

Brandon J. Patty
Clerk of Court and
Comptroller



David N. McClintock
Inspector General

Office of Inspector General
St. Johns County, Florida

August 3, 2023

Ms. Joy Andrews, Interim County Administrator
St. Johns County Board of County Commissioners
500 San Sebastian View
St. Augustine, Florida 32084

Dear Interim County Administrator Andrews,

The St. Johns County Clerk of the Circuit Court and County Comptroller's Office of Inspector General (OIG) is hereby issuing an audit report on the St. Johns County Community Redevelopment Agency.

On 05/05/2022 Inspector General Nilsa Arissa engaged the services of James Moore & Co., P.L., (James Moore) to perform an internal audit of the Community Redevelopment Agency and the three existing Community Redevelopment Areas (CRAs) of West Augustine, Vilano Beach, and Flagler Estates. The audit included a review of CRA plans with a focus on role definitions, steering committees, progression of individual CRAs, resolutions, and formalized processes for each plan.

In their audit report of 08/31/2022 James Moore determined that "opportunities for improvement exist for enhancing the efficiency, effectiveness, and appropriateness of the CRAs." These opportunities for improvement were set forth in four separate "observations and findings", each making recommendations on system improvements.

St. Johns County management addressed the audits observations and findings. See Attachment B "Management Responses". The County had no objections to the recommendations and responded identically to all findings stating, in part, that the "County has employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts."

We appreciate the work of the leadership and staff of the County who participated in the audit process and in responding to the noted findings.

The Office of Inspector General looks forward to conducting a follow-up audit to assess the impact of the newly implemented coordinator position.

David McClintock, JD, CIG, CIGE
Inspector General

Encl: James Moore Audit Report
Managements Responses to Observations, Findings and Recommendations

**ST. JOHNS COUNTY CLERK OF CIRCUIT COURT &
COMPTROLLER**

**COMMUNITY REDEVELOPMENT AGENCY -
INTERNAL AUDIT REPORT**

COMMUNITY REDEVELOPMENT AGENCY - INTERNAL AUDIT REPORT

To Nilsa Arissa, Inspector General,
St. Johns County, Florida:

In accordance with our engagement letter for assistance with current year planned internal audits, dated May 5, 2022 with the St. Johns County Clerk of Court, Office of Inspector General (the Office), we have provided internal audit assistance related to the Community Redevelopment Agency and three existing Community Redevelopment Areas (CRAs).

The use of the term "audit" relates to the scope of procedures, as outlined in the engagement letter for the above internal audit assistance, to be performed in accordance with the Statement on Standards for Consulting Services and the Code of Professional conduct issued by the American Institute of Certified Public Accountants. The use of the term "audit" in this report does not refer to a financial statement audit, performance audit, forensic audit, or any other formal audit arrangement as defined by AICPA or other professional standards.

INTRODUCTION

Objectives

The Office requested assistance from James Moore & Co., P.L. (James Moore) with an internal audit of the CRA plans, in addition to specific focus over role definitions, steering committees, progression of individual CRAs, resolutions and formalized processes for each plan. The objectives of the engagement included the following services:

- Assistance with obtaining a baseline understanding of the internal controls in place related to the operational areas selected for the internal audit.
- Assistance with identifying key areas of risk and/or deficiencies in the design of internal controls related to the operational areas selected for the internal audit.
- Assistance with developing procedures to be performed for specific testing as part of the internal audit.
- Final summarization of the results of the procedures performed.
- Drafting a final report summarizing the results, findings, and recommendations from the procedures performed.

Background

In 2000, pursuant to section 163.356, Fla. Stat., the Board of County Commissioners created the St. Johns County Community Redevelopment Agency¹ (“Agency”) to carry out redevelopment purposes consistent with Part III, Chapter 163, *Florida Statutes*, as amended, and the community redevelopment plans of the West Augustine CRA, Vilano Beach CRA and Flagler Estates CRA. Each CRA developed an original CRA Plan (the “Plans”) and each has a volunteer Steering Committee to provide for and encourage involvement by residents and to provide guidance to County staff in carrying out the goals of the Plans.

The BOCC established the West Augustine CRA in September 2000 and adopted the West Augustine CRA Plan in November 2001. The purpose of the West Augustine CRA Plan is to address public concerns related to economic development, future land use, transportation, urban development, housing, recreation and community aesthetics. The plan was designed to eliminate unsafe and unsightly conditions and to promote economic development. The CRA Plan includes three broad goals, supported by fourteen objectives, and includes twelve specific proposals to meet those objectives. See Appendix A for a summary of the goals, objectives and proposals.

The BOCC established the Vilano Beach CRA in September 2002 and adopted the Vilano Beach CRA Plan in October 2002. The primary focus of the Vilano Beach CRA Plan relates to infrastructure improvements, but also addresses the elimination of conditions that indicate economic decline. The Plan provides for community policing, economic development incentives and activities which improve the quality of life for community members. The CRA Plan includes twenty-three goals, supported by eleven suggested programs. See Appendix A for a summary of goals and programs.

The BOCC established the Flagler Estates CRA in September 2002 and adopted the Flagler Estates CRA Plan in October 2002. The Flagler Estates CRA Plan states its primary purpose as providing infrastructure to support development of single-family housing. The Plan also addresses the elimination of blighted conditions, affordable housing programs, community policing, economic development incentives, and activities which improve the quality of life for community members. The CRA Plan includes 20 goals, supported by ten suggested programs. See Appendix A for a summary of goals and programs.

