

COMMUNITY AND ECONOMIC DEVELOPMENT ANALYSIS

Background

A healthy community must have a good supply and range of quality housing, a sustainable economy, and a high quality of life. These three objectives are not possible if a community lacks strong, vibrant neighborhoods and a robust local economy. If neighborhoods lack a strong sense of identity, it is more difficult to protect the housing stock and entice desirable businesses and highly skilled workers to the area.

Sarasota acknowledges the role that neighborhoods play in protecting the quality of life in our community. Both the City of Sarasota and the County of Sarasota have highly active neighborhood departments that determine at-risk neighborhoods and devise neighborhood strategy plans to promote neighborhood conservation and revitalization.

Due to the recession and widespread unemployment, Sarasota has decided to more closely exam the possibility of using Federal community development and affordable housing funding to strategically spur sustainable economic development throughout the county. A focus group of neighborhood and economic development experts was held to gain additional insight on how to best use limited funding for the maximum benefit of the entire community.

Eligibility Areas

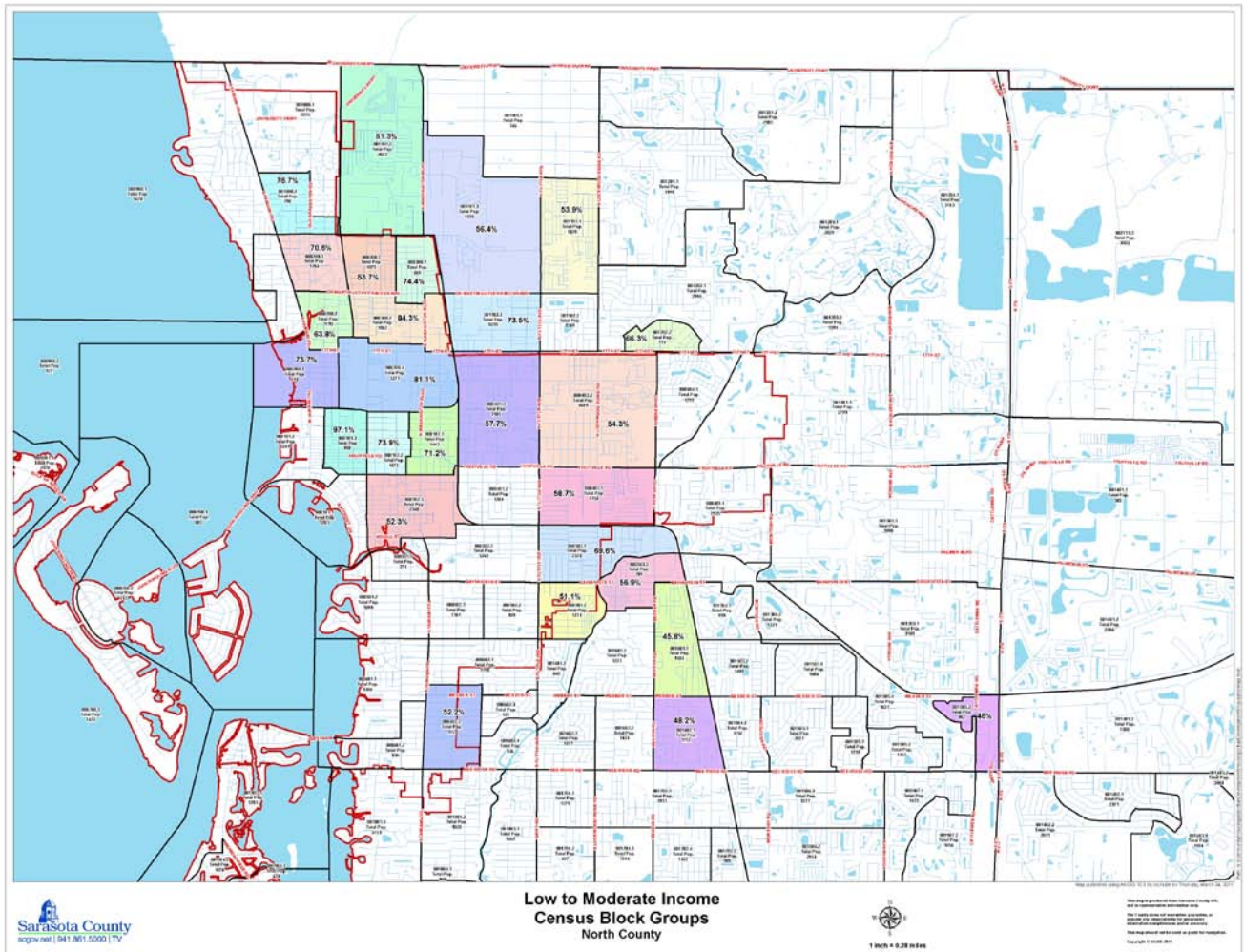
If the Federal Community Development Block Grant (CDBG) is going to be used to promote neighborhood revitalization, it must be done in low-income areas. However, some flexibility does exist because communities are analyzed by block group, instead of census tract. Normally, a block group must consist of over 50% low to moderate-income (LMI) individuals to be eligible for CDBG funds.

