

10. Financial Administration

This section of the plan discusses all aspects of long-term redevelopment specific to financial administration. The Financial Administration Technical Advisory Committee (TAC) is the lead implementing body of this section and it is responsible for working in coordination with relevant local and regional organizations and agencies. The goal of the Financial Administration TAC is to anticipate the post-disaster funding sources and financial needs of redevelopment to ensure that public funds are spent efficiently and equitably after a disaster.

10.1 OVERVIEW

Having a plan to finance redevelopment activities as they are needed during the recovery timeline is almost as important as knowing what those redevelopment activities are. After a disaster, there are many sources of state and federal aid that are available as well as private donations that could be directed to the most necessary uses. The County should not, however, rely on outside resources to meet all its needs. In addition, County and municipal services that will be needed more than ever after a disaster, as well as other financial obligations, will be endangered by decreased local public revenues. For example, in the Midwest towns impacted by recent floods, public officials anticipate there will not be enough federal mitigation funds to meet the demands for voluntary buy-outs of private property. These financing issues can be analyzed before a disaster occurs and strategies for obtaining and wisely using redevelopment funds can be included in a PDRP.

The Financial Administration TAC identified the following priority issues that are discussed in **Section 10.4**:

1. Project revenue shortfalls;
2. Coordinate private and public funding;
3. Pre-develop options for sustainably cutting services or finding other funding sources;
4. Retain high bond ratings; and
5. Enforce equitable disaster assistance.

10.2 VULNERABILITY

The current economic situation in Hillsborough County is similar to what the state of the economy would be after a major disaster. Local revenues are extremely sensitive to the health of the local economy and have been declining over the last several years as housing sales have declined and as the county (like the rest of the country) has moved further into recession. In addition, the Half-Cent Sales Tax and State Revenue Sharing have both dropped below prior periods, as have gasoline tax revenues. Finally, population growth is expected to slow down, which will affect communication sales tax revenues, utility tax revenues, and franchise fee revenues. This decline has been compounded by a constitutional amendment that reduced property tax revenues by increasing the homestead exemption, providing for homestead portability, exempting tangible personal property, and capping assessments on non-homestead property.

The declining state of the economy will be exasperated if Hillsborough County were to suffer a major disaster event before it rebounds from current conditions. County revenue sources will temporarily drop even further after a disaster and, depending on the severity of the event, this decrease could remain throughout long-term redevelopment. At the same time, certain budget needs would increase due to recovery and redevelopment necessities. **Table 10.1** lists the revenue sources for Hillsborough County in a typical year, each of which could be impacted if the County were to be hit by a major disaster. This table could be updated to include anticipated impacts as part of the revenue impact analysis described in **Section 10.4**.

Table 10.1 County, Municipal, and Agency Revenue Sources

Revenue Sources	Description
Ad Valorem Taxes	Taxes on property. Public bodies authorized to levy property taxes include: the County, municipalities, School District, Transit Authority, Southwest Florida Water Management District, and Port Authority as well as some small special purpose authorities.
Tourist Development Tax	Tax on transient lodgings.
Gasoline Taxes	Combined taxes of 10 cents per gallon, which comprises the Local Option 6 Cents Fuel Tax(levied by the County), a Voted 9 th Cent Fuel Tax of 1 cent (levied by the County), a Constitutional gas tax of 2 cents (levied by the state), and a County gas tax of 1 cent (levied by the state).
Building Permits	Fees for the issuance of building permits on new construction and reconstruction.
Federal Grants	Federal grants funding for capital improvements and a variety of social service and community needs.
State Grants	Various grants for a variety of local needs.
State Shared	Principally composed of State Revenue Sharing from 2.044% of the State Sales Tax and 2.9% of cigarette taxes.
Local Government Half-Cent Sales Tax Program	Represents the ordinary distribution by the Department of Revenue, based on 8.814% of the net adjusted sales tax collected by the State within the County and the application of allocation formulas to distribute the tax to the County and its municipalities.
Community Investment Tax (CIT)	A half-penny sales tax approved by voters in September 1996. Twenty-five percent of revenue collected from this tax is designated for the construction of new public school facilities. Other eligible areas of expenditure include public safety, transportation, water, wastewater, reclaimed water, stormwater, community stadiums, parks, libraries, museums, and government facilities.
Electric Franchise	Franchise fees on electric revenues of TECO, including fees utilizing public rights-of-way in the municipalities.
Utility Service Taxes	Tax on the purchase of electricity and metered/bottled gas in the municipalities.
Communications Services	A simplified tax, combining seven different state and local taxes or fees, and replacing them with a two-tiered tax composed of both a state tax and a local option tax on communications services.
Water Resource Services	An enterprise fund for the County's Water and Sewer Department.
Charges for Services – Airport	Represents operating revenues for the Hillsborough County Aviation Authority, an independent agency within the County. It includes landing fees, rental revenue, and concession revenue.