We gained an understanding of each of the CRA Plan’s purposes and programs, as well as the administrative efforts of County staff to provide assistance to the CRAs and resources necessary to achieve the varying goals of the Plans. We collaborated with County Management, along with representatives from each CRA Steering Committee, to ensure the development of processes that provide assistance in an efficient and effective manner for all parties involved.

Scope

The scope of the internal audit work included inspecting each of the CRA plans, goals, by-laws and steering committees over the time period since the inception of each CRA Plan.

In planning and performing our procedures, we obtained an understanding of the County’s internal controls as it relates to the CRAs for identifying recommendations to enhance the overall internal control environment, but not for the purpose of expressing an opinion on the effectiveness of such internal controls. Accordingly, we do not express an opinion on the effectiveness of the County’s internal controls relative to these areas. This internal audit was not designed or intended to be a detailed study of every relevant

¹ In September 2000, St. Johns County Board of County Commissioners (“BOCC”) created the West Augustine Community Redevelopment Agency (Resolution 2000-146); subsequently, in October 2002, the BOCC renamed the West Augustine Community Redevelopment Agency to St. Johns Community Redevelopment Agency (Resolution 2002-208).

procedure, transaction, or system, and, therefore, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement is needed.

Specific details of our testing are described below in the Methodology section.

Methodology

Our methodology included the steps outlined below.

Planning

Our planning process included the following:

- Initial meetings to discuss areas of focus, scheduling, and advance requests for relevant documents.
- Initial understanding of each CRA and the design of internal policies and controls in place as established by the documented policies and procedures.
- Design of a testing plan.

Fieldwork

Based on our understanding of the existing policies and procedures and the scope of work and areas of focus, we performed the steps outlined below:

- Requested information related to the St Johns County Community Redevelopment Agency and each of the individual CRAs. Information provided included:
 - o County Ordinances and Resolutions
 - o Most recent available CRA annual reports
 - o General information regarding history and structure of the three CRAs
 - o Original CRA Plans, by-laws for each individual CRA
 - o Structure of current Steering Committee for each of the CRAs
 - o Annual accomplishments for each CRA
- Inspected all relevant County Ordinances and Resolutions. In order to track and summarize information in ordinances, we created an index and summarized this information.
- Inspected the 2021 CRA Annual Reports, which included projects and activities completed by each CRA and the March 4, 2022 County Commission Status Update memo providing a financial overview of the CRAs.
- To obtain an understanding of the structure and activities carried out by the CRA Steering Committees, we requested meetings with representatives from each committee. Meetings were scheduled and held during fieldwork and a summary of these discussions was prepared.
- At the conclusion of each meeting, we requested recent meeting minutes from each CRA. Minutes provided were read and a summary of minutes was prepared.

- Inquired and inspected information obtained throughout fieldwork to determine if the progress of CRA's is monitored, tracked and aligned to original CRA Plans. Upon request, we were provided with a list of programs, activities and accomplishments of each CRA. The list was compiled for purposes of this internal audit engagement.
- Inspected Steering Committee by-laws and referred back to information obtained to determine if by-laws are being followed by each CRA in regards to purpose, structure and elections of officers.
- We obtained the March 2022 contract between the Agency and the Vilano Beach Main Street, Inc. (VBMS) which tasks VBMS with coordinating the Steering Committee and reviewed for compliance in regards to purpose, committee structure, required reporting and election of officers.

Reporting

Upon completion of our testing, we summarized our observations, findings and recommendations as described below.

Overall Conclusion

The results of our fieldwork identified that opportunities for improvement exist for enhancing the efficiency, effectiveness, and appropriateness of the CRAs. Our observations and recommendations are presented in the section below.

OBSERVATIONS & RECOMMENDATIONS

Our procedures and findings are as follows:

Procedures: We inquired and inspected information obtained throughout fieldwork to determine if the progress of CRA's is monitored, tracked and aligned to original CRA Plans.

Observations and Findings:

1. Throughout our fieldwork, we inquired and inspected information provided to determine if the progress of each CRA is being monitored, tracked and aligned back to the original CRA Plans. County Management provided a list of programs, activities and accomplishments, by year, but the list was only compiled recently for purposes of this internal audit. A process does not currently exist to specifically align the progress made by each CRA towards completion of the original goals of the Plans and evaluate the activities and accomplishments to-date. An Annual Report is prepared to highlight the achievements, projects and events of each CRA, but these are not aligned back to the original goals or proposals per the CRA Plans.

Based on the information obtained, we noted the Committees track progress in various ways:

The West Augustine Committee has created additional committees directly aligned with the CRA's purposes as identified in the by-laws. This allows for tracking programs, activities, plans, etc.; however, there was no indication of alignment with the original CRA Plan.

The Vilano Beach Steering Committee through VBMS provides monthly progress reports to the County outlining activities, programs, etc. that align directly to the VBMS objectives as stated in the most recent contract; however, there was no indication of alignment with the original Vilano Beach CRA Plan.

The Flagler Estates Committee focuses on needs within the community, identified by committee officers or based on community surveys; however, there was no indication of alignment with the original CRA Plan.

