Financing Resilience in Northeast Florida

The P2R2 Committee recommended two strategies be reviewed specific to Northeast Florida: Property Assessed Clean Energy (PACE) and Community Redevelopment Areas/Agencies. Two meetings were convened in early 2016, the first of which was a discussion of the characteristics of each program. PACE was viewed as a valid program, useful as it allows for building retrofit financing which then can be paid off over time by an assessment on the property. Its intent, however, is specific to energy. The general feeling was that it should be used more widely in Northeast Florida and the program should be broadened to allow for financing of resiliency retrofits. As the latter idea is beyond the “doable” mandate of P2R2 Action items, the discussion focused on Community Redevelopment Areas/Agencies. If circumstances exist in an area that allow for findings that support the designation, CRAs can be designated and plans for their redevelopment identified. Once designated, any increase in property taxes realized in the CRA is used within the area to support the implementation of the plan.

Observations from the working group

- Need to define terms before we address finances. What do we mean by vulnerable? What is ‘short-term’ and ‘long-term’ when thinking about resilience?
- Communities should consider what properties are not worth saving – possibly repetitive loss or severe repetitive loss. This could be accomplished by a parcel by parcel review of an area, looking at each structure, its elevation, its history, etc.
- A compact, similar to South Florida, would help the issue of crossing jurisdictional boundaries in that it would ensure all communities think about resiliency and agree to cooperate.
- A vulnerability assessment is crucial in moving forward with financing/incentivizing resilience.

Ideas for Northeast Florida

- Take advantage of existing Community Redevelopment Areas/Agencies. Consider adding projects to address resiliency in existing coastal CRAs or those that experience flooding. This would allow an area to develop a vulnerability assessment and add to the plan concepts such as using resilient infrastructure. Fernandina Beach is currently reviewing related issues and may present an opportunity. This approach is dependent on the willingness of the community to consider changes to their plans, but could be implemented without changes if the plan allows for the concepts of resiliency to be added to projects already included. The CRAs in Flagler Beach, Jacksonville Beach and St. Augustine/Lincolnville might consider this approach.
- Research the possibility of new CRAs that are located in more resilient areas that could benefit from redevelopment. This would allow for the incentivizing of development to go to areas that are more resilient, by financing development-supportive infrastructure, for example.
- Continue the investigation in to the use of Special Districts (BID, CDD, etc.) to finance resilience. These districts are often a grassroots effort, which provide areas a finance tool to accomplish a task (i.e. dredging district). This might accommodate the areas that find they are vulnerable but are not CRAs. They could voluntarily come together to fund improvements that would enhance their resilience.
- The “Adding Resilience to Financial Literacy” action item fostered discussion of banks and the Community Reinvestment Act. Resiliency is a goal that would help to meet the needs of low and middle income borrowers, as the Act requires. What mechanisms could be used needs to be further discussed with banks in the area, many of which are already partnering with the region and communities.