However, when a locality has less than 10% of its block groups with 50% or greater LMI populations, then CDBG funds can be used in block groups that have greater than 45% LMI populations. Sarasota County has fewer than 10% LMI block groups so it follows the 45% rule. Since the City of Sarasota has more than 10% of its block groups with LMI populations, it follows the 50% rule.

The maps below show six areas of low-income concentrations in Sarasota County where CDBG funds can be used. The maps are listed as follows:

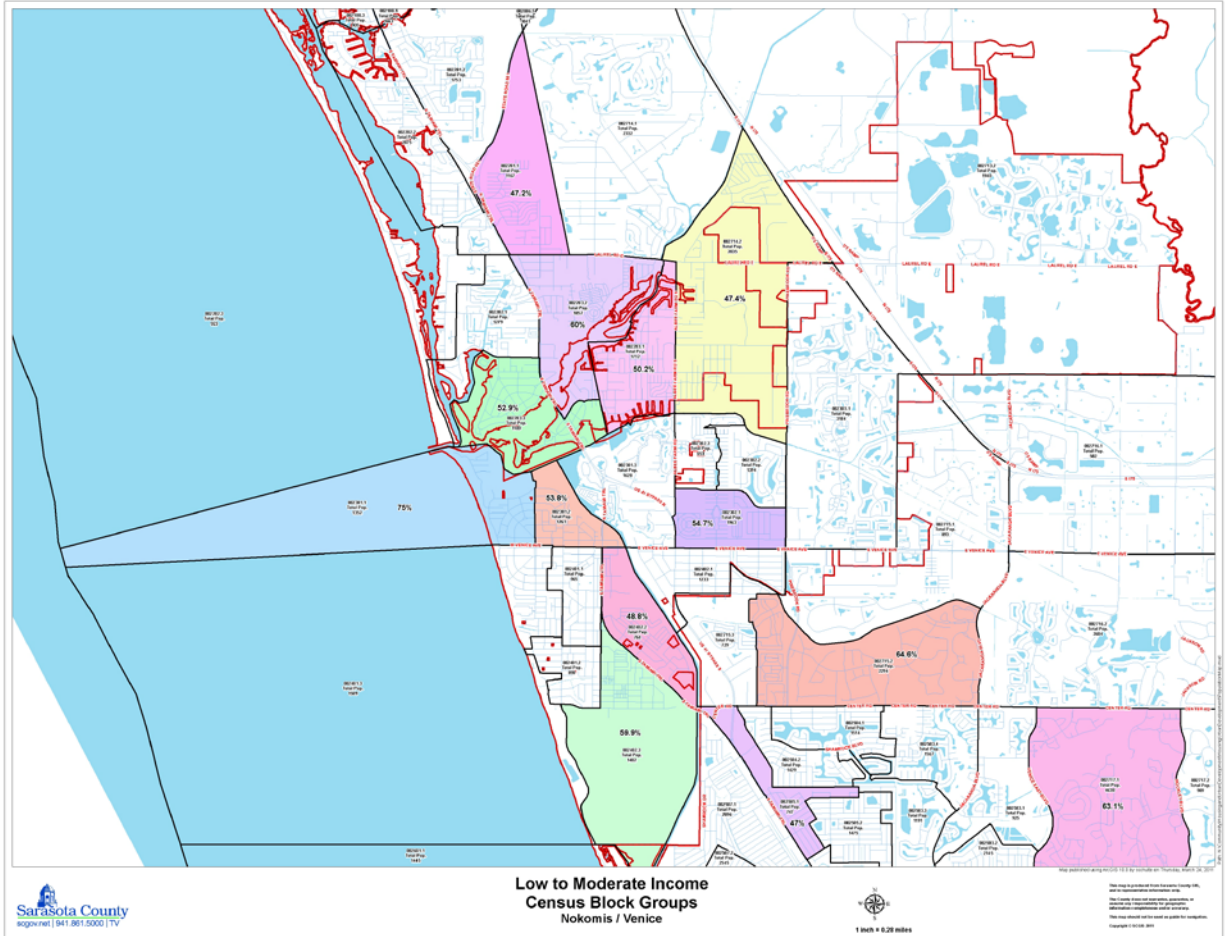
1. North County
2. Nokomis/Venice
3. Central Sarasota County
4. Southern Venice/North Port
5. North Port
6. Englewood