Recommendations:

- We suggest County staff, in coordination with the Committees, review the original CRA Plans and identify the goals achieved to-date. This procedure should be formally documented to allow for review of the Plan's progress. We recommend County Management then implement a formal policy and procedure, including an agreed upon template or checklist, which aligns the Plan goals, Committee by-laws and specific projects and activities of each CRA. Responsibilities and roles should be clearly established to delineate roles for the County and each Committee. The Steering Committees should be responsible for formally documenting achievements and aligning them to the Plan goals. Communication and assistance by County staff should be completed quarterly and finalized at the end of each fiscal year. This should include a review of activities carried out with tax increment financing, County budgeted funds, and those funded by each Committee's efforts.
- We also recommend a coordinated review be held, between County staff and the Committees, to assess Plan goals and programs.
- The CRA Plans include suggested guidelines for review, and we recommend regularly scheduled, periodic reviews be conducted for each Plan. The Flagler Estates and Vilano Beach CRA Plans call for an annual review of the progress towards each stated plan's goals. The West Augustine CRA Plan includes indicators of success, that should be considered on a regular basis.

Procedures: We inspected Steering Committee by-laws to determine if by-laws are being followed by each CRA in regards to purpose, structure and election of officers.

Observations and Findings:

1. Based upon our review of the by-laws we noted the following for each CRA:

West Augustine

- a. Purpose- the purposes of the Committee are clearly stated and aligned directly with the structure of the CRA Plan. There does not appear to have been a direct correlation to tie in the Purpose of the Committee with the original goals outlined in the CRA Plan, although they are reflective of the nature of the Plan.
- b. Structure-the structure of the Committee is in accordance with the by-laws, which provide for a Chair, Co-Chair and Secretary, along with Committee members.
- c. Elections-by-laws indicate elections should be held biennially with terms of chair and co-chair expiring in alternate years; two-year terms; no more than two consecutive terms unless necessary. It was confirmed by Committee representatives that elections are held biennially during meetings with the general public, but was not supported by formal documentation or in meeting minutes provided. Current officers have been in place for many years since replacement nominees have not come forward.

Vilano Beach – As the Vilano Beach Steering Committee is comprised of members from other organizations, there are not specific by-laws for the CRA Steering Committee. See discussion which follows regarding the structure of the Vilano Beach Committee.

Flagler Estates

- a. Purpose- Purposes of the Committee are clearly stated. There does not appear to have been a direct correlation to tie in the Purpose of the Committee with the original goals outlined in the CRA Plan, although they are reflective of the nature of the Plan.
 - b. Structure-the structure of the Committee is in accordance with the by-laws, which provide for a Chair, Co-chair, Secretary and Vice Secretary.
 - c. Elections-by-laws indicate elections should be held annually; voted on by qualified member of the public in attendance; two-year terms with chair and co-chair in alternating years; not more than two consecutive terms unless necessary. It was confirmed by Committee representatives that elections are held annually, are open to the general public and all attendees may vote for candidates identified at the election meeting, but was not supported by formal documentation or in meeting minutes provided. Current officers have been in place for many years since replacement nominees have not come forward.
2. We obtained by-laws associated with the West Augustine CRA, dated June 11, 2001, which we confirmed are the by-laws currently referenced by the existing CRA Steering Committee. We were also provided by-laws for the year 2005, which were unsigned and did not have an effective date. It was not apparent if these were amended by-laws specific to the West August CRA, the CRA Steering Committee, or if these by-laws were, in-fact, signed and made effective.
3. As noted above, the last signed by-laws for West Augustine are dated June 2001, while Flagler's most recent by-laws are dated March 2005. As discussed below, the VBMS contract was updated in March 2022.

Recommendations:

- Although Committee representatives indicated that elections were held in accordance with by-laws, evidence of the election process was not identified through documented minutes for West Augustine and Flagler Estates CRAs. Vilano Beach CRA elections were documented in minutes, although the minutes included references to changes subsequent to formal elections that were made through emails and text. We recommend the election process be held and documented in meeting minutes to demonstrate compliance with the by-laws, and the reasons for excessive term limits be documented when replacement candidates are not identified. We also recommend that County Management approve the election of officers each term. If County Management is unable to attend election meetings, approval can be carried out through review of election meeting minutes. A formalized process should be developed whereby County Management has access to all meeting minutes of each Committee.
- We recommend the West Augustine Committee obtain an understanding of whether the 2001 or the 2005 by-laws are effective. If the 2005 by-laws are currently in effect, they should be signed. In the future, the status of any amendments or updates to existing bylaws should be documented in the meeting minutes.
- We recommend the by-laws for West Augustine and Flagler Estates be reviewed and updated, as needed, and a formal policy be established for a review of by-laws on a periodic basis, coordinated with review of each CRA Plan. As two of the CRA Plans recommend review of the plan every 5 years, this policy is recommended for review of Plans and by-laws for each CRA.

Procedures: We obtained the March 2022 contract between the Agency and VBMS and reviewed it relevant to the Vilano Beach CRA for compliance in regards to purpose, committee structure, required reporting and election of officers.

Observations and Findings:

1. The Agency contracted with VBMS to further the goals of the Vilano Beach CRA plan and coordinate the Steering Committee. In March 2022, the County renewed its contract with VBMS. We reviewed the contract to determine if terms were being followed in regards to purpose, required reporting and election of officers. We noted the following:
 - a. Purpose: Purpose and intent are clearly outlined. Reference to assist in achieving goals of the CRA Plan is included, although only in general terms.
 - b. Committee structure: Under the terms of the contract, VBMS is responsible for coordinating the Vilano Beach CRA Steering Committee, including the composition of its members and objectives that align with VBMS and the CRA.
 - c. Required reporting: We reviewed April 2022 and May 2022 reports required under the contract (included Payment Request and CRA Progress Report). The Progress Report tied monthly activity directly back to the objectives stated in the contract.
 - d. Election of officers: The Vilano Beach Committee is structured under the direction of VBMS and VBMS, based on terms of the current contract, has sole responsibility for establishing the committee officers and members. The committee has experienced significant turnover in the past year and the current officers were elected by the board members. There were indications that changes were made subsequent to elections through emails and texts.

