Crony Capitalism and Community Development Subsidies

by Victor Nava
Project Director: Anthony Randazzo

INTRODUCTION

Every year, the federal government's budget is loaded with hundreds of billions of dollars in taxpayer-funded subsidies. A little known piece of that pile of taxpayer cash giveaways is the nearly $20 billion spent each year on "community development" subsidies.[1] While not as well known as farm subsidies or the special benefits of the mortgage interest deduction, the money spent on community development programs surpasses the $15 billion in subsidies the Department of Transportation uses to subsidize Amtrak and air traffic controllers, and equals the $20 billion in renewable energy subsidies from the Department of Energy.[2]

This report examines the relationship between "crony capitalism" and community development subsidies, and the susceptibility of these subsidy programs to crony capitalism. Crony capitalism is when private interests collude with government to acquire subsidies or economic benefits that give them an advantage or special privilege in the marketplace that would not otherwise exist. If the money from federally distributed community development subsidies primarily goes to benefit a narrow private interest at the expense of the broader community, and if those private interests encourage lawmakers to continue providing them the special privilege, then community development subsidies are a form of crony capitalism in the American system.

This policy brief looks at whether community development subsidies actually result in community development and the extent to which such subsidies have been captured by vested interests.

DO COMMUNITY DEVELOPMENT SUBSIDY PROGRAMS WORK?

The federal government funds a variety of community development activities for local governments, mostly through the Department of Housing and Urban Development (HUD) and the Department of Commerce's Economic Development Administration (EDA). These include, but are not limited to, the Community Development Block Grant program, Homeless Assistance Grants, Rural Rental Housing Loans, the Rural Housing and Economic Development program, the Appalachian Regional Commission development program, Self-Help Homeown-

ership Grants, Emergency Shelter Grants, Neighborhood Stabilization Program Grants, the Brownfields Economic Development Initiative, and other specially authorized congressional grants for community development.[3]

Community development spending has increased by over 320% since 1974, and according to the White House's latest budget by 2016 the amount spent on community development may reach $15 billion a year.[4] This figure does not include disaster relief aid and other types of regional subsidy programs. Figure 1 shows the increases in community development spending in the United States over the last 39 years, and how it is projected to continue rising into 2013 and beyond.

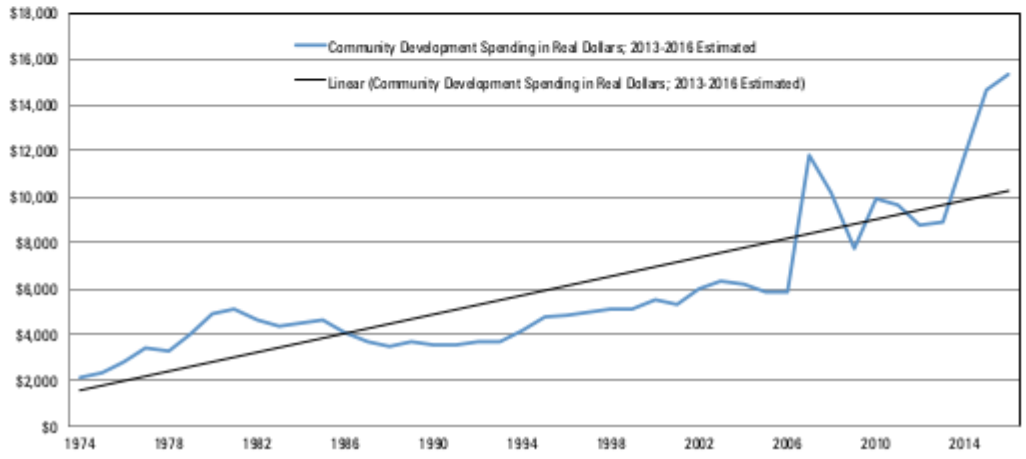
While in recent years some larger programs like HUD's Community Development Block Grant program (CDBG) have seen cuts, generally speaking the president's latest budget shows an upward trend in overall community development spending among all the programs and departments. As a preview of coming attractions it's also worth noting that while some programs have seen cuts (like the CDBG program), the same programs have essentially reallocated funds that go from less affluent communities to more affluent ones.