Low- Income Concentrations North County



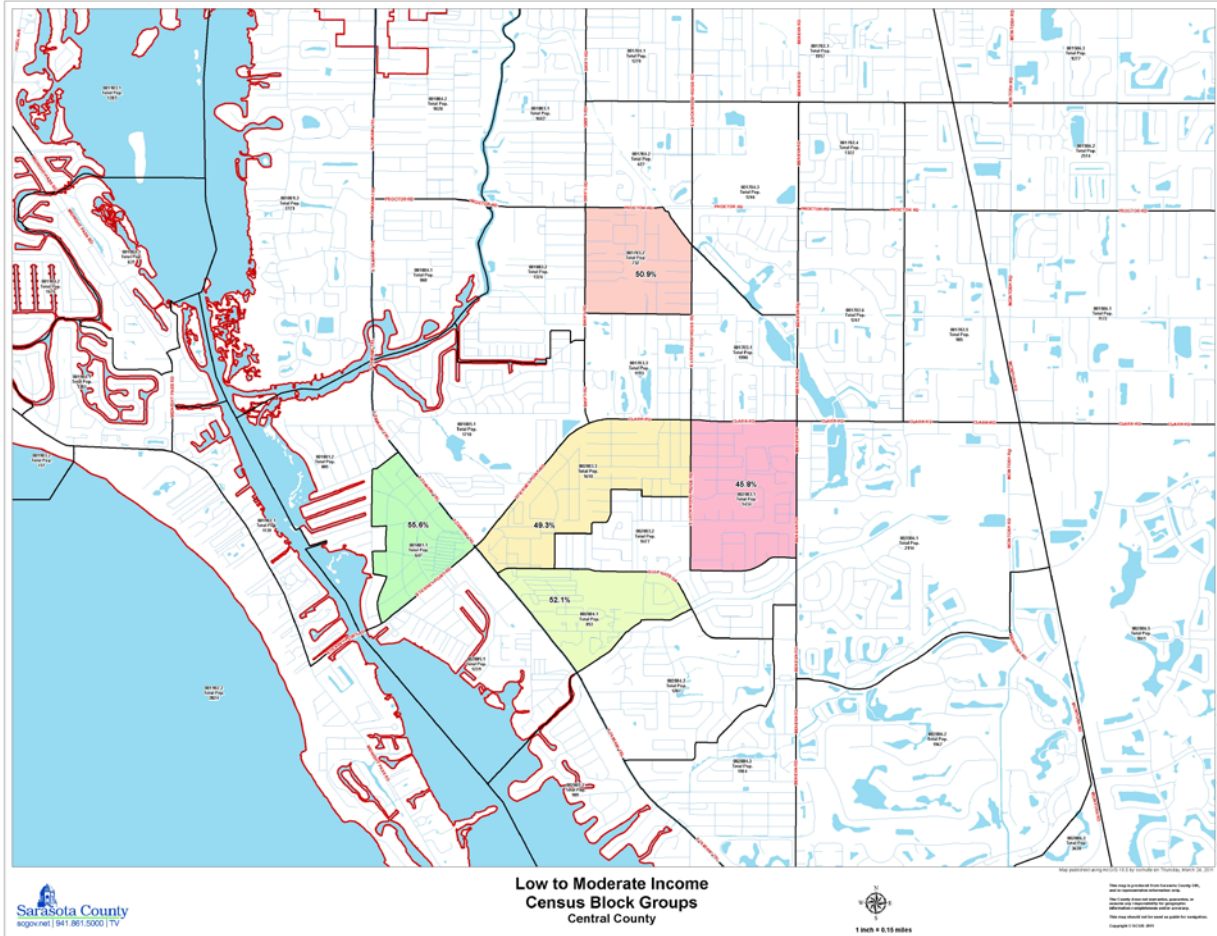
The majority of low-income block groups in North County lie in what is traditionally called the Newtown Community. There are three block groups in this area that have a LMI population of more than 75 percent. A low-income pocket also exists in the Pinecraft area.