Recommendations:

While the relationship with VBMS may be a preferred vehicle to achieve the goals of the Vilano CRA, our review of the contract and discussions with Committee representatives led us to the following insights and recommendations:

- Ensure the stated responsibilities of VBMS align to the goals of the original CRA Plan and that the association with VBMS is the most effective and efficient way to achieve the goals of the Plan. The Vilano Beach CRA Plan included several advocacy activities, which included the Florida Main Street Program. County Management may want to consider other support sources that will help achieve the goals of the CRA Plan and weigh the costs and benefits of the association with VBMS and the Florida Main Street Program.
- Work closely with the newly elected CRA Steering Committee Chair to ensure budgeted funds are adequate to cover expected expenditures of the CRA. Communicate with the Chair regarding what the funds are expected to cover, and how tax increment financing will be used to fund projects in coordination with or outside of the Committee. Develop expectations on funds the Committee is responsible for raising without support from the County.
- Review the structure of the committee board members, which are comprised of representatives from three non-profit community organizations, VBMS, North Shores Improvement Association, Inc. (NSIA) and North Beach Community Alliance, Inc. (NBCA). Each organization brings a unique perspective and support from members, but we recommend County Management review the structure of the committee board members and determine benefits that may be achieved by including community members as well as representatives of non-profits.

- As noted above, by-laws specific to the Vilano Beach CRA Steering Committee do not exist. We recommend the Committee create by-laws specific to the Steering Committee to ensure the mission, objectives and processes for elections, committee structure, terms of offices, etc.

Procedures: We conducted meetings with representatives from each of the CRA Steering Committees (the “Committees”) and we reviewed minutes provided by the representatives for a selection of recent Committee meetings.

Observations and Findings:

1. Based on our conversations with Committee members and review of meeting minutes, we identified a lack of intentional coordination between the Committees and County staff. Representatives from the Committees indicated they would appreciate additional support from County officials as it relates to budgeted funds, coordination of projects, assistance, and attendance at meetings and events. Our discussions included the following:

West Augustine representatives voiced concern over lack of involvement of County Management to support the efforts of the Committee. They are concerned that residents are not being kept engaged and are not satisfied with efforts to improve the community. Recently, County Management has become more involved in attending monthly meetings and engaging with the CRA.

The Vilano Beach Committee is operated through the VBMS organization. The Committee experienced significant turnover of executive leadership in January 2022 and is working to improve community relations. It was noted that VBMS operates under a contract with the Agency, and other than an appropriated budget, does not work directly with the County to coordinate projects and programs. The Committee recently began working directly with County staff to coordinate efforts and gain support, and has requested additional funds for future projects and programs.

Flagler Estates representatives indicated they were unaware that additional funds were available from the County to support Committee initiatives. They have relied on grants and bonds, and have just recently requested funds from the County and assistance in coordinating efforts to achieve the goals of the Plan.

Recommendations:

- We recommend greater coordination between the Committees, County staff, and County representatives in relevant areas (Parks and Recreation, Housing, etc.), which would result in more effective and efficient progress toward achieving each CRA’s goals. It would benefit the progress of the CRAs if the County assigned a dedicated individual or team to work closely with the Committees to provide consistent support to each.
- To assist in coordinated efforts, we recommend County Management or County officials schedule in advance and regularly attend each CRA monthly meeting. Attendance could alternate by department, but should be planned to instill a collaborative and supportive relationship on a consistent, ongoing basis. Currently, the point of contact for the Committees is through the Health and Human Services Department. County Management should consider identifying budgeted funds within Health and Human Services, or another relevant department, to create direct oversight and support for the Committees.

We appreciate the opportunity to work with you on this important project. Having a team of positive change agents with the desire to continually improve will contribute to the success of the CRAs.

This report is intended solely for the information and use of the Office and others in the County that integrate with the CRAs, and is not intended to be and should not be used by anyone other than those specified parties.

James Moore & Co., P.L.

