Introduction

Tax Increment Financing (TIF) is one of the most popular means employed by state and local governments to facilitate urban redevelopment efforts. TIF adoption establishes a geographic area for which bonds are issued to finance public improvements that will presumably foster economic development or redevelopment. Public entities in Florida that utilize TIF typically take the form of community redevelopment agencies (CRAs). Passed in 1969, the Community Redevelopment Act (Chapter 163, Part II, Florida Statutes) granted municipal governments in Florida the authority to target areas within their jurisdictions suffering from general disinvestment and fund the redevelopment of such areas. Local governments create a CRA and entrust them with the authority to identify blighted areas, and then craft and implement a community redevelopment plan. Local governments were initially slow to use TIF. However, when the Florida Supreme Court established its legality in 1977, the use of TIF increased quickly. By 2007, 184 CRAs had been created by Florida local governments. Florida local governments have cited CRAs as the most commonly used state program for economic and revitalization purposes.

The first step in this redevelopment process requires the local government to prepare a Finding of Necessity, often called a blight study, that an area has at least two of the characteristics for the state designated definition of slum and/or blight. Once a finding of slum and/or blight has been identified, the boundaries for the area to be redeveloped are identified and mapped. This area is referred to as a community redevelopment area or TIF district. Next, the Florida redevelopment process involves the creation of a five- to seven-member Board selected by the local government to administer the Community Redevelopment Agency (CRA). The CRA is tasked with the preparation of a redevelopment plan for the district. The redevelopment plan comprises the goals for the redevelopment area and identifies the types of proposed planning policies, programs, and projects suitable to meet those objectives. This study examines if the adoption of TIF supported redevelopment strategies in Florida is a function of a community’s blight conditions, redevelopment limitations and goals. Put another way, the purpose of this study is to determine if TIF-financed redevelopment activities are based on a community’s redevelopment needs and goals. The findings offer insight into the effectiveness of Florida’s community redevelopment legislation to address the revitalization of the state’s most blighted areas.

Data and Method of Analysis

Data on slum and blight conditions, redevelopment limitations, goals and adopted strategies come from two state-mandated TIF-related redevelopment documents, the blight study and the redevelopment plan. This study employs original data gathered from 108 Findings of Necessity or blight studies and 172 redevelopment plans. The community redevelopment documents represent 173 Florida jurisdictions (33 counties and 140 municipalities) and provide a good spatial and socio-economic distribution of Florida jurisdictions that use TIF.

Utilizing a content analysis, the data analyzed in this study includes: 1) slum and blight conditions as documented in the blight study and 2) redevelopment limitations, goals, and redevelopment strategies as documented by local redevelopment plans. The analysis determines if the slum and blight conditions cited to establish a TIF district are logically related to the redevelopment limitations and redevelopment goals and strategies adopted once the TIF district is approved. The chi-square statistic is used to measure the strength of association between variables.

The hypotheses tested in this study are:

1: Slum and blight conditions are positively related to the redevelopment limitations of the TIF district.
2: Redevelopment limitations of the TIF district are positively related to the redevelopment goals for the TIF district.
3: Redevelopment goals for the TIF district are positively related to the selection of TIF district redevelopment strategies.
4: Slum and blight conditions are positively related to the selection of TIF district redevelopment strategies.

Findings

This study found a deep disconnect between the slum and blight conditions cited in the blight study and the content of the redevelopment plan. First, only the blight criterion ‘predominance of inadequate or ineffective roadways’ was positively related to the citation of road infrastructure as a redevelopment limitation in the redevelopment plan (Hypothesis #1).
This result suggests that the slum and blight conditions used as reasons to establish a CRA to finance TIF projects generally differ from the description of conditions limiting redevelopment efforts as documented in the community redevelopment plan. Next, when examining if slum and blight conditions are positively related to the selection of TIF district redevelopment strategies (Hypothesis #4), only five of the 75 relationships tested in this model proved to be statistically significant. In other words, the findings suggest that there are few links and little internal consistency between the data collected, or the means to establish a TIF district, and the adoption of community redevelopment policies, programs, or projects.

However, the internal consistency of the relationships between redevelopment limitations, goals and strategies within the local community redevelopment plans is much stronger. First, the limitations of the TIF district are generally related to the redevelopment goals for the TIF district (Hypothesis #2). Basic services infrastructure regarding sewer, stormwater, fire protection and roadways as a redevelopment limitation were all significantly related to communities adopting goals of infrastructure repair and development. Next, the findings clearly indicate strong support for the hypothesis that redevelopment goals are positively related to TIF-sponsored redevelopment policies and projects. (Hypothesis #3). Redevelopment goals for infrastructure repair, traffic calming, business development, creating jobs, creating a sense of place, promoting tourism, increasing the supply or quality of housing, and fostering community identity and safety are all addressed with multiple strategies that will presumably enable the community to meet those redevelopment goals.

**Policy Implications and Concluding Remarks**

This research provides insight into the operations of the TIF model of urban redevelopment by examining the relationship between the slum and blight conditions of a proposed TIF district and the strategies adopted to remedy those conditions. This research study hypothesizes that the technical data and research and analysis that drives the Finding of Necessity directly influences the redevelopment plan and the selection of redevelopment strategies in Florida. Although there is clear evidence of internal consistency between the components within the local community redevelopment plans, the research findings also suggest that there are few links and little internal consistency between the data collected, or the means to establish a TIF district, and the adoption of redevelopment policies, programs, or projects. In its current form, the state statute places no requirement on a connection between the content of the blight study and the redevelopment plan. Stricter connections between existing slum and blight conditions, as described in a community’s blight study and urban redevelopment solutions, adopted as policies, programs and projects in a community’s redevelopment plan, are recommended. Tighter connections between the blight study and the redevelopment plan could facilitate a more relevant and effectual redevelopment outcome, making explicit why certain policies are selected for tax increment financing dollars.

For example, the lack of affordable housing is a criterion cited in the state enabling legislation that allows for the creation of a TIF district. Yet, there is no mechanism that ensures that if this is an obstacle to redevelopment that necessitates the establishment of a TIF district, that affordable housing construction, or some other equivalent policy prescription is adopted as part of the redevelopment plan. Put another way, if affordable housing is cited as a factor preventing the redevelopment of an area, a policy remedy facilitating an expanded supply of affordable housing should be integrated into the community’s redevelopment plan. In short, legislative requirements are needed that ensure the improvement of blighted areas is addressed by tying statutory blight conditions to specific policy prescriptions adopted as part of a community’s redevelopment agenda.

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