Revenue Sources	Description
Charges for Services – Public Safety	Represents charges for services received from Public Safety. Major public safety components are charges for police services (which go to the municipalities), Sheriff fees (which goes to the agency), fire protection services (which go to the municipalities and County), and Animal Care and Control fees (which goes to the County).
Charges for Services – Other	Represents revenues stemming from charges for current services provided to the public. Major components include Golf Course greens fees (which go the municipalities) and bus fares (which go to Hillsborough Area Regional Transit Authority) .
Special Assessment & Impact Fees	Assessments represent collections resulting from compulsory levies against certain properties to help defray part or all of the cost of specific improvements or services that are of special benefit to the assessed properties themselves. Impact Fees are assessed to offset the cost of providing additional infrastructure required as a result of new development.
Transfers	Represents funds transferred from one fund to another. A transfer out of a fund appears as expenditure while a transfer into a fund appears as revenue.
Debt Proceeds	This amount is composed of revenue from loan proceeds and loan repayments.
Excess Fees from Constitutional Officers	Represents excess revenues from various Constitutional Officers who operate fee-supported budgets, i.e., Clerk and Comptroller, Tax Collector, and Property Appraiser. State law requires that any excess of receipts over costs of operation be turned over to the County Commission after year end. Although not considered a “fee officer,” the Sheriff and the Supervisor of Elections are also required to return unspent funds to the County. Budget is based on historical collections and/or each Constitutional Officer’s projection.
Internal Services	Represents revenues earned by some County funds for providing services to other County funds on a cost reimbursement basis.
Fund Balances	Represents unexpended resources from the previous fiscal year. The major components of fund balances are proceeds of bond issues and other resources that have been set aside for capital improvements. In addition, fund balances also provide funding for County operating programs.

Ad Valorem Taxes

It is expected that Ad Valorem or property taxes on residential and commercial real estate will provide the Hillsborough County government with its largest source of revenue (approximately 38% of total county revenue) in fiscal year 2009 (Hillsborough County Management and Budget Department, 2008). **Table 10.3** shows the largest property taxpayers in Hillsborough County in 2007. That year, these 10 taxpayers represented only 5.2% of the total Ad Valorem property tax levied in the county, which indicates that the County has a diversified tax base that should continue to provide a stabilizing effect on property tax revenues in the future (Hillsborough County Finance Department, 2009).

Table 10.3 Largest Hillsborough Property Taxpayers in Fiscal Year 2007

Property Owner	Type of Business	Taxes Levied (\$ millions)	Percent of Total Property Tax
Tampa Electric Company	Electric utility	36.7	1.9
Verizon	Telecommunications	19.5	1.0
Hillsborough County Aviation Authority	Airport	11.3	0.6
Mosaic Company	Fertilizer products	8.0	0.4
Camden Operating LP	Real estate	5.8	0.3
Wal-Mart	Retail stores	4.9	0.2
Liberty Property	Property management	4.8	0.2
Post Apartment Homes LP	Real estate	4.6	0.2
Tampa Port Authority	Cargo/cruise/real estate	3.8	0.2
Teachers Insurance and Annuity Association	Insurance, finance	3.2	0.2
Total		102.6	5.2

Source: Hillsborough County Finance Department, 2009.

Property tax revenues depend upon the assessed value of real and personal property as determined by the Hillsborough County Property Appraiser. Taxable values tend to fluctuate over time. Between the years 1997 and 2007, countywide taxable value growth averaged 11.6% annually. In fiscal year 2007, taxable value grew about 21.7% and about 11.7% in fiscal year 2008. Poor housing markets and tax reform measures have resulted in an expected 4.7% decline in taxable values for fiscal year 2009 (Hillsborough County Management and Budget Department, 2008). In January 2008, voters approved a constitutional amendment that (1) increased the current \$25,000 homestead exemption for homes with an assessed value over \$50,000, (2) enacted a \$25,000 tangible personal property tax exemption, (3) provided for portability of Save Our Homes benefits, and (4) enacted a 10% assessment cap on non-homestead benefits. It is likely that these amendments will reduce the fiscal year 2009 countywide taxable values by \$6.4 billion (Hillsborough County Management and Budget Department, 2008).

Property tax revenues will be disrupted after a major or catastrophic disaster. The value of damaged areas will be lower after a disaster, which will affect property tax revenues. Also, after disasters it is typical for decision-makers to offer short-term leniency on property tax to alleviate homeowners’ financial burden during recovery and rebuilding based on pre-determined criteria and a certified damage assessment. These programs benefit residents and will enable them to rebuild more quickly but will lower revenues that are coming into the county.

Housing Market

A disaster would have a significant impact on the residential and commercial housing market by destroying and severely damaging homes and causing insurance prices to escalate, with available limited coverage dissipating. This would be particularly detrimental in Hillsborough County as the housing market is currently weak.

The Greater Tampa Association of Realtors (GTAR) showed a 12.2% increase in existing home sales between January 2008 through January 2009 with an associated decline in the average days on market (125 in May 2008 compared to 100 in January 2009). Home sales in January 2009, however, were 50% below January 2006 levels. There has also been a 46.6% decline in average home prices between July 2007 and January 2009 (Hillsborough County Economic Stimulus Task Force, 2009). The Hillsborough City-County Planning Commission data for the second quarter of 2008 showed a 40.1% decline in Hillsborough County single-family housing permits issued. This is a leading indicator of future home starts, which will help to clear the backlog of unsold homebuyers (Hillsborough County Management and Budget Department, 2008).