COMMUNITY DEVELOPMENT BLOCK GRANTS

The largest HUD subsidy program is the Community Development Block Grant program. The CDBG program provides funds to 1,209 state and local government bodies in the form of annual grants that are based on a formula to determine the amount of funds each recipient needs.[5] Figure 2 (next page) shows the total CDBG cost to taxpayers annually from 2008 through 2012.

According to HUD, CDBG activity must meet one of the following objectives: "benefit low- and moderate-income persons, aid in the prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available."[6] These goals are subject to wide variance in definition, and in many cases (as will be shown) the projects funded with CDBG don't seem to clearly be meeting any of these objectives.

Figure 1: Community Development Outlays in $Millions (1974-2016)



ECONOMIC DEVELOPMENT ADMINISTRATION

Since the mid-1960s the EDA has been distributing taxpayer money for various projects—projects, in part, aimed at serving "economically distressed and underserved communities."[9] Aside from developing underserved communities, the agency's other priorities include investing in projects related to advanced manufacturing, IT infrastructure, natural disaster mitigation and projects that serve small, medium-sized, and ethnically diverse enterprises and communities impacted by automotive industry restructuring.[10] In 2012, the EDA's total program outlays were nearly $500 million.

THE LACK OF MEASUREMENT EFFECTIVENESS FOR COMMUNITY DEVELOPMENT SUBSIDIES

The biggest challenge with considering whether community development projects are critical to the communities they develop is that there are few stated measures of success or failure for the subsidy programs. Neither is there a standard definition of economic development within or across agencies. So there will always be debate about whether the programs work depending on whether the same metrics of success are being considered.

The Department of Commerce defines economic development programs as those that save or create jobs. But the Department of Agriculture defines them as programs that increase opportunities and improve quality of life. These metrics are unclear: Does a job "created" count if the person hired was working for another organization prior to taking the job? If the job created is eliminated after six months when a project is completed, does it still count as benefiting the community? Is quality of life a measure subjective to standards in the community or is it assessed on a national basis?

More perplexing, however, is that a department heavily involved in community and urban development, HUD, does not actually have a definition of what economic development is.[11]

Likewise, as cities and suburbs have expanded, determining what exactly constitutes an urban or rural area has become increasingly difficult. HUD defines a rural area as a place having fewer than 2,500 inhabit-

Figure 2: Total Community Development Block Grant Spending (2008–2012)

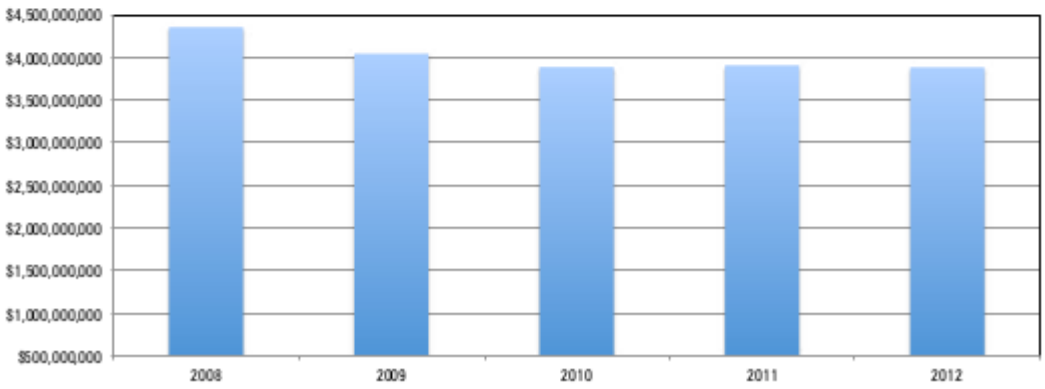
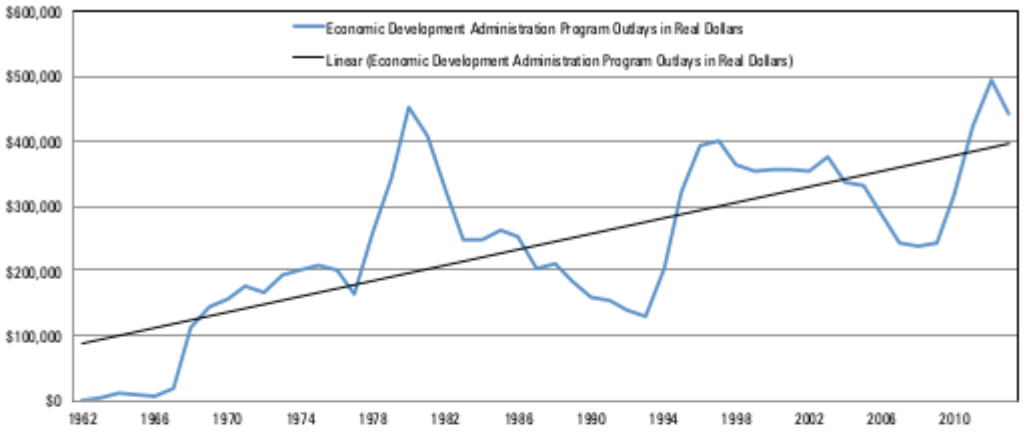