Low- Income Concentrations Nokomis/Venice



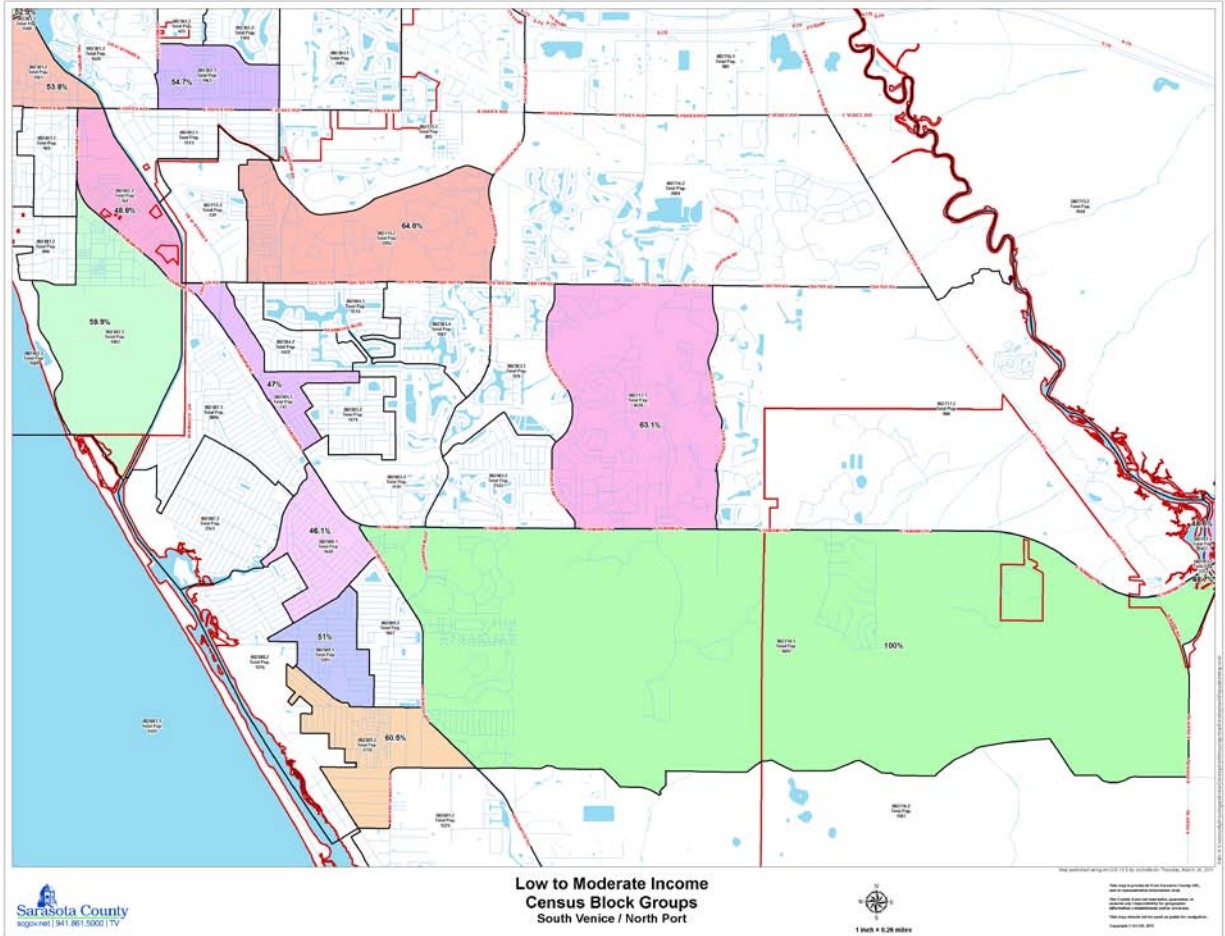
The Nokomis/Venice area of Sarasota County continues to have lower poverty rates than that of North Sarasota County. The majority of low-income populations remain around the core of downtown Venice.