Taxable Sales

The weak housing market, high fuel costs, and overall state of the economy have resulted in a decline in taxable sales in Hillsborough County and in the state. Between 2007 and 2008, sales decreased 9.7% in Hillsborough County, a larger decrease than the 7.4% experienced by the state as a whole (Florida Department of Revenue, 2009). Hillsborough County's taxable sales are highly dependent on consumer purchases of nondurable goods, including clothing, grocery items, and personnel services (Hillsborough County Management and Budget Department, 2008). In the case of a major disaster event necessitating population relocation out of the county, these sales will significantly decrease. Of the taxable sales in Hillsborough County, 16.7% are associated with the tourism industry, which will be disrupted after a disaster (Hillsborough County Management and Budget Department, 2008).

Tourist Development Tax

The Tourist Development Tax is primarily generated from sales on tourist-related resorts and facilities and the revenues are used for tourism and economic development. The current tax rate is 5%. In 2008, the total number of visitors to Hillsborough County decreased 4.2% while visitor spending decreased 14% or \$2.73 billion (Tampa Bay Convention and Visitors Bureau, 2009). After a major or catastrophic disaster, the County will not be able to depend on revenues from the Tourist Development Tax until tourism rebounds. However, it is likely that reviving the tourism will take major investment including reconstruction costs of accommodations and tourist attractions, beach renourishment, and a marketing campaign to correct any negative images publicized during the aftermath of the event and promote tourism.

State Shared Revenues

Two state-shared revenues are important sources of funding for the County. The Local Government Half-Cent Sales Tax has been a major source of revenue for the County since 1983. Management and Budget trends forecasts and state forecasts of much slower statewide sales growth led to a consensus forecast of a 6.2% drop between 2007 and 2008. Revenues in 2008 were lower than expected and likely to be even lower in 2009 (Hillsborough County Management and Budget Department, 2008).

The State Revenue Sharing is the other major state source of revenue. A change made by the Legislature in 2000 authorized 2.25% of the state sales tax revenue to be included in State Revenue Sharing, which reduced state revenue proceeds but produced

a more stable long-term revenue source. The Hillsborough County Adopted Budget for fiscal year 2009 forecasted a modest rebound of 1.8% for revenues in fiscal year 2009 after a 7% decline in fiscal year 2008 (Hillsborough County Management and Budget Department, 2008). A total of 80% of this revenue can be used for debt service and any remainder is then distributed to the County. The other 20% is given to the County for the acquisition, construction, and maintenance of roads.

It is unlikely that a localized disaster event will affect state revenue sharing in Hillsborough County in the period immediately following a disaster; however, there could be long-term implications. State-shared revenues are determined based on local population. A major disaster could lead to a high number of residents permanently relocating from the county. Unless this population returns, this decrease will translate into a reduction in revenues.

10.3 INSTITUTIONAL CAPACITY

An institutional capacity assessment was undertaken for each topic area of the PDRP by surveying the members of each technical advisory committee. The purpose of conducting these assessments was to document what is already in place to contribute to disaster recovery, determine the ability of Hillsborough County to implement this plan, and to identify potential opportunities for establishing or enhancing specific redevelopment policies, programs, or projects. The following capacity discussion is specific to financial administration in Hillsborough County.

Existing Capacity

Due to the broad and comprehensive nature of post-disaster redevelopment, there are often many disparate resources that may provide a portion of the capacity needed for pre, or post-disaster implementation of the PDRP. In an effort to provide a list of resources that can be considered for use after a disaster, resources are divided into primary and secondary levels, with secondary resources being less useful or likely to be available.

Organizations

The organizations listed in **Table 10.4** are those that would be important to have represented on the Financial Administration TAC after a disaster as they are either critical for rapid post-disaster decision-making or may play a role in implementation. This list however is neither exhaustive nor is the participation of these organizations in the planning/implementation process mandatory. Additional stakeholders not listed in the table below attended TAC meetings during the PDRP planning process and, at the discretion of the TAC Chairs, these and other organizations can be invited to participate in the future.

Table 10.4 Financial Administration Agencies and Organizations

Organization	Role or Expertise
City of Tampa Economic and Urban Development Department	Responsible for coordinating and directing citywide redevelopment initiatives, community planning, and marketing redevelopment opportunities to the private sector
City of Tampa (Revenue and Finance, Budget, Internal Audit, Purchasing)	Manage funding for City of Tampa
City of Temple Terrace Finance Department	Manage funding for the City of Temple Terrace
City of Temple Terrace Planning and Development Division	Coordinate and implement land development projects
Hillsborough Area Regional Transit (HART)	Manage finances and transportation services
Hillsborough County Aviation Authority	Operate local airports and manages finances
Hillsborough County Clerk of the Circuit Court/Comptroller	Disbursement of County funds
Hillsborough County Debt Management	County financial controls
Hillsborough County Department of Procurement Services	Manage and coordinate procurement process and construction contracting
Hillsborough County Economic Development Department	Sustain and encourage economic growth of local economy
Hillsborough County Hazard Mitigation Section	Coordinate assistance and grants given to the cities and County
Hillsborough Emergency Long-term Recovery Program (HELP)	Assist county residents during long-term recovery efforts
Hillsborough County Management and Budget Department	Manage funding for Hillsborough County
Hillsborough County School District	Allocate school budgets
Housing Finance Authority	Stimulate construction and rehabilitation of housing through the use of public financing
Plant City Finance Department	Manage funding for Plant City
Tampa Bay Partnership	Provide business relocation services
Tampa Port Authority	Manage finances and port traffic
United Way Tampa Bay Disaster Services	Coordinate volunteers and private donations

Coordination Capacity

In addition to identifying the relevant organizations, identifying existing networks and means of communication between these organizations is an important component of understanding the capacity for implementing the PDRP. The following subsections discuss existing networks between these organizations that could prove useful.