Figure 3: Economic Development Administration Outlays in $Thousands 1962–2013



Source: Government Printing Office[11]

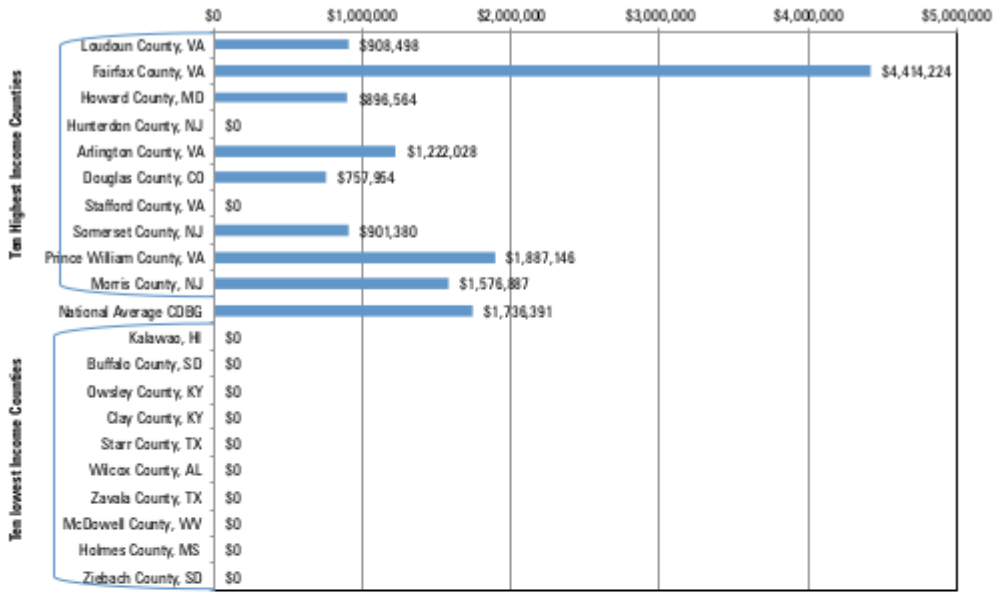
ants or a county or parish with an urban population of 20,000 inhabitants or less, or any place with a population not in excess of 20,000 inhabitants and not located in a Metropolitan Statistical Area. Despite these seemingly concrete guidelines, data shows that residents in major metropolitan areas such as New York, Chicago and Phoenix received nearly $100 million in rural subsidies in 2010.[13]

The lack of a well-defined measure of success and convoluted guidelines for where CDBGs and other community development grants can be issued has cast the effectiveness of community development subsides into doubt. Over the last 10 years, private studies, the White House Office of Management and Budget, and even HUD's own reports have criticized the CDBG program as ineffective and lacking any association between spending and subsequent neighborhood change.[14] The HUD report specifically noted that the CDBG program "needs reform because it is not well-targeted to the neediest communities and its results have not been adequately demonstrated."[15]

A 2011 GAO report also noted a "lack of information on outcomes achieved" by the EDA as a "current as well as longstanding concern."[16] The report notes the EDA's reliance on a "potentially incomplete set of variables and self reported data to assess the effectiveness of its grants," which as the report notes, could lead to inaccurate claims about program results and the number of jobs it has created.