Low- Income Concentrations Central Sarasota County



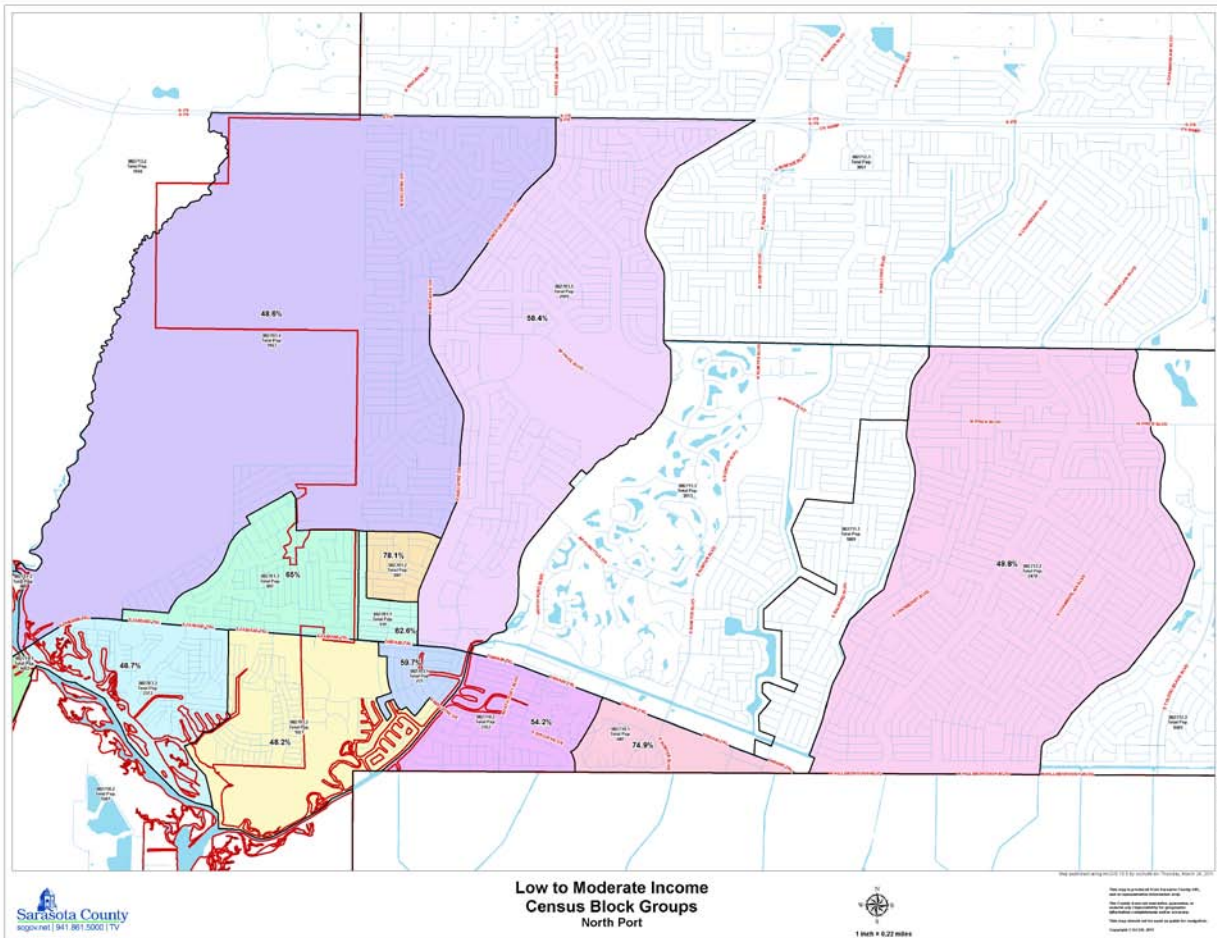
Central Sarasota has the least amount of low-to moderate income census blocks in Sarasota County. The highest rate of poverty is 55.6% and lies in census block 001801.1.