Emergency Support Functions

Hillsborough County has an Emergency Support Function (ESF) structure to align County response and recovery activities with those of the State. The following ESFs are relevant to the Infrastructure TAC during short-term recovery:

ESF 7: Resource Support – The role of the ESF 7 is to bring needed resources and logistical support to aid disaster response and recovery operations. Necessary support includes locating, procuring through purchase or contracting, and issuing and transporting resources such as equipment, materials, personnel, and fuel. The primary responsibility for coordinating resource support for disaster operations rests with the Department of Procurement Services. Other agencies directly supporting this function include the Management & Budget Department, Facilities Management Division, Human Resources, and the United Way of Tampa Bay/Volunteer Center of Tampa Bay (Hillsborough County Comprehensive Emergency Management Plan, 2006).

ESF 15: Volunteers and Donations – ESF 15 coordinates the effective utilization of unaffiliated disaster volunteers and donated goods during response and recovery operations and manages the County's relief supplies reception and distribution system. ESF 15 is responsible for the Regional/Tampa Bay Area/County Volunteers and Donations Center (VDC) lead by the Facilities Management Division and the Volunteer Reception Center (VRC) lead by United Way of Tampa Bay. Agencies that have a direct support role in this function include the American Red Cross, Human Resources Department; Parks, Recreation, and Conservation Department; Purchasing Department; and the Salvation Army (Hillsborough County Comprehensive Emergency Management Plan, 2006).

Hillsborough Emergency Long-term Recovery Program

Hillsborough Emergency Long-term Recovery Program (HELP) is a long-term disaster recovery committee comprising representatives from government, health and human service agencies, nonprofit and faith-based organizations in Hillsborough County. HELP was created after the 2004 Hurricane Season to strengthen county-wide recovery efforts in the wake of a disaster by serving those who have disaster-caused unmet needs and assisting residents in securing resources to meet those needs. HELP's mission includes rebuilding and repairing disaster-damaged homes by coordinating volunteers to help residents secure funding. The United Way serves as the fiscal agent for HELP. HELP collaborates with a number of private non-profit organizations, examples of which are listed in **Section 4**.

Pinellas, Hillsborough, Pasco Community Organizations Active in Disaster (PHPCOAD)

PHPCOAD was created in 2007 as a way to foster communication, cooperation, collaboration, and coordination that would augment and support governments in recovery efforts as well as eliminate duplication of effort and resource among response and recovery groups. The organization is tasked with coordinating affiliated groups of volunteers during recovery and its members will fold into HELP during the long-term phase of redevelopment.

Florida Disaster Recovery Fund

The Florida Disaster Recovery Fund, formerly known as the Hurricane Relief Fund, is a state program that serves as a funding and management source for recovery needs that have not been met by relief organizations, government agencies, or insurance. The Fund is fueled by donations from private corporations, foundations, and individuals and is managed by the Volunteer Florida Foundation, a nonprofit that works with local long-term recovery organizations within impacted communities. Volunteer Florida

Foundation reaches out to individuals from immediate recovery organizations, businesses, nonprofits, and other representatives living and working in recovery who best know the constantly changing needs of their communities. The Fund also provides direct grants to local nonprofits and faith-based groups who need to rebuild their own infrastructure to serve their communities (Volunteer Florida Foundation, 2009).

Financial Administration Technical Advisory Committee (TAC)

The purpose of this Financial Administration TAC is to anticipate the post-disaster financial needs of the community and to work closely with the other TACs in estimating the costs of their recommended redevelopment actions and identifying potential funding sources. The Financial Administration TAC serves as a support to the other TACs and the LMS Working Group. TAC specific responsibilities include:

- Reviewing each TAC’s action plan annually to determine its financial feasibility in reference to the proposed timeline for that action and to assist the TAC in determining possible funding sources;
- Determining which actions necessitate budget amendments;
- Recommending applying for grants or making budget amendments; and
- Researching on an ongoing basis new private, state, and federal funding opportunities available to the county for mitigation and redevelopment purposes and provide newly identified sources to the PDRP staff and appropriate TACs.

Plans, Programs, and Procedures

Tables 10.5 and **10.6** provide a listing of local plans/ordinances, programs, and/or procedures that are relevant to long-term recovery of financial administration. These tables can serve as an inventory of the relevant plans, programs, and procedures for staff and TAC members to reference post-disaster as potential methods of implementation. Staff and financial capacity may be tied to plans and programs, so these can also be viewed as potential local fiscal resources.¹

Table 10.5 Financial Administration Primary Plans, Programs, and Procedures

Plan/Program/Procedure	Purpose	Lead Entity
Community Development Block Grants	Provides communities with resources to address a wide range of unique community development needs	Hillsborough County Affordable Housing Department; City of Tampa Growth Management and development Department
Comprehensive Emergency Management Plan (CEMP), Financial Guidelines	Details some of the procedures pertaining to obtaining state and federal funding; identifies responsibilities of key personnel	Hillsborough County Management and Budget Department
CEMP, Reporting Procedures	Details requirements and responsibilities associated with federal disaster assistance programs	Hillsborough County Emergency Management Department

¹ The programs listed were functional at the time that this plan was drafted. Future PDRP updates will include revising these tables to adjust for programmatic changes.