Even by its own performance measures, the success of the EDA is questionable. The EDA measures the success of its programs based on three criteria: private sector investment generated, jobs created/retained, and community capacity to achieve and sustain economic growth.[17] In terms of the EDA's goal to improve the community capacity to achieve and sustain economic growth, by its own performance measure the agency has failed to meet four out of its six targeted sub-goals. On the other hand, according to its annual report the EDA exceeded most of its targets in terms of private investment and job creation, but this doesn't necessarily translate to a higher level of economic development in the community. It just means that the agency is more likely to direct its funds to projects that require more labor rather than less, and more private investment—not necessarily projects that actually improve communities or are economically efficient.

Figure 4: CDBG Allocations by Highest Income vs. Lowest Income Counties for FY2012



Source: Department of Housing and Urban Development, and TheStreet.com[18]

ALLOCATION INEFFICIENCIES FOR COMMUNITY DEVELOPMENT SUBSIDIES

As the HUD report referenced earlier noted, a problem with community development subsidies, like CDBGs, is the way they are allocated. For example, with regards to CDBGs, relatively well-off communities (in terms of per capita income) often receive more funds than less affluent municipalities. Figure 4 shows the 10 highest and lowest income counties in the United States and their respective CDBG allocations for 2012. Also included is the average amount of CDBG funds received by states and counties in the United States (excluding Puerto Rico).

When you contrast the amount of CDBG money going to the country's richest counties with the amount going to the country's poorest counties (in terms of median household income), the results are astounding. Eight of the top 10 highest income counties received CDBG funds, and two out of those eight actually surpassed the national average. Fairfax County in Virginia received more than twice the national average in CDBG funds allocated to cities and counties—about $1.7 million—while sitting comfortably as the second richest county in America with a median household income of $103,010.

In contrast, none of the 10 poorest counties in America, in terms of median household income, received any entitlement CDBG funds from HUD in 2012. To be fair, many of the states containing these counties do receive non-entitlement CDBG funds, which may be allocated to those counties at the discretion of the state managers. However, it is unlikely that this makes up for the imbalances in entitlement CDBG funding. Worst off is Hawaii, home to the nation's poorest county, which was not slated to receive any

state non-entitlement CDBG funds in 2012.[19]

The formula used to determine which cities and counties receive CDBG entitlement funding factors in population, poverty, overcrowding, lags in growth, and pre-1940s housing.[20] It is clearly not a particularly useful formula when it comes to determining the most economically needy cities and counties. In fact, the 2009 federal budget even noted that the CDBG formula has not been updated in over 30 years and as a result, many lower-income communities receive less assistance than wealthier communities."[21]

Because of this a typical working class community like Hialeah, Florida, with an average household income of $60,000 per year, ended up having its annual allocation cut by nearly 50% (the largest cut in the nation) while in the same year Loudoun County, Virginia—the wealthiest county in the nation—actually saw a 4% increase in funding.

CRONYISM AND COMMUNITY DEVELOPMENT SUBSIDIES

This lack of objective metrics is a crucial problem because it becomes difficult to determine which projects merit funding, and prevents policymakers from developing a standard definition of success and failure for community development projects. For example, consider the following projects all using CDBG funds that do not fit clearly into any of the objectives required by HUD:

