

# Financial Administration Technical Advisory Committee

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 rely on all of its needs being met by outside resources, however. 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, it has been anticipated that 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 post-disaster redevelopment plan (PDRP). The purpose of this Financial Administration Technical Advisory Committee (TAC) is to anticipate the post-disaster financial sources and needs of the community and to work closely with the other TACs' on estimating the costs of their recommended redevelopment actions and identifying potential funding sources.

## Post-Disaster Redevelopment Issues for Financial Administration

*Below are the Financial Administration Technical Advisory Committee's prioritized issues with a brief description of each.*

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 provision.
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. 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.
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

non-governmental organizations, and begin to foster relationships with potential funders.

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.
5. **Enforce equitable disaster assistance** – Federal law requires 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.