Plan/Program/Procedure	Purpose	Lead Entity
Density Bonuses/Transfer of Development Rights (TDR) Program	Promote development in specific areas	Hillsborough County Planning and Growth Management; Hillsborough County City-County Planning Commission
Disaster Relief Funding Agreements	Provides framework for the administration of federal and state funds flowing to the county post-disaster	Hillsborough County Board of County Commissioners
FEMA Flood Mitigation Assistance (FMA) Program	Assists communities in implementing measures that reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program	Hillsborough County Planning and Growth Management
FEMA Hazard Mitigation Grant Program (HMGP)	Provides grants to local governments for long-term hazard mitigation projects following a major disaster declaration with the goal of reducing the loss of life and property in future disasters by funding mitigation measures during recovery	Hillsborough County Planning and Growth Management
FEMA Individuals and Households Program (IHP)	Assists homeowners and renters affected by the disaster with housing needs and necessary expenses	Hillsborough County Code Enforcement Department
FEMA National Flood Insurance Program (NFIP)	Focuses on providing flood insurance, reducing flood damages through floodplain management regulations, and identifying and mapping floodplains	Hillsborough County Planning and Growth Management
FEMA Pre-Disaster Mitigation Grant Program (PDM)	Provides funds to communities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event	Hillsborough County Planning and Growth Management
FEMA Public Assistance (PA) Grant Program	Provides assistance for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged, publicly owned facilities and the facilities of certain private nonprofit organizations. Encourages hazard mitigation measures during recovery	Hillsborough County Public Works Department; Hillsborough County Emergency Management Department
FEMA Repetitive Flood Claims (RFC) Program	Assists states and communities in reducing flood damages to insured properties that have had one or more claims to the NFIP	Hillsborough County Planning and Growth Management
FEMA Severe Repetitive Loss (SRL) Program	Provides funding to reduce or eliminate the long-term risk of flood damage to severe repetitive loss structures insured under the NFIP	Hillsborough County Planning and Growth Management
Capital Improvements Program (CIP)	Includes projects and improvements to be made in the next six years and is a source of funding	Hillsborough County Management and Budget Department
Hillsborough County Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP)	Prioritizes and allocates anticipated funding for transportation improvements	Hillsborough County MPO

Plan/Program/Procedure	Purpose	Lead Entity
Small Business Association Business Physical Disaster Loans	Provides loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery, and equipment. Businesses of any size are eligible	Small Business Association
Small Business Association Economic Injury Disaster Loans (EIDL)	Provides relief to small businesses and private nonprofit organizations from economic injury caused directly by the disaster, permitting them to maintain a reasonable working capital position during the period affected by the disaster	Small Business Association
Small Business Association Home Disaster Loans	Assists homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim	Small Business Association
Statewide Mutual Aid Agreement	Allows the County and municipalities to request assistance from the State Division of Emergency Management	Hillsborough County Management and Budget Department

Table 10.6 Financial Administration Secondary Plans, Programs, and Procedures

Plan/Program/Procedure	Purpose	Lead Entity
Affordable Housing Density Bonuses	Encourages developers to build at higher density, promoting efficient use of land and preservation of open space	Hillsborough County Affordable Housing Department
Financial Assistance Support Program	Provides assistance with basic needs for residents who fall below an income range of 125% of Federal Poverty Guidelines	Hillsborough County Health and Social Services
Community Action Program	Analyzes low-income community needs and administers the Community Services Block Grant, HUD Emergency Shelter Grant, Low Income Home Energy Assistance program (LIHEAP), and Home Energy Assistance for the Elderly (EHEAP)	Hillsborough County Health and Social Services
Home Investment Partnership Program	Develop affordable housing for low- and moderate-income citizens	Hillsborough County Affordable Housing Department

Recommendations for Expanding Capacity

After a disaster, it is necessary that there be both horizontal and vertical intergovernmental coordination in dealing with financial administration. County and municipal agencies should work in unison with each other and with both state and federal agencies. While these networks of coordination cannot be concretely established until after a disaster, local agencies can begin to draft frameworks pre-disaster of how they will work among themselves and which local agencies will be working with state and federal agencies. This will prevent a duplication of roles and responsibilities.

The Comprehensive Plan for Unincorporated Hillsborough County includes an element on intergovernmental coordination for the purpose of providing measurable direction and instilling accountability. It outlines the ways of approaching an issue with a multi-

jurisdictional approach without being so specific as to preclude other ways of solving problems and leaving room for equity and responsiveness. The policy statements are intended to require minimal added staff time and effort to implement (2008). The County can use the comprehensive plan as a guide to developing a similar set of guidelines to direct intergovernmental coordination concerning financial administration of the PDRP in the future.