Daytona Beach, Florida
August 31, 2022

Appendix A
Summary of CRA Plan Goals

West Augustine CRA		
Goal 1	An improved quality of life in West Augustine and the County and by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the CRA.	
	Objective 1.1	Reduce or eliminate those conditions which qualify the CRA as a blighted area.
	Objective 1.2	Eliminate and prevent the spread of blight and deterioration, and to conserve, rehabilitate, and redevelop the area.
	Objective 1.3	Provide well-planned community uses, facilities, pedestrian and vehicular circulation, and adequate parking.
	Objective 1.4	Provide a basis for the location and programming of public service facilities, parks and recreational facilities.
	Objective 1.5	Encourage the cooperation and participation of residents, property owners, business persons, public agencies, and community organizations in the revitalization of the area.
Goal 2	An environment within West Augustine which will contribute more positively to the health, safety and general welfare of the County, and preserve or enhance the value of properties within and adjacent to the CRA.	
	Objective 2.1	Encourage a high-quality appearance of buildings, rights- of-way, and open spaces and encourage high standards of design.
	Objective 2.2	Strengthen the economic well-being of West Augustine and St. Johns County by increasing business activity, taxable values, and job opportunities.
	Objective 2.3	Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with this Plan, the 2015 Comprehensive Plan, and contemporary development needs and standards.
	Objective 2.4	Stimulate private investment in appropriate new construction and rehabilitation.
	Objective 2.5	Achieve development which is integrated both functionally and aesthetically, and which contains a complementary mix of uses within the CRA.
	Objective 2.6	Provide housing for various age, income, and ethnic groups of the community; to alleviate overcrowded, substandard housing conditions; and to develop a sufficient number of housing units for low- and moderate-income households.
Goal 3	Encourage sound economic development in West Augustine, thereby creating employment opportunities commensurate with the capacity of the area.	
	Objective 3.1	Provide needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
	Objective 3.2	Provide needed incentives to encourage a broad range of improvements.
	Objective 3.3	Encourage a thriving commercial environment that will contribute to neighborhood improvement.

Appendix A Summary of CRA Plan Goals

Proposals supporting Goals and Objectives*
Gateways Infill Housing West King Street Administrative Re-zonings Florida Memorial College Property Streetscape Improvements Transportation Improvements Recreation and Open Space Social Development Public Facilities and Infrastructure Façade Improvement Grant Program Enterprise Zone Designation
<p>* For a detailed description of Proposals, see West Augustin CRA document.</p> <p><i>Source of above information: "West Augustine, Beyond Tomorrow"; prepared by Prosser Hallock, Planners & Engineers; December 2004.</i></p>

Vilano Beach CRA	
Goal 1	The CRA Redevelopment Plan shall serve as the primary vehicle and provide the primary tools for the County's redevelopment efforts within the CRA area.
Goal 2	The CRA shall actively pursue successful "Quick Victory" projects in its earliest stages to increase public awareness and support for its longer- range challenges and programs.
Goal 3	The CRA shall work and communicate with all interested community groups, such as Waterfronts Florida Community Group, North Shores Improvement Association and the surrounding community, towards the successful realization of all redevelopment goals and the successful implementation of all redevelopment programs.
Goal 4	The CRA will actively "partner" with both public and private sector entities towards the achievement of its redevelopment goals and to gain the maximum leveraging of assets and cooperation.
Goal 5	The County and all of its departments shall work together with the CRA towards the shared goal of improving the quality of life for all citizens, businesses, and property owners in the redevelopment area.
Goal 6	The CRA shall work with the private sector, financial institutions, and interested investors to the fullest extent it deems reasonable to facilitate the maximum investment of private funds in the redevelopment area.
Goal 7	The CRA shall attempt to comply with the goals, objectives, and guidelines that are established by the County's development review boards for all development and redevelopment activities it supports or initiates.

Appendix A
Summary of CRA Plan Goals

Goal 8	The CRA shall work towards leveraging the maximum amount of non-tax increment financing resources possible to assist in the redevelopment of its assigned area.
Goal 9	The CRA shall actively pursue the purchase and/or redevelopment of vacant or abandoned properties in the redevelopment.
Goal 10	The CRA, in cooperation with local residents, businesses and property owners, and development interests, shall seek to identify and rehabilitate significant historical and cultural elements of the community.
Goal 11	Where appropriate, the CRA shall encourage and facilitate an integrated system of pedestrian circulation, parks and open space in the redevelopment area with special emphasis on providing residents with easy and safe access to commercial activities.
Goal 12	The CRA shall support and participate in the provision of an efficient parking system throughout the redevelopment area.
Goal 13	The CRA shall encourage that potable water, wastewater treatment, and stormwater drainage systems accommodate present and future demands in a timely, cost-efficient, and equitable manner while protecting the health, safety, and welfare of the system users and the environment.
Goal 14	The CRA shall actively participate in environmental clean-up activities that it considers to be in the best interest of the community and where environmental problems are an obstacle to successful redevelopment.
Goal 15	The CRA shall encourage the development of new housing units and the rehabilitation of existing units in the redevelopment area.
Goal 16	The CRA shall provide a priority to local builders, contractors, material providers, and financial and real estate entities for their participation in all redevelopment programs to the extent it deems legal and in the public interest.
Goal 17	The CRA shall strive to implement programs that increase the ad valorem value of non-residential property to assist the County in reducing the disproportionately high share of ad valorem taxes that are currently being paid by St. Johns County homeowners.
Goal 18	The CRA, with the assistance of neighborhood-based organizations, financial institutions, government, development interests, and real estate representatives, shall preserve and enhance existing residential areas to provide a variety of housing opportunities for all income levels.
Goal 19	The CRA shall undertake annual continuous improvement programs and other activities that are designed to prevent the recurrence and spread of negative conditions.
Goal 20	The CRA, in cooperation with the County Sheriff's Department, Fire Department, and Code Enforcement, shall work to create a safe, quality environment for residents and businesses.

