

Community Development Authority

“What is it, and what can it do” FAQ

What are the purposes of a Community Development Authority(CDA)? A CDA is created to a) eliminate and prevent property value loss and stagnation; b) promotion of well planned, safe, and stable neighborhoods; c) promotion of adequate places for employment, a decent living environment, and adequate housing; and d) to undertake urban renewal and redevelopment programs.

What are the powers of a CDA? A CDA may a) enter into contracts; b) acquire by purchase, lease, or eminent domain real or personal property; c) sell, lease, subdivide, retain or mortgage property; d) borrow money and issue bonds, notes or other forms of indebtedness (interest on CDA bonds is double tax exempt); e) apply for, receive, and administer grants from Federal and State governments/agencies; f) loan or grant funds to projects deemed to aid in the elimination of blight or rehabilitation; and g) develop housing.

What are the limitation on a CDA and relationship to the local governing body and plan commission? Adoption of by-laws can limit powers of authority to those which the municipal board wishes to authorize. By-laws may also detail decisions which require governing body concurrence. Typically, any debt issued by a CDA requires authorization by the governing board of the municipality.

What requirements are there prior to exercising powers?

- A) Redevelopment Plan Approach: 1) CDA must prepare a redevelopment and urban renewal plan and designate a redevelopment area; 2) CDA must send notice to property owners in redevelopment area providing notice of public hearing; 3) following hearing, CDA may adopt resolution approving redevelopment plan; 4) governing body must also adopt resolution approving redevelopment plan by 2/3 majority; 5) plan must be recorded with the County Register of Deeds; 6) redevelopment plan must provide for relocation, if necessary.
- B) Spot Blight Approach – CDA may avoid need for redevelopment plan for a single project area by complying with “spot blight” procedures: 1) CDA tentatively designates property it finds blighted; 2) still hold public hearing; 3) notice to each affected property owner (usually lesser in scope than a redevelopment plan area); 4) declaration of blight; 5) finding that Comprehensive plan not necessary; and 6) CDA and governing body approval of spot blight declaration by 2/3 majority vote.