10.4 ISSUES

The prioritized issues listed below are the most significant post-disaster redevelopment issues relevant to finance in Hillsborough County as determined by the Financial Administration TAC. Following each issue is a summary of the recommended strategy for implementation. Specific actions that correspond with each issue strategy are listed in **Appendices D** and **E** with pertinent information such as timeframe and responsibilities for implementation. Full details on the actions are found on the Financial Administration Action Forms, which can be obtained through the Hillsborough County PDRP website (www.hillsboroughcounty.org/pgm/pdrp).

Issue #1: Project revenue shortfalls

Revenue sources will temporarily decrease after a disaster while budget needs will most likely increase substantially to implement all of the desired redevelopment programs. Projecting revenue shortfalls before a disaster allows a community to look for other revenue sources before the rush to rebuild and be prepared to make any necessary temporary changes to service provisions.

Strategy

Recovery from a disaster depends on the ability of the county and municipal governments to continue to provide and, in some instances, increase services. While some of the funding for these programs will come from federal and state sources, local funding will also be necessary to meet the total need and to fulfill match requirements from outside sources. Determining the revenue impacts imposed by a disaster is one of the essential steps in planning for recovery and subsequent redevelopment and requires an impact analysis of each of the major revenue sources. Once the County has estimated revenue impacts, it can devise a plan to account for any shortfalls as detailed in strategies for Issue #3.

Revenue Impact Analysis

The first step to developing an impact analysis is to identify the worst case disaster scenario for each of the five categories of hurricanes and estimate the revenue impacts of each. These scenarios can be based on the data in the vulnerability and risk analysis contained in the Local Mitigation Strategy, the Tampa Bay Regional Planning Council's *2009 Economic Analysis of a Hurricane Event in Hillsborough County, Florida*, and supplemented by more current data where available. Geographic information system (GIS) mapping could be a useful tool to identify geographical areas and populations that will likely sustain sufficient damage.

To perform the impact analysis, a complete and current list of revenue sources and supported activities is needed (**Table 10.1** can be used as a starting point). A potential information source is the annual budget projections for each municipality and county government and independent authorities like the School District. This list can be reviewed by the Financial Administration TAC as well as the other TACs or knowledgeable individuals to ensure the list of revenue sources and services and/or support activities is comprehensive.

Once the scenarios and list of sources and supported activities are complete, the Financial Administration TAC members can assess the potential effects of the given scenarios on each of the sources. To do this, each TAC member can be assigned a source based on their personal knowledge and background. Each person assigned will then conduct face-to-face interviews with appropriate county and municipal staff to determine the potential impacts for each scenario to include a description of the key factors affecting the revenue impacts and potential pre-disaster mitigation, which might reduce the risk of impact to that particular source.

Upon completion, the Financial Administration TAC should compile the results into a single report and distribute copies to the other TACs and interested parties. These results will be useful in resolving the other Financial Administration issues discussed in this section.

Issue #2: Coordinate private and public funding

Recovery from a disaster is a very expensive process that will require a substantial amount of funding from multiple sources. Having pre-established methods for coordinating a large influx of funding, spending it appropriately and according to varying funding source requirements, and documenting its use will assist in distributing the resources as soon as possible.

Strategy

A successful post-disaster financing initiative maximizes available funding options from a variety of sources including local, state, federal, private sector, foundations and non-governmental organizations. The County currently has procedures in place to apply and monitor a number of federal and state funds including Community Development Block Grants, FEMA Hazard Mitigation Grants, FEMA Pre-Disaster Mitigation Grants, Homeland Security Grants, Housing and Urban Development (HUD) funding, and Florida Department of Emergency Management funding (a complete list can be found with the Hillsborough County Clerk of the Circuit Court). The County can consider developing systems and procedures so that it is prepared to apply for new sources of state and federal funding like FEMA Individuals and Households Program funding and grants from private organizations and non-governmental organizations.

Issue #3 discusses the advantages to conducting preliminary research of funding sources. While doing this the County and the Financial Administration TAC should look for gaps in local knowledge and the need to train local employees so they are prepared for the application process for a variety of funds. The County and municipalities can organize workshops and classes to increase capacity to obtain alternative funding. This will prevent delays and increase efficiency in securing funding post-disaster.

Assessing Staff Levels and Administrative Procedures

Local government entities should be aware of their own existing staff levels and capabilities and keep in mind that depending on the workload faced following a disaster, extra staff will be needed to help manage grants or loans once received. County agencies and each of the municipalities should conduct an analysis of their administrative capabilities. Any foreseen staffing issues should be discussed with the County to see if there are possibilities for temporary consolidation of services or a need for assistance agreements. The County and municipalities should create a plan including mutual aid agreements, private firm contracting, fast-tracking of new hires and training programs, and other potential solutions to prevent staff shortages. Agencies charged with key recovery actions may need to recruit senior staff with specific expertise needed for recovery but can also consider hiring temporary or consultant personnel that can be used across agencies as staffing needs change during the different periods of recovery. The County and municipalities may want to consider hiring temporary staff to do senior staff's typical jobs while they are focused on recovery.