Appendix A
Summary of CRA Plan Goals

Goal 21	The CRA shall assist the County and other governmental entities to promote alternative modes of transportation and to maximize transit facilities and related economic and community uses.
Goal 22	The CRA shall implement programs that assist in removing the financial obstacles that may occur and prevent otherwise successful redevelopment projects and activities.
Goal 23	The CRA will work in concert with the goals of the St. Johns County Comprehensive Development Master Plan, and the St. Johns County Comprehensive Plan, in addition to those established by <i>Florida Statutes</i> , as they relate to the adopted St. Johns County Community Redevelopment Plan.
<p>Programs supporting Goals*</p> <p>Infrastructure Improvements Community Center Primary Redevelopment Project Quick Victory Programs Economic Development and Job Creation Beautification and Appearance Improvements Art in Public Places Environmental Clean-up Redevelopment Advocacy Code Enforcement Community Policing Innovations</p>	
<p>* For a detailed description of Programs, see Vilano CRA document. <i>Source of above information: "Vilano Beach Community Redevelopment Plan"; prepared by Strategic Development Initiatives.</i></p>	

Flagler Estates CRA	
Goal 1	The CRA shall cooperate with the Flagler Estates Road and Water Control District to maximize effectiveness in implementing the redevelopment activities for the community.
Goal 2	The CRA shall actively pursue successful "Quick Victory" projects in its earliest stages to increase public awareness and support for its longer-range challenges and programs.
Goal 3	The County and all of its departments shall work together with the CRA towards the shared goal of improving the quality of life for all citizens, businesses and property owners in the redevelopment area.
Goal 4	The CRA shall work with the private sector, financial institutions and interested investors to the fullest extent it deems reasonable to facilitate the maximum investment of private funds in the redevelopment area.

Appendix A
Summary of CRA Plan Goals

Goal 5	The CRA shall work and communicate with all interested community groups towards the successful realization of all redevelopment goals and the successful implementation of all redevelopment programs.
Goal 6	The CRA Redevelopment Plan shall serve as the primary vehicle and provide the primary tools for the County's redevelopment efforts within the CRA area.
Goal 7	The CRA shall attempt to comply with the goals, objectives and guidelines that are established by the County's development review boards for all development and redevelopment activities it supports or initiates.
Goal 8	The CRA shall work towards leveraging the maximum amount of non-tax increment financing resources possible to assist in the redevelopment of the redevelopment area.
Goal 9	The CRA shall actively pursue the purchase and/or redevelopment of vacant or abandoned properties in the redevelopment area as a priority.
Goal 10	The CRA will actively "partner" with both public and private sector entities towards the achievement of its redevelopment goals and to gain the maximum leveraging of assets and cooperation.
Goal 11	The CRA shall encourage that potable water, wastewater treatment, and stormwater drainage systems accommodate present and future demands in a timely, cost-efficient, and equitable manner while protecting the health, safety, and welfare of the system users and the environment.
Goal 12	The CRA shall actively participate in environmental clean-up activities that it considers to be in the best interest of the community and where environmental problems are an obstacle to successful redevelopment.
Goal 13	The CRA shall encourage the development of new housing units and the rehabilitation of existing units in the redevelopment area.
Goal 14	The CRA shall provide for priority to be given to residents of the redevelopment area and secondly to those of St. Johns County to purchase homes developed under the Redevelopment Plan to the extent the law allows.
Goal 15	The CRA shall provide a priority to local builders, contractors, material providers, and financial and real estate entities for their participation in all redevelopment programs to the extent it deems legal and in the public interest.
Goal 16	With the assistance of neighborhood-based organizations, Housing Finance Authority, financial institutions, government, development interests and real estate representatives, the CRA shall preserve and enhance existing residential areas to provide a variety of housing opportunities for all income levels.
Goal 17	The CRA shall undertake annual continuous improvement programs and other activities that are designed to prevent the recurrence and spread of negative conditions.
Goal 18	The CRA, in cooperation with the County Sheriff's Department, Fire Department and Code Enforcement, shall work to create a safe, quality environment for residents.

Appendix A
Summary of CRA Plan Goals

Goal 19	The CRA shall implement programs that assist in removing the financial obstacles that may occur and prevent otherwise successful redevelopment projects and activities.
Goal 20	The CRA will work in concert with the goals of the St. Johns County Housing Finance Authority, the St. Johns County Comprehensive Development Master Plan, and St. Johns County Comprehensive Plan, in addition to those established by <i>Florida Statutes</i> , as they relate to the adopted Flagler Estates Community Redevelopment Plan.
<p>Programs supporting Goals*</p> <p>Primary Redevelopment Project</p> <p>Quick Victory Programs</p> <p>Economic Development</p> <p>Beautification and Appearance Improvements</p> <p>Residential Reinvestment</p> <p>Infrastructure</p> <p>Environmental Clean-up</p> <p>Redevelopment Advocacy</p> <p>Code Enforcement</p> <p>Community Policing Innovations</p>	
<p>* For a detailed description of Programs, see Flagler Estates CRA document. <i>Source of above information: "Flagler Estates Community Redevelopment Plan"; prepared by Strategic Development Initiatives.</i></p>	



Office of Inspector General
St. Johns County, Florida

Management Response – Community Redevelopment Agency Audit

Upon the issuance of the 08/31/2022 Internal Audit Report on the Community Redevelopment Agency, St. Johns County management was asked to respond to the observations and findings. On 06/19/2023 Jesse Dunn, Director of the Office of Management and Budget, responded on behalf of the County, providing written responses to each recommendation. The observations and findings are presented below and followed by management's response.¹

The County had no objections to the reported findings or recommendations. In each case the response cited that the County had employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts.