- In 2008, Alexandria, Louisiana used $588,000—amounting to 90% of its CDBG funds—to build a marina.[22] While the city could claim this marina is for public use, Alexandria is not exactly a fishing mecca. The official city website boasts it is one of the top film and television production cities in the country.[23] Building a marina may benefit a narrow set of interests in the town, but probably not 90% of the interests, and probably not the interests of those in need due to income constraints.
- Also in 2008, Roanoke, Virginia spent $245,000 for renovations to awnings at a historical market as a CDBG project. Downtown Roanoke is certainly a historic district that is very attractive to tourists and residents alike. However, fixing awnings in the historical market primarily benefits the businesses that are in the market, rather than the community as a whole. Claiming that $245,000 spent on awnings in Roanoke is consistent with the CDBG programs goal of helping prevent urgent threats to the welfare of the community is dubious and reflects the subjective nature of the program inherent in its design. The result was the use of CDBG funds for a narrow interest group.
- In 2011, Comstock Township, Michigan decided to grant Bell's Brewery $220,000 in CDBG funds to help pay for a two-year expansion project.[24] This is an even more blatant crony capitalist use of community development subsidies. The brewery benefits from the government subsidies at taxpayers' expense, but it also benefits from a financial advantage over competing breweries—such as the Arcadia Brewing Company one town over in Battle Creek and even alternative products such as liquor made by Big Cedar Distilling Inc. down the road in Sturgis, neither of which are receiving any block grant money. Other small craft breweries may struggle to compete with a brewery like Bell's when the government is subsidizing its expansion.

Building a marina or fixing awnings may not appear to amount to crony capitalism in the same way that granting a single brewery money to make capital investments does, but they are all representative of the same problem: the system is designed to distribute money to narrow interests that will benefit from the federal money over others in the community. This is enabled by the lack of clear benchmarks for how the program should operate to achieve its goals. Of course, if the benchmarks were made clear it would become readily apparent that there are few things that would qualify as benefiting a community as a whole. (Police services, providing a justice system, other public safety activities are among the few immediate positive uses that come to mind.) To the extent that cronyism is a problem, it seems to offer one explanation for the failure of the subsidies to achieve their purpose.

While these small examples of crony capitalism that results from the distribution of community development subsidies may appear inconsequential in the grand scheme of a multi-trillion dollar federal budget,

California and Florida provide recent case studies of how community development cronyism can explode on a grand scale and how it exists coast to coast.

COMMUNITY DEVELOPMENT SUBSIDIES IN CALIFORNIA

The Community Redevelopment Agency of Los Angeles (CRA/LA) was an independent agency in charge of allocating federal CDBG grants and state property tax revenue from the city of Los Angeles to private developers to create affordable housing and improve blighted areas.[25] However, the CRA/LA strayed away from its core mission and instead used taxpayer money to subsidize commercial developments in more desirable markets.[26] In December of 2011, fed up with the redevelopment agency's cronyism, the California Supreme Court upheld a law eliminating the CRA/LA and 400 other redevelopment agencies across the state.[27] The CRA/LA's involvement in activities such as funding influential people's pet projects, hiring state government officials' relatives, and building projects that do more to generate tax revenue for the city rather than actually develop the community led to its demise, but not before leaving a trail of questionable and uncompleted projects in its wake that cost taxpayers millions.[28]

For example, Marlton Square was a once thriving shopping plaza in South LA, which according to residents showed little evidence of blight in the late 1980s before it was scheduled for redevelopment.[29] A CRA official even acknowledged in 2012 that the area was originally "a thriving commercial retail area."[30] The original redeveloper of Marlton Square ended up losing out on the redevelopment contract to another developer of questionable financial standing, who was appointed by CRA/LA. Predictably, the developer defaulted on loans that he received as a redevelopment incentive.[31] Marlton Square turned from a once-vibrant shopping plaza to a desolate wasteland of vacant storefronts and dilapidated buildings—and this after more than $31 million in public funds including $21.8 million in funds from HUD alone went into "redevelopment."[32]