Low- Income Concentrations Southern Venice/North Port



South Venice has one census block with 100% poverty that OHCD has questioned. It can be seen in the above map. It has large areas that are above income so if a project is created in this area staff will conduct field surveys to ensure that it is actually low-income. Staff contacted HUD about this census block, but was assured that the data was correct.

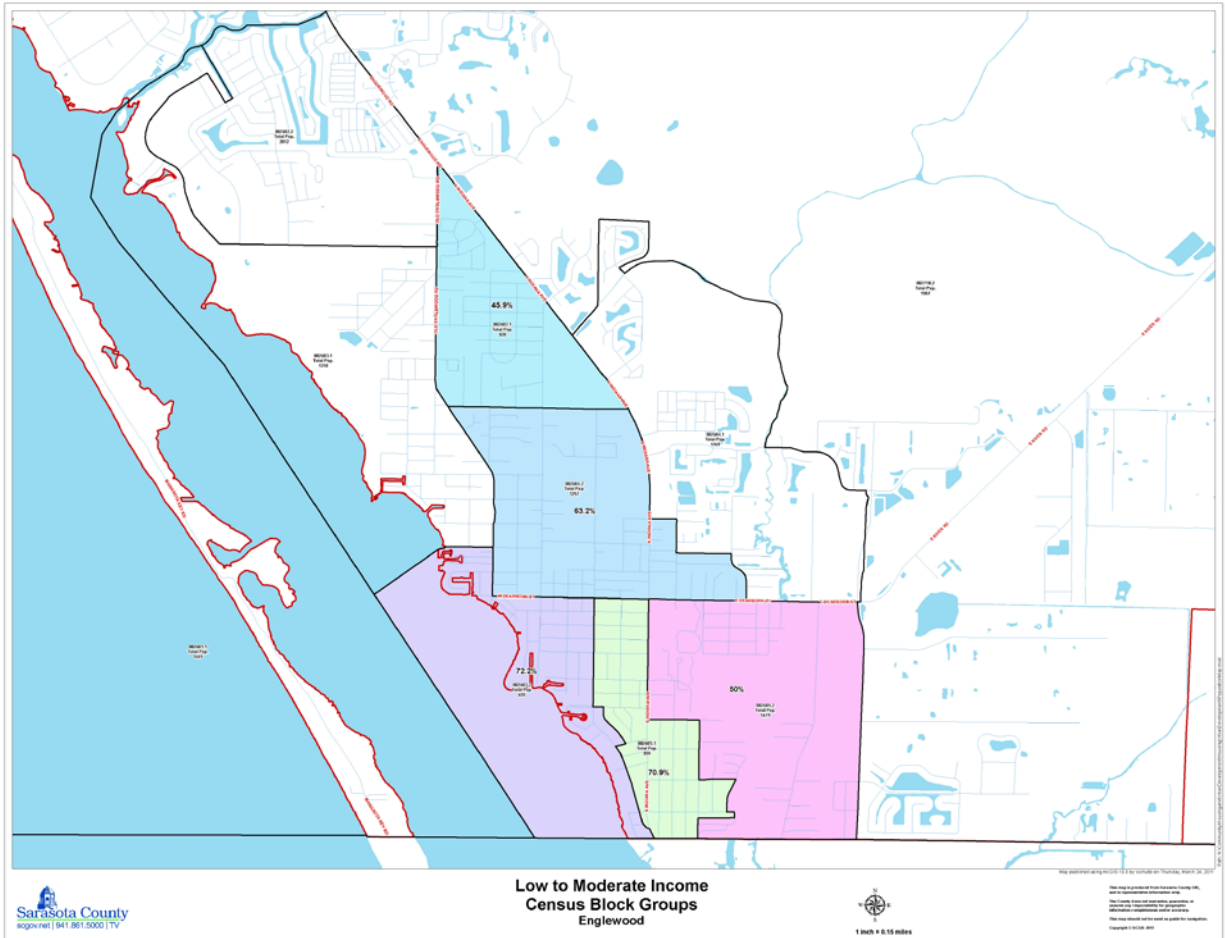
Low- Income Concentrations North Port



North Port

North Port is a relatively young city. Built since 1970, it did not have the high concentration of poverty that the City of Sarasota and North Sarasota County did until the Great Recession. However, its poverty rates have increased since the 2005-2010 Consolidated Plan. The LMI populations occur throughout the city with the highest rate of poverty occurring in block group 2710.1 in the southern center of the city. Due to the relatively low density in North Port, these block groups cover a larger geographic area.

Low- Income Concentrations Englewood



Poverty rates in Englewood have also increased since the 2005-2010 Consolidated Plan. The majority of Englewood now has a low-to moderate income population with the highest rate of poverty in census block 002603.2. Sarasota County has large project planned in Englewood in the next few years that should help to address the need for revitalization in this area.

Neighborhood Action Strategies

In the past, the majority of CDBG dollars in both the City of Sarasota and Sarasota County have been used to support neighborhood redevelopment. The last Consolidated Plan focused much of the County CDBG funds into a water/sewer project in North Sarasota County and water lines in the Laurel neighborhood along with other smaller infrastructure projects such as sidewalks. With the water/sewer project now completed, there is now a chance to use CDBG funds for neighborhood revitalization.