- A. **Observations and Findings:** Throughout our fieldwork, we inquired and inspected information provided to determine if the progress of each CRA is being monitored, tracked and aligned back to the original CRA Plans. County Management provided a list of programs, activities and accomplishments, by year, but the list was only compiled recently for purposes of this internal audit. A process does not currently exist to specifically align the progress made by each CRA towards completion of the original goals of the Plans and evaluate the activities and accomplishments to-date. An Annual Report is prepared to highlight the achievements, projects and events of each CRA, but these are not aligned back to the original goals or proposals per the CRA Plans.

Based on the information obtained, we noted the Committees track progress in various ways:

The West Augustine Committee has created additional committees directly aligned with the CRA's purposes as identified in the by-laws. This allows for tracking programs, activities, plans, etc.; however, there was no indication of alignment with the original CRA Plan.

The Vilano Beach Steering Committee through VBMS provides monthly progress reports to the County outlining activities, programs, etc. that align directly to the VBMS objectives as stated in the most recent contract; however, there was no indication of alignment with the original Vilano Beach CRA Plan.

The Flagler Estates Committee focuses on needs within the community, identified by committee officers or based on community surveys; however, there was no indication of alignment with the original CRA Plan.

Recommendations:

- We suggest County staff, in coordination with the Committees, review the original CRA

¹ Observations and findings, although not numbered in the James Moore report, are numbered to assist the reader.

Plans and identify the goals achieved to-date. This procedure should be formally documented to allow for review of the Plan's progress. We recommend County Management then implement a formal policy and procedure, including an agreed upon template or checklist, which aligns the Plan goals, Committee by-laws and specific projects and activities of each CRA. Responsibilities and roles should be clearly established to delineate roles for the County and each Committee. The Steering Committees should be responsible for formally documenting achievements and aligning them to the Plan goals. Communication and assistance by County staff should be completed quarterly and finalized at the end of each fiscal year. This should include a review of activities carried out with tax increment financing, County budgeted funds, and those funded by each Committee's efforts.

- We also recommend a coordinated review be held, between County staff and the Committees, to assess Plan goals and programs.
- The CRA Plans include suggested guidelines for review, and we recommend regularly scheduled, periodic reviews be conducted for each Plan. The Flagler Estates and Vilano Beach CRA Plans call for an annual review of the progress towards each stated plan's goals. The West Augustine CRA Plan includes indicators of success, that should be considered on a regular basis.

Management Response:

St. Johns County has no objections to the findings or recommendations provided in the report. St. Johns County has employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts.

B. Observations and Findings:

1. Based upon our review of the by-laws we noted the following for each CRA:

West Augustine

- a. Purpose- the purposes of the Committee are clearly stated and aligned directly with the structure of the CRA Plan. There does not appear to have been a direct correlation to tie in the Purpose of the Committee with the original goals outlined in the CRA Plan, although they are reflective of the nature of the Plan.
- b. Structure-the structure of the Committee is in accordance with the by-laws, which provide for a Chair, Co-Chair and Secretary, along with Committee members.
- c. Elections-by-laws indicate elections should be held biennially with terms of chair and co-chair expiring in alternate years; two-year terms; no more than two consecutive terms unless necessary. It was confirmed by Committee representatives that elections are held biennially during meetings with the general public, but was not supported by formal documentation or in meeting minutes provided. Current officers have been in place for many years since replacement nominees have not come forward.

Vilano Beach – As the Vilano Beach Steering Committee is comprised of members from other organizations, there are not specific by-laws for the CRA Steering Committee. See discussion which follows regarding the structure of the Vilano Beach Committee.

Flagler Estates

- a. Purpose- Purposes of the Committee are clearly stated. There does not appear to have been a direct correlation to tie in the Purpose of the Committee with the original goals outlined in the CRA Plan, although they are reflective of the nature of the Plan.
 - b. Structure-the structure of the Committee is in accordance with the by-laws, which provide for a Chair, Co-chair, Secretary and Vice Secretary.
 - c. Elections-by-laws indicate elections should be held annually; voted on by qualified member of the public in attendance; two-year terms with chair and co-chair in alternating years; not more than two consecutive terms unless necessary. It was confirmed by Committee representatives that elections are held annually, are open to the general public and all attendees may vote for candidates identified at the election meeting, but was not supported by formal documentation or in meeting minutes provided. Current officers have been in place for many years since replacement nominees have not come forward.
2. We obtained by-laws associated with the West Augustine CRA, dated June 11, 2001, which we confirmed are the by-laws currently referenced by the existing CRA Steering Committee. We were also provided by-laws for the year 2005, which were unsigned and did not have an effective date. It was not apparent if these were amended by-laws specific to the West August CRA, the CRA Steering Committee, or if these by-laws were, in-fact, signed and made effective.
 3. As noted above, the last signed by-laws for West Augustine are dated June 2001, while Flagler's most recent by-laws are dated March 2005. As discussed below, the VBMS contract was updated in March 2022.

Recommendations:

- Although Committee representatives indicated that elections were held in accordance with by-laws, evidence of the election process was not identified through documented minutes for West Augustine and Flagler Estates CRAs. Vilano Beach CRA elections were documented in minutes, although the minutes included references to changes subsequent to formal elections that were made through emails and text. We recommend the election process be held and documented in meeting minutes to demonstrate compliance with the by-laws, and the reasons for excessive term limits be documented when replacement candidates are not identified. We also recommend that County Management approve the election of officers each term. If County Management is unable to attend election meetings, approval can be carried out through review of election meeting minutes. A formalized process should be developed whereby County Management has access to all meeting minutes of each Committee.
- We recommend the West Augustine Committee obtain an understanding of whether the 2001 or the 2005 by-laws are effective. If the 2005 by-laws are currently in effect, they should be signed. In the future, the status of any amendments or updates to existing bylaws should be documented in the meeting minutes.
- We recommend the by-laws for West Augustine and Flagler Estates be reviewed and

updated, as needed, and a formal policy be established for a review of by-laws on a periodic basis, coordinated with review of each CRA Plan. As two of the CRA Plans recommend review of the plan every 5 years, this policy is recommended for review of Plans and by-laws for each CRA.