As noted in *Reason* magazine back in April of 2012, on another site in Los Angeles the owners of a local scrap metal yard tried to build a shopping center more than a decade ago.[33] The CRA/LA and a group called Concerned Citizens of South Los Angeles blocked the move by the scrap metal yard owners and seized the property. According to the owner of the scrap metal yard, since the agency has taken control of the property "It's a vacant, filthy lot....It has been used as a dumpsite."[34] The owner claims that if the CRA/LA had allowed him to pursue the development of the shopping center, they would have had an up-and-running shopping center, hundreds of new jobs, and a large amount in new tax revenues. More importantly, it would have been done 10 years ago at no cost to the taxpayer. Instead the site is still an empty lot, with a 24-hour guard to make sure nobody continues to use it as a dumpsite, at a cost of tens of millions of taxpayer dollars. This became a pattern that the CRA/LA would follow throughout Los Angeles. As the article explains "When an owner in one of the agency's designated zones shows an interest in improving his or her property, the CRA comes in to help, then runs the owner through a conveyor belt of subsidy temptations, building restrictions, revolving master plans, and impact statements."[35] As proceedings drag on, the properties sit dilapidated and languishing as "personnel at the CRA turn over as local politicians play term-limit musical chairs, dragging their cronies along."[36]

Although the CRAs in California have been shut down, over 3,000 similar organizations are still in place across the United States. They also need to be addressed.[37]

COMMUNITY DEVELOPMENT SUBSIDIES IN FLORIDA

One such organization is Enterprise Florida, a public-private nonprofit established in 1992 by the Florida state legislature. Operating under the Florida Department of Economic Opportunity, Enterprise Florida is tasked with providing grants, loans, tax incentives and subsidies to businesses it believes will spur economic development in the state of Florida. Seventy-six percent of Enterprise Florida's budget comes from either state or federal funds, which are then allocated to the specific businesses and projects seeking the funds, but not before 35% of its funds are used on administrative and marketing costs.[38] On its website Enterprise Florida

defines economic development as follows: "In a nutshell, economic development focuses limited resources on securing business investment and employment that are either at risk or would not otherwise occur. It works to expand targeted business sectors as the primary means of sustaining a high quality of life while also maintaining a favorable tax environment. Where possible, it targets businesses that are able to pay their employees higher wages, while still maintaining competitive costs for doing business."[39] It's this curious definition of economic development that makes the agency susceptible to charges of crony capitalism.

Integrity Florida, a nonprofit watchdog group, has recently leveled charges of crony capitalism against Enterprise Florida. In a recent paper the watchdog group claims that Enterprise Florida not only failed to meet its job creation objective and obtain the required level of private sector support, but it also has the appearance of pay-to-play, apparent conflicts of interest, and displays clear favoritism toward certain companies and industries.[40]

According to the documents obtained by Integrity Florida, Enterprise Florida provided contracts to corporations with ties to Enterprise Florida's board of directors. Half of Enterprise Florida's board of directors have also "invested" an average of $50,000 each into Enterprise Florida.[41] Another potential conflict of interest revealed in the report is the fact that the board has control over staff bonuses, of which nearly $500,000 worth were given out by the board in 2012 ($70,000 alone to the president/CEO).[42]

While it is unclear whether or not these board member investments or staff bonuses factor into deciding which companies receive funding, all the elements for a pay-to-play scheme are certainly there.

Even if a pay-to-play scheme were not the case, Enterprise Florida (like the CRA/LA) still operates in a crony capitalist manner. Its entire operating strategy of "promoting targeted industries" is—in and of itself—crony capitalism, as it has a government-funded organization using taxpayer money to pick winners and losers by favoring certain businesses over others.

In 2012 Enterprise Florida even made deals with eight companies listed as "confidential" in the documents provided to Integrity Florida.[43] It is disconcerting that Enterprise Florida is not only picking winners and losers with taxpayer money, but also doing so without revealing who the winners even are.

POLITICAL INFLUENCE

It's no surprise that defenders of the redevelopment agencies and community development subsidies receive hundreds of thousands of dollars in campaign contributions from developers and interest groups tied to community development grants. California State Senator Rod Wright, who called the state's chief non-partisan legislative analyst an "idiot" after the analyst found no evidence that redevelopment agencies improve California's overall economic development, has received hundreds of thousands of dollars in campaign contributions from developers and real estate interests.[44] Since 2009 alone, Wright has received over $125,000 in campaign contributions from developers and real estate interests.[45] At the federal level it's no surprise that the Brady-Barletta CDBG support letter, which argued for greater federal investment in CDBGs and was signed by 137 members of Congress in 2012, was written by Robert Brady (D-PA) and Lou Barletta (R-PA).[46] The two congressmen have not only raked in over a million dollars in campaign donations combined from general contractors, builders and real estate developers, but Congressman Brady is also responsible for over $92 million worth of earmarks since 2008.[47]

CONCLUSION

It is difficult to gauge the success of community development programs. The funds often do not go to the neediest communities, and federal and state community development programs exhibit evidence of cronyism, with a small number of individuals and corporations benefitting at the expense of the wider public. In light of these findings, the best solution is to end these federal and state subsidies once and for all.