The Financial Administration TAC can consider creating a grant writers/administrators network within Hillsborough County that can be available to assist with post-disaster funding requests and administration. The network can include all County and Cities' staff members that are experienced in working with grants as well as some nonprofit and/or private contractor grant writers. Training for grant writers and administrators on FEMA procedures and other major post-disaster grant providers such as Housing and Urban Development (HUD) should be conducted on an annual basis prior to hurricane season.

While looking for potential gaps in human resources, county agencies and municipalities can also internally assess their administrative procedures to ensure that they have systems in place to be able to appropriately and efficiently coordinate funding from a variety of public and private sources. This will save time and energy post-disaster.

Issue #3: Pre-develop options for sustainably cutting services or finding other funding sources

Having a pre-developed plan of what can be cut from the budget temporarily or where other funding could be used can be indispensable. This complex task could result in gaps in services or delays in implementing new programs for recovery if done entirely after a disaster occurs. After a disaster, there may be revenue shortfalls for typical service provisions or additional services related to disaster recovery that must be paid. Before a disaster is also the ideal time to research what revenue sources, other than the typical federal disaster sources, could be available to the local government to use during redevelopment. The local government can pursue new sources, such as private

companies, foundations, and nongovernmental organizations, and begin to foster relationships with potential funders.

Strategy

After completing the revenue impact analysis described under Issue #1. The County should be able to gauge the extent of deficit it will face if it experiences specific disaster scenarios. In many situations, the County will be strained to provide a minimum level of services; however, some areas will need increased services depending on the level of damage and the resources of the residents and businesses. Low-income areas, for example, and especially the businesses in low-income areas tend to be far less resilient than those in higher-income areas and will have special needs, which must be met if they are to recover.

Contingency Planning

Once the Financial Administration TAC has compiled and distributed the revenue impact analysis, it can meet with service providers to develop contingency plans to cover reductions in general services as well as to provide assistance to special needs areas. These plans should match the funding short-falls predicted in the disaster scenarios and deal with short-falls. Such plans should include impact on levels of service, impact on the community served, priorities for allocating services, and potential sources of temporary funding. Where services or funding sources are identified that are not impacted by a disaster, funds can be transferred on an emergency basis to assist high priority services that will suffer curtailments. The TAC should look for any conflicts among the priorities of the different service providers and work towards resolution. This information can be documented in a Contingency Report by the Financial Administration TAC and provided to appropriate County and municipal agencies and other TACs to aid in their planning. The Financial TAC can also compile information on alternative sources of funding based on information provided by the service providers and other sources including the timing of any necessary requests to minimize the impact of a funding short-fall.

Research Available Funding Sources

Some of the pre- and post-disaster funding programs available to the County are listed in **Tables 10.5** and **10.6** but this is in no way a comprehensive list. Hillsborough County has access to a number of resources that have information about potential funding sources for both pre- and post-disaster planning projects. The Financial Administration TAC can research which funding sources are viable and ensure that the County has applied for any pre-disaster funding that can be used in mitigation projects. Among the available resources is the *Post-Disaster Redevelopment Planning Funding Resources Companion Handbook*, which was developed under the state-funded Post-Disaster Redevelopment Program in 2009 and intended to provide recipients with a comprehensive list of funding sources for post-disaster redevelopment. Another resource is the Florida League of Cities' *Financial and Technical Assistance for Florida Municipalities 2009-2010*, which provides information on grants, loans, technical assistance, and other resources that are available to Florida municipalities. This resource book includes information on various programs for topics such as community development and redevelopment, economic development, emergency management,

capital facilities, coastal management, environmental, historic preservation, housing, and infrastructure (Florida League of Cities, 2009). The Patchwork Quilt: A Creative Strategy for Safe and Long Term Post-Disaster Rebuilding by Edward Thomas and Sarah Bowen (2008) outlines how agencies can receive funds from different sources to assist their redevelopment efforts.

While many sources offer funding only post-disaster, Hillsborough County can take the initiative pre-disaster to familiarize itself with potential funding programs and requirements so that it is aware of its eligibility and is prepared to apply immediately following a disaster. The County can use this research to identify and quantify realistic expectations for federal, state, and private funding.

Some funding sources, especially state and federal agencies, require that local governments be required to provide a match for funding sources, which can include in-kind services. In some cases, funding organizations might allow waivers of certain criteria or allow creative financing solutions depending on the type or magnitude of the disaster, so it is advisable to inquire as to whether these options exist. Knowing these regulations before a disaster may enable the County to make any necessary requests when filing applications.. The County can also determine when it is appropriate to mingle funds (such as Section 404 Hazard Mitigation Grant Program and Section 406 Public Assistance funding) in order to establish higher standards for rebuilding to make the community more resilient to future disasters.

Hillsborough County can better position itself to receive funding by establishing relationships with potential funding organizations before applying for funding. Proactive partnering and conversations with these funding organizations provides the community with an understanding of the organization's policies, timelines, funding uses and restrictions, types of aid, and recipient and project eligibility. It also gives the funding organization the opportunity to familiarize itself with the County's redevelopment plans and funding needs. This will assure the funding organization that the County is prepared to spend aid appropriately and that funds are going to be carefully-considered long-term decisions.