Management Response:

St. Johns County has no objections to the findings or recommendations provided in the report. St. Johns County has employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts.

C. Observations and Findings:

1. The Agency contracted with VBMS to further the goals of the Vilano Beach CRA plan and coordinate the Steering Committee. In March 2022, the County renewed its contract with VBMS. We reviewed the contract to determine if terms were being followed in regards to purpose, required reporting and election of officers. We noted the following:
 - a. Purpose: Purpose and intent are clearly outlined. Reference to assist in achieving goals of the CRA Plan is included, although only in general terms.
 - b. Committee structure: Under the terms of the contract, VBMS is responsible for coordinating the Vilano Beach CRA Steering Committee, including the composition of its members and objectives that align with VBMS and the CRA.
 - c. Required reporting: We reviewed April 2022 and May 2022 reports required under the contract (included Payment Request and CRA Progress Report). The Progress Report tied monthly activity directly back to the objectives stated in the contract.
 - d. Election of officers: The Vilano Beach Committee is structured under the direction of VBMS and VBMS, based on terms of the current contract, has sole responsibility for establishing the committee officers and members. The committee has experienced significant turnover in the past year and the current officers were elected by the board members. There were indications that changes were made subsequent to elections through emails and texts.

Recommendations:

While the relationship with VBMS may be a preferred vehicle to achieve the goals of the Vilano CRA, our review of the contract and discussions with Committee representatives led us to the following insights and recommendations:

- Ensure the stated responsibilities of VBMS align to the goals of the original CRA Plan and that the association with VBMS is the most effective and efficient way to achieve the goals of the Plan. The Vilano Beach CRA Plan included several advocacy activities, which included the Florida Main Street Program. County Management may want to consider other support sources that will help achieve the goals of the CRA Plan and weigh the costs and benefits of the association with VBMS and the Florida Main Street Program.
- Work closely with the newly elected CRA Steering Committee Chair to ensure budgeted funds are adequate to cover expected expenditures of the CRA. Communicate with the Chair regarding what the funds are expected to cover, and how tax increment financing will be used to fund projects in coordination with or outside of the Committee. Develop expectations on funds the Committee is responsible for raising without support from the County.

- Review the structure of the committee board members, which are comprised of representatives from three non-profit community organizations, VBMS, North Shores Improvement Association, Inc. (NSIA) and North Beach Community Alliance, Inc. (NBCA). Each organization brings a unique perspective and support from members, but we recommend County Management review the structure of the committee board members and determine benefits that may be achieved by including community members as well as representatives of non-profits.
- As noted above, by-laws specific to the Vilano Beach CRA Steering Committee do not exist. We recommend the Committee create by-laws specific to the Steering Committee to ensure the mission, objectives and processes for elections, committee structure, terms of offices, etc.

Management Response:

St. Johns County has no objections to the findings or recommendations provided in the report. St. Johns County has employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts.

D. Observations and Findings:

1. Based on our conversations with Committee members and review of meeting minutes, we identified a lack of intentional coordination between the Committees and County staff. Representatives from the Committees indicated they would appreciate additional support from County officials as it relates to budgeted funds, coordination of projects, assistance, and attendance at meetings and events. Our discussions included the following:

West Augustine representatives voiced concern over lack of involvement of County Management to support the efforts of the Committee. They are concerned that residents are not being kept engaged and are not satisfied with efforts to improve the community. Recently, County Management has become more involved in attending monthly meetings and engaging with the CRA.

The Vilano Beach Committee is operated through the VBMS organization. The Committee experienced significant turnover of executive leadership in January 2022 and is working to improve community relations. It was noted that VBMS operates under a contract with the Agency, and other than an appropriated budget, does not work directly with the County to coordinate projects and programs. The Committee recently began working directly with County staff to coordinate efforts and gain support, and has requested additional funds for future projects and programs.

Flagler Estates representatives indicated they were unaware that additional funds were available from the County to support Committee initiatives. They have relied on grants and bonds, and have just recently requested funds from the County and assistance in coordinating efforts to achieve the goals of the Plan.

Recommendations:

- We recommend greater coordination between the Committees, County staff, and County representatives in relevant areas (Parks and Recreation, Housing, etc.), which would result in more effective and efficient progress toward achieving each CRA's goals. It would

benefit the progress of the CRAs if the County assigned a dedicated individual or team to work closely with the Committees to provide consistent support to each.

- To assist in coordinated efforts, we recommend County Management or County officials schedule in advance and regularly attend each CRA monthly meeting. Attendance could alternate by department, but should be planned to instill a collaborative and supportive relationship on a consistent, ongoing basis. Currently, the point of contact for the Committees is through the Health and Human Services Department. County Management should consider identifying budgeted funds within Health and Human Services, or another relevant department, to create direct oversight and support for the Committees.

Management Response:

St. Johns County has no objections to the findings or recommendations provided in the report. St. Johns County has employed a community redevelopment agency coordinator in order to coordinate and prioritize CRA efforts.