Favoring certain businesses over others with government funds, even in less affluent communities, is a form of crony capitalism. An individual or corporation is gaining an advantage in the market place with the help of government money, and if the project fails to improve the community the taxpayers don't get that money back. Granted, the concept of "picking winners and losers" is

not the same as a developer handing a politician a briefcase full of cash in exchange for a bigger briefcase full of cash—but it is still a perverted form of capitalism. Also, in many of these cases money still changes hands, just not in briefcases—it's in the form of campaign contributions and lobbying spending.

Community development should be left to entrepreneurs, non-profits and local governments, who have better knowledge of the needs of the community than higher levels of government. Moreover, without federal and state handouts, local governments will have to be more responsive to the interests of their residents and will be less likely to engage in cronyism.

ENDNOTES

1. U.S. Department of Housing and Urban Development 2014 budget and Economic Development Administration budget. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/housing.pdf http://www.gpo.gov/fdsys/pkg/BUDGET-2013-DB

2. Chris Edwards, "A Plan to Cut Spending and Balance the Federal Budget, Cato Institute. http://www.downsizinggovernment.org/node/25

3. U.S. Department of Housing and Urban Development. www.hud.gov

4. The President's Fiscal Year 2014 Budget, Historical Table 3.2. http://www.whitehouse.gov/omb/budget

5. Ibid.

6. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

7. U.S. Department of Housing and Urban Development, CDBG Expenditure Reports. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

8. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

9. U.S. Economic Development Administration. http://eda.gov/investmentPriorities.htm

10. Ibid.

11. 2013 Budget, Government Printing Office. http://www.gpo.gov/fdsys/pkg/BUDGET-2013-DB

12. "Rural Economic Development," U.S. Government Accountability Office, February 2006. http://www.gao.gov/new.items/d06294.pdf

13. Ron Nixon, "In Battle Over Subsidies, Some Farmers Say No," June 23, 2011. http://www.nytimes.com/2011/06/23/us/23crop.html?pagewanted=all.

14. See this private study from the Urban Institute, "The Impact of CDBG Spending on Urban Neighborhoods," 2002, http://www.urban.org/publications/410664.html; a White House study reports: "In 2004, the White House Office of Management and Budget reviewed HUD's CDBG program and gave it an overall "ineffective" rating. The review cited a lack of clarity in purpose and design, weak targeting of funds, lack of transparency, and also lack of outcome performance measures." See page 27 of "Developing Performance Measures for the Community Development Block Grant Program" http://ceg.files.cms-plus.com/PruneJobsRelevantNAPAPublications/DevelopingPerformanceMeasures%28%2366%29.pdf; and see this report from HUD "Budget for Fiscal Year 2009," 2009, http://www.gpo.gov/fdsys/pkg/BUDGET-2009-BUD/pdf/BUDGET-2009-BUD-17.pdf

15. "Budget for Fiscal Year 2009," 2009, http://www.gpo.gov/fdsys/pkg/BUDGET-2009-BUD/pdf/BUDGET-2009-BUD-17.pdf

16. "Economic Development: Efficiency and Effectiveness of Fragmented Programs are Unclear," GAO, May 2011. http://www.gao.gov/new.items/d11651t.pdf

17. Economic Development Administration Annual Report, Fiscal Year 2011. http://www.eda.gov/pdf/FY2011_EDA_Annual_Report.pdf

18. "The Richest Counties in America," *The Street*, February 2012. http://www.thestreet.com/story/11415107/2/the-richest-counties-in-america.html and HUD Budget. http://www.hud.gov/offices/cpd/about/budget/