Currently there are three ways for redevelopment funds to be channeled into neighborhoods. The City of Sarasota has two divisions responsible for neighborhood planning and implementation, the Neighborhoods, Special Projects and Downtown Redevelopment Division and the North Sarasota/Newtown Redevelopment Division. The County of Sarasota has a Neighborhood planning division within their Development Services Business Center. All three of these offices either write or implement existing neighborhood plans to promote quality of life and community stabilization in low to moderate-income areas.

City of Sarasota Neighborhoods, Special Projects and Downtown Redevelopment Division

The City of Sarasota began planning for neighborhood revitalization with the Neighborhood Action Strategy (NAS) Program in 1999 within the Neighborhood Division. Through this program, neighborhood residents, landowners and businesses, with assistance of City staff, identified ways to improve conditions in their neighborhoods. City staff then recommended specific projects and funding strategies to the City Commission for approval. Eight neighborhoods benefited from this program. These neighborhoods were chosen based upon a variety of demographic data including median household income, educational attainment, code violations and crime index.

Staff actively manages the implementation of action items from these NAS's and tracks their progress while providing results to service users and providers. There are a total of 646 individual action items for the eight NAS neighborhoods. Funds from the 2011-2016 Consolidated Plan will be used to further implement these plans to improve the quality of life for the residents of Sarasota.

Newtown Redevelopment

The North Sarasota/Newtown Redevelopment Division within the City of Sarasota focuses a significant portion of its neighborhood efforts in the Newtown area. The City's Newtown Redevelopment Office is located within the Newtown community and offers a variety of services to the neighborhood's residents and business owners. The Newtown neighborhood has the majority of poverty and racial/ethnic concentrations in the City of Sarasota.