Issue #4: Retain high bond ratings

It is likely that the county and municipalities will issue bonds to fund some aspects of redevelopment or bridge gaps in revenue. In the current economy, bond insurers' ratings are dropping and terms are becoming less favorable for local governments; therefore, it is important to plan ahead for fiscal responsibility in borrowing.

Current Policy and Procedures

Debt Management Policy

In March 2005, Hillsborough County Board of County Commissioners implemented a Debt Management Policy that established parameters and guidelines to govern issuing and managing debt. It allows the County to periodically issue Debt Obligations to finance the construction, acquisition, and/or equipping of infrastructure and other assets for the purpose of meeting its governmental obligation to its residents. The policy indicates the desire and direction of the County to assure that such Debt Obligations are issued and administered in such a manner so as to obtain the best long-term financial

advantage to the County and its residents, while making every effort to maintain and improve the County's bond ratings and reputation in the investment community.

The County may also decide to issue or guarantee Debt Obligations on behalf of other governmental agencies or authorities for the purpose of constructing facilities or capital assets furthering the County's goals and objectives of providing service to its residents. In such case, the County shall take reasonable steps to confirm the financial feasibility of the project and the financial solvency of the borrower, and take all reasonable precautions to ensure that the use of the County's guarantee is incurred as a last resort.

The following are statements of the Policy's general intent concerning the issuance and management of debt:

Hillsborough County will not issue Debt Obligations or use debt proceeds to finance current operating and maintenance expenditures.

Hillsborough County will utilize Debt Obligations only for capital improvement projects that cannot be funded from current revenue sources or in cases in which it is more equitable to finance the project over its useful life.

The County will evaluate the impact of the debt service requirements of outstanding and proposed Debt Obligations over 1-, 5-, 10-, 20-, and 30-year periods. This evaluation will consider debt service maturities and payment patterns as well as the County's commitment to a "pay-as-you-go" capital funding approach (Hillsborough County Debt Management Policy, 2005).

Strategy

The County does not have a debt management policy or any criteria in place to issue bonds in a post-disaster environment. The County can consider amending the Debt Management Policy referenced above or developing a policy and criteria that is specifically applicable in the aftermath of a disaster. As preparation for developing this policy, the Financial Administration TAC can research how bonds have been used by other communities impacted by disasters (such as the Midwestern Disaster Area Bonds) and consider the applicability of these programs to Hillsborough County. The Financial Administration TAC can keep track of the county bond ratings and the capabilities for new issues.

Issuing Bonds to Meet Match Requirements

Some funding sources offer assistance to counties and municipalities but require that the recipient communities match a certain percentage of the grant. For example, FEMA's Public Assistance (PA) Program will fund 75% of the cost of debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged, publicly-owned facilities and the facilities of certain private non-profit organizations, but the community must cover the remaining 25% of the costs. Another post-disaster program is the Hazard Mitigation Grant Program (HMGP), which provides grants to protect undamaged buildings from the impacts of future events through projects such as wind retrofits or flood control. These grants also cover 75% of the cost with the balance to be covered by the municipality or the county where the project involves their public facilities. The 25% match for both programs can quickly amount to a significant amount of money during a period when revenues may still be reduced. The Financial

Administration TAC can recommend potential use of bonds as an option to cover some of this required match leaving city and county current revenues and reserves for necessary expenditures. This use can be included in any future criteria that the County develops pertaining to the issuance of bonds post-disaster.

Issue # 5: Enforce equitable disaster assistance

Federal law requires that the intent to ensure all relief and assistance are provided in an equitable and impartial manner. For the PDRP to be effective, it must take into account that certain demographic segments of Hillsborough County will require a greater amount of assistance after a disaster than others. The perception of inequality can raise tensions in an already tense post-disaster atmosphere.

Strategy

The first step in enforcing equitable assistance distribution is to fully understand the eligibility requirements of existing programs. When the County is familiarizing itself with potential funding programs (as mentioned in Issue #3), it can also note which portions of the population are eligible for which programs and through which mechanisms they can apply. For example, under the PA Program, only local or state governmental organizations are eligible applicants and only for reimbursement of their own eligible costs. Under the HMGP, only local and state governmental units and certain private nonprofit organizations are eligible applicants, but local governments with jurisdiction may apply on behalf of home or business owners. Under the Pre-Disaster Mitigation (PDM) Program only state and local governments are eligible applicants, but local governments may apply on behalf of private nonprofits, or home or business owners.

It would be particularly beneficial to note which programs are available to minority and special needs groups. After a disaster, the public as a whole will need to be educated about available programs but the Financial Administration TAC can also work closely with the Public Outreach TAC to specifically reach out to any marginalized groups through a variety of communication methods. Special efforts should be made to communicate with segments of the population who are isolated due to physical disability or English proficiency. If the entire population is aware of what assistance is available and the proper application procedures inequalities in distribution will be less likely to occur.

The post-disaster environment will be chaotic and applying for federal, state, and local assistance for the first time may be time consuming and confusing for some residents. . The County should plan to have staff available to counsel and aid citizens in navigating through application processes and to ensure that impacted residents are receiving the full amount of benefits they are eligible for.

Throughout recovery and redevelopment, the County can track disbursements and periodically assess which segments of the population are receiving funding. The County can check to ensure there is an equitable distribution between eligible applicants based on relative need.