the priority issues, each CRA's priority match will remain unaffected until the Midpoint Review or a request for extension or expansion, when the priority match would typically be recalibrated. The County may continue matching dollars allocated to in-process projects aligning with former priorities to facilitate projects with longer timelines.

D. TIF Funding Term Limits

The maximum term for County TIF funded CRAs approved under this policy will be based on the local designation. The terms outlined are "up to", and the assignment of a certain score and respective designation does not guarantee a maximum term limit. At the term's midpoint, expiration, or other formal, pre-determined date established during the review and approval process, staff will present a summary

report to the Board of County Commissioners, which can elect to maintain or extend the TIF term limit under current or modified parameters or choose to terminate all such funding. CRAs created before July 1, 2002 receive a maximum of 60 years of TIF, including extension time Per F.S.163.387 (2)(a) For those CRAs created after July 1, 2002, the maximum term is 40 years.

The CRA Policy establishes a maximum term for each local designation, which are listed below. These terms cannot exceed what is allowed under Florida Statutes.

- **Urban Revitalization** = up to 20 years, with 10-year review
- **Community Renewal** = up to 20 years, with 10-year review
- **Economic Development** = up to 10 years, with 5-year review

E. TIF Funding Maximum Contribution

Unless specifically approved by the Board of County Commissioners, County TIF contributions shall not exceed the City's contribution in any given year. This requirement will be added to Section 38 Article III for all new CRAs, extensions, expansions, and 15-year/midpoint reviews. This provision will not be applied retroactively.

F. Termination of TIF Funding

The Board of County Commissioners may elect to terminate the County contribution or reduce the County priority match at an established review point if the demonstrated need changes or previously identified objectives have not been achieved according to project and budget timelines as identified in the CRA Plan. (See the priority match section for further detail on adjustments to the priority match.)

III. Eligible Expenditures

A. TIF Funding Eligible Uses

This CRA Policy does not define specific eligible expenditures for County TIF. A detailed list of eligible expenditures for County TIF is included within the separate CRA Scoring Methodology and Implementation Procedures document.

Geographic Distribution of CRA Investments

CRAs will be encouraged to identify subareas and to implement projects/programs in a geographically distributed manner to ensure a fair distribution of funds, using the subareas and expenditure proportions defined with the County at CRA establishment, expansion, or extension (see the CRA Scoring Methodology and Implementation Procedures). Affordable housing expenditures, and any projects that the County and CRA agree provide CRA-wide benefit can be counted towards each of the sub-areas. At the Midpoint Review, the County will assess the expenditure of CRA funds across subareas to understand whether those expenditures show geographic distribution throughout the CRA.

B. Bonding

The Board of County Commissioners must approve all related and applicable city-initiated bonds if all or part of County TIF contributions are to be used for repayment.

Since bonding terms typically exceed the 10-year evaluation points (5-year for Economic Development CRAs) described above, any CRA priority match granted will not be changed when bonded against CRA funds. As part of the bonding process, the CRA and County will review the list of projects which will receive bond funds from the County and ensure that any prior commitments to County priority

projects are maintained.

IV. CRA Reporting and Evaluation

A. Annual Reporting

Florida Statutes 163.371 specifies the state requirements for annual reporting of CRA expenditures. Additionally, per Florida Statutes 163.387(6), CRAs are required to provide annual budgets and any budget amendments to the County within 10 days of adoption. In addition to the state requirements, CRAs are required by the County to file expenditure information annually via a tracking spreadsheet for TIF expenditure reporting. The spreadsheet tracks expenditures by project updated over time to collect information required by the state and the County's midpoint, extension, and closeout performance evaluations.

In addition to reporting on annual expenditures, the County will utilize performance measures to track progress for each CRA. These measures utilize easily accessible data sources (e.g. taxable value, land use amendments, etc.), but there are instances where the data needs to be provided by the CRA/City (e.g. local building permits). The County will coordinate with Cities/CRAs to acquire this data.

B. TIF Evaluations (midpoint, closeout, and extension or expansion)

To better assess the return on investment and calibrate contributions over time for CRAs, the County will evaluate CRAs adopted/amended under this policy at the midpoint, closeout, extension, and expansion. CRAs may use the results of the evaluations to guide their own plans and investments. Existing CRAs will not undergo evaluation until they request an extension or if a specific requirement is already included in their respective ordinance under Ch. 38 of the Pinellas County Code.

The County will perform three broad types of evaluation:

Table 4. CRA evaluation types, timing, and goals

	Local Designation Typology (existing)	Expenditure & Budget	Performance
Goal	Establish a baseline for needs and range of County investment	Adjust County contribution to support County priorities	Invest in projects that implement CRA and County goals
Approach	Determine CRA type based on demographic, economic, and physical factors	Assess CRA expenditures and 10-year budget for fit with County priorities	Analyze project and district-wide metrics to assess ROI, progress, and needs
Frequency	At establishment and extension / expansion (and midpoint for existing CRAs)	At establishment, midpoint, and extension / expansion	At midpoint and extension / expansion
Policy Action	<i>Higher need CRAs receive higher potential for County contribution</i>	<i>County contribution is set based on budget and expenditures for priority issues</i>	<i>CRA adjusts the plan, projects, and budget to improve outcomes</i>

Annual CRA reports will be used to collect most data needed for the evaluations. Collected Census, employment, and similar data will be collected at the evaluation points to understand progress overall, helping the CRA to target the activities and projects contained in its CRA plan update.