Newtown is just over one mile long and has the majority of the public housing in

Sarasota County. It is currently designated as an Enterprise Zone, a HUB Zone, and a Florida Front Porch Community. The Newtown Redevelopment plan is a neighborhood redevelopment plan with a heavy emphasis on economic development. Both the City and County of Sarasota have made significant commitments to implement the Newtown Redevelopment Plan. Listed below are just seven activities that have occurred to implement the plan:

1. The City and County have awarded \$16,951,200 to the Housing Authority of the City of Sarasota to redevelop 388 units of public housing that are located in Newtown. The funding is \$1,500,000 in Tax Increment Financing, \$5,000,000 in County Housing Trust Funds, \$219,500 in City Housing Trust Funds, \$4,420,000 in Penny Sales Tax, \$3,825,999 in State Housing Initiatives Partnership Funding and \$685,701 in City and County CDBG funds. This local funding will leverage an additional \$110,700,000 in private funding.
2. The City has committed \$786,535 in CDBG and CDBG-R funding to 17 commercial businesses serving the Newtown neighborhood to renovate the exteriors of the businesses and remove code violations. A total of 15 businesses, most located within the traditional Newtown commercial district along the Dr. Martin Luther King Jr. Way have been approved for funding in the program. This program should be complete by the end of 2011.
3. The construction of the Robert Taylor Community Complex. The City of Sarasota has committed over \$11 million dollars in local funding and has received 4 separate EDI grants totaling \$931,250 for the construction of a new community center serving the Newtown area. The construction of the Robert Taylor Center began in October 2009 and will be completed by July 2011.
4. The Sarasota School District has recently constructed new elementary and middle schools in the Newtown Neighborhood and will now construct a new high school. The new school will enhance educational opportunities as it is being designed to enhance small learning communities.
5. The City of Sarasota has committed \$3,630,000 in local funding for Capital Improvements in Newtown and \$917,000 for landscaping improvements for the Newtown Neighborhood in conjunction with the widening of U.S. 301.
6. Sarasota County has constructed Public Water and Sewer lines, sidewalks, and a pedestrian bridge to serve the North Sarasota Neighborhood. The past infrastructure improvements in the North Sarasota area totaled \$6,615,124. The City of Sarasota has also spent \$1,791,000 on park improvements and a new parking lot for the Newtown commercial district.

7. OHCD was awarded an NSP2 grant that will provide \$23 million dollars to help stabilize and redevelop the Newtown area. This funding has allowed OHCD to purchase several multi-family units that will greatly increase quality of life in the North Sarasota neighborhood.

Sarasota County's Neighborhood Initiative Program

The Neighborhood Initiative Program selects neighborhoods to partner with county staff to create neighborhood improvement plans based on income, education, health, safety and code violations. County staff first listens to the neighborhood's top concerns and then creates a strategy to address them by identifying and evaluating the neighborhood's strength and weaknesses. To develop the plan residents, business owners and staff members from various agencies discuss each issue in detail during a series of meetings.

To date, neighborhood plans have been created for the Laurel, North Sarasota, Pinecraft, Venice Gardens, and Old Miakka neighborhoods. There are also additional areas eligible for CDBG funds that have already established community and revitalization plans in Sarasota County. Those neighborhoods include Nokomis, South Venice, and Englewood. County CDBG funds will be used to implement these plans.

Neighborhood conservation and revitalization is necessary to keep both growing and built out communities strong. Both the City and County of Sarasota are dedicated to conserving the high quality of life that strong neighborhoods provide the Sarasota community.

Economic Development

The Community and Economic Development Focus Group brought to life the importance of business incubators, additional training and educational opportunities for residents, and the ability to use business loans to entice employers to the Sarasota area. As the Consolidated Plan priorities are selected, the creation of jobs will be a top priority. A business incubator is currently being planned in the Newtown area and the City of North Port has set aside funding in this Consolidated Planning period for another one.

Neighborhood Obstacles

- Competitive process for limited resources.
- Neighborhood plans need on-going commitment, support, and updating.
- Disagreements over needs, priorities, and goals for neighborhoods.

Economic Development Obstacles

- Lack of businesses willing to locate in low and moderate-income neighborhoods and communities;
- Lack of existing businesses in low- and moderate income communities;
- Competition for limited funds;
- Commitment needed from business community and lending institutions to encourage economic development in low and moderate-income areas;
- The development of a new organization to oversee the loan program;
- Risk of businesses losing money and/or going bankrupt waiting for area to revitalize.

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