19. HUD "Budget for Fiscal Year 2012," 2012, http://www.hud.gov/offices/cpd/about/budget/budget12/

20. Eileen Norcross, "The Community Development Block Grant: Does it Work?" Mercatus Policy Series, November 2007. http://mercatus.org/publication/community-development-block-grant-does-it-work

21. http://www.downsizinggovernment.org/hud/community-development#_edn13

22. http://www.downsizinggovernment.org/hud/

community-development and 2008 HUD budget

23. http://www.cityofalexandriala.com/

24. David T. Young, "Bell's Brewery Wins Federal Grant to Help Pay for Expansion," *Kalamazoo Gazette*, April 5, 2011. http://www.mlive.com/news/kalamazoo/index.ssf/2011/04/bells_brewery_wins_federal_gra.html

25. Matt Pressberg, "The End of the CRA: A Look at Five Projects," *Neon Tommy: USC Annenberg Digital News*, January 31, 2012. http://www.neontommy.com/news/2012/01/end-cra-look-five-projects

26. Ibid.

27. "LA City Council Declines to Take Over Redevelopment Agency," *Hollywood Patch*, January 12, 2012. http://hollywood.patch.com/articles/l-a-city-council-declines-takeover-of-redevelopment-agency

28. Tibby Rothman and Jill Stewart, "California Redevelopment Agencies' Demise," *LA Weekly*, June 30, 2011. http://www.laweekly.com/2011-06-30/news/california-redevelopment-agencies-demise; Steven Greenhut, "Supreme Court Rebukes Crony Capitalism," *Cal Watchdog*, January 6, 2012. http://www.calwatchdog.com/2012/01/06/supreme-courtrebukes-crony-capitalism/

29. "Marlton Square Redevelopment: A Film by Paige Battcher and Matthew Kridler for the University of Southern California Sol Price School of Public Policy," Spring 2012. http://www.youtube.com/watch?v=BVySxQQk2kQ

30. Ibid.

31. Ibid.

32. City of Los Angeles Inter-Departmental Correspondence, September 9, 2008. https://docs.google.com/file/d/0B9Oa6iLGSBH2MTUoNGFiM2MtMzE1NC00MTYxLTg1MWEtNWM5MTgxYTIxZjk2/edit?hl=en

33. Tim Cavanaugh, "California Kills Redevelopment," *Reason Magazine*, April 2012. http://reason.com/archives/2012/03/20/california-kills-redevelopment

34. Ibid.

35. Ibid.

36. Ibid.

37. Eileen Norcross, "The Community Development Block Grant: Does it Work?" Mercatus Policy Series, November 2007. http://mercatus.org/publication/community-development-block-grant-does-it-work

38. Enterprise Florida Annual Report 2011-2012. http://www.eflorida.com/IntelligenceCenter/download/AU/AR_2012.pdf

39. Enterprise Florida. http://www.eflorida.com/ContentSubpage.aspx?id=4476

40. Ben Wilcox, "Economic Development or Corporate Welfare?" *Integrity Florida*, February 2013. http://integrityflorida.org/wp-content/uploads/2013/02/Enterprise-Florida-Economic-Development-or-Corporate-Welfare-FINAL.pdf

41. Ibid.

42. Ibid.

43. Ibid.

44. Tibby Rothman and Jill Stewart, "California Redevelopment Agencies' Demise," *LA Weekly*, June 30, 2011. http://www.laweekly.com/2011-06-30/news/california-redevelopment-agencies-demise

45. Maplight is a lobbying and campaign contribution database; http://maplight.org/california/legislator/1358-rod-wright/near_votes?sort=asc&order=Interest%20Group%20%3Csub%3Eof%20contributor%3C%2Fsub%3E&near-days=365

46. Michael Wallace, "Local Officials Behind Growing Support for CDBG," *National League of Cities Blog*, March 22, 2012. http://citiesspeak.org/2012/03/22/local-officials-behind-growing-support-for-cdbg-but-process-and-partisanship-remain-significant-challenge/

47. Influence Explorer is a lobbying and campaign contribution database; http://influenceexplorer.com/politician/robert-a-brady/5322864fab2c4964b39835a51bcbd4a8