

**City of Tamarac**  
**Interoffice Memorandum**  
**Department**

**To: Michael C. Cernech, City Manager**  
**Thru: Kathleen Gunn, Assistant City Manager**  
**From: Laura Karpaviciute, Assistant to the City Manager**  
**Date: January 29, 2020**  
**Re: TR# 13401 City of Tamarac 2020 Federal Legislative Agenda**

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**Recommendation:**

Place the above referenced TR# 13401 on the February 12, 2020 City Commission Meeting agenda for Commission consideration.

**Issue:**

Approval of a resolution adopting the City of Tamarac 2020 Federal Legislative Agenda.

**Background:**

The City of Tamarac actively monitors and takes positions on Federal, State and local legislation proposals that may impact the City and the City's ability to ensure the quality of life and provide services to Tamarac's residential and business communities.

**Economic Development**

The City of Tamarac supports the Federal programs that promote economic development, creation of jobs that pay a living wage, business attraction, retention and growth and ongoing assistance to small businesses.

***Reauthorize New Market Tax Credits:***

Current authorization for the New Market Tax Credit (NMTC) program runs through December 31, 2020. It is designed to attract private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). This program offers tax benefits to investors that can add up to 39% tax credits over 7 years and helps the qualified low-income community businesses get increased access to capital that may otherwise be challenging to secure. The City supports the continued reauthorization of the New Market Tax Credit (NMTC) program, as a potential option available to incentivize investors to inject capital into qualified low-income areas in Tamarac.

***Opportunity Zones:***

The Tax Jobs and Cuts Act of 2017 created a Federal Opportunity Zone program. This economic development incentive program is aimed at promoting investment in the qualified low-income, high-poverty and high-unemployment areas. Capital gains invested through the qualified opportunity funds (QOF) into the qualified Federal Opportunity Zone businesses and property are eligible for a tax deferral until the investment is sold (or until December 31, 2026). In addition, investors can qualify for a partial or full exclusion from taxes of the deferred gains

depending on how long the investment is held in the QOF (starting with 10% exclusion after 5 years and full exclusion if held 10 years or more).

Only a limited number of low-income census tracts could be submitted by the State Governors for certification by the U.S. Treasury Department. Tamarac has advocated with the Governor's Office for the creation of Opportunity Zones within the City and successfully secured the Federal Opportunity Zone status for the portion of the City located east of the Turnpike and south of Commercial Blvd.

The City supports an expansion of this program to additional eligible low-income census tracts and qualified contiguous areas.

### Infrastructure

The City also supports comprehensive and reliable long-term federal funding for critical infrastructure projects meeting local needs and priorities in the area of transportation, community development, housing, water and education.

### *Municipal Bonds:*

Nearly two-thirds of core infrastructure investments in the United States are financed with municipal bonds. A reduction or elimination of the tax-exempt status on municipal debt will result in either fewer resources available to finance these projects or increased cost which will be passed on to the public through higher taxes or fees to pay down the debt. Municipal bonds provide for a fiscally prudent and equitable way to finance infrastructure improvements, because debt payments are distributed throughout the years and paid by those who benefit from said improvements. The City of Tamarac supports the preservation of the tax-exempt status of municipal bonds as a primary mechanism for investing in infrastructure projects that address the local infrastructure needs.

### *Transportation:*

Traffic flow in Tamarac has been identified as one of the top community priorities in the last two community surveys. Well-funded and comprehensive transportation initiatives are needed to address traffic congestion, improve resident quality of life, reduce environmental impact, and promote economic development. The City supports the allocation of funding for convenient, connected, and comprehensive transportation network and public transit solutions.

### *Water:*

The City supports continuous reauthorization of the Water Resources Development Act (WRDA) and funding for Water Infrastructure Finance and Innovation Act and the Drinking Water State Revolving Loan Fund Program. We encourage a higher level of support for water infrastructure projects, including projects that ensure the safety of drinking water. We are committed to maintaining and enhancing Tamarac's water, wastewater and stormwater infrastructure and ensuring the safety and quality of our drinking water.

The City is committed to operating in a transparent manner and publishes an annual Water Quality Report. The City of Tamarac and the American Water Works Association have raised concerns over the proposal included in the WRDA bill that would require providing the consumer confidence reports twice a year. This requirement could potentially translate into significant monetary and human resources expenses, especially if the rule is interpreted to require us to undertake an extensive data collection twice a year.

### Sustaining the Affordable Housing Stock via HUD (Department of Housing and Urban Development) Programs

The City of Tamarac has a significant affordable housing stock. We recognize that the shortage and loss of affordable housing available to low and moderate-income households exacerbates the housing crisis faced by many individuals and families nationwide and locally and has a wide-reaching impact on our economy. In Tamarac, the preservation of existing affordable housing stock is the most cost-effective method for providing and sustaining affordable housing, since the primary cause of the loss of affordable homes is deterioration due to the age of housing or neglect by homeowners.

Initiatives that address home deterioration, such as the City's Minor Home Repair program, provide seniors, retirees, citizens with special needs and low to moderate income families with an opportunity to remain in their homes and communities, thus contributing to a stable and prosperous economy. Federal funds received for Tamarac's housing programs have enabled the City to assist Tamarac's low to moderate income residents with home repairs to correct health and safety hazards, weatherization as well as address any building or code deficiencies of owner-occupied properties. The chart below displays federal funds received from the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs along with the number of households assisted over the most recent 6 years.

Funding Year	Funding Source	Funding Amount	Total Number of Households Assisted
FY2018/2019	HUD/CDBG	\$388,383.00	11
FY2017/2018	HUD/CDBG	\$338,151.00	7
FY2016/2017	HUD/CDBG	\$384,932.00	8
FY2015/2016	HUD/CDBG	\$367,949.00	8
FY2014/2015	HUD/CDBG	\$355,970.00	10
FY2013/2014	HUD/CDBG	\$369,060.00	9
FY 2017/2018	HUD/HOME	\$121,889.00	3
FY2016/2017	HUD/HOME	\$82,910.00	3
FY2015/2016	HUD/HOME	\$70,974.00	3
FY2014/2015	HUD/HOME	\$78,448.00	4
FY2013/2014	HUD/HOME	\$74,749.00	4
FY2012/2013	HUD/HOME	\$82,883.00	5

(Please note that although HOME is a federal funding source, funds are disbursed through Broward County Consortium. Also, HOME is lagging by one fiscal year, thus there is no data for FY2018/2019.)

Recurring and increased allocation of funds for these programs funded through the Department of Housing and Urban Development (HUD) would positively impact the City's ability to provide quality housing, preserve and sustain the existing affordable housing stock available for low to moderate income households while contributing the vitality of neighborhoods and communities.

### Public Safety

Tamarac is committed to ensuring that the community is safe and has allotted 23% of its annual budget (over \$45 million) to public safety.

Public safety is rated by Tamarac residents as the City's top priority to focus, emphasized by visibility of police and the City's continued efforts to prevent crime. The City is therefore in favor of allocation of federal funding through Department of Justice grants geared towards

supporting community-oriented policing strategies to improve the public perception on safety and keep the crime rate low. For FY 2020, the City is estimated to get around \$13,600, with an additional \$14,000 Countywide award, through the Justice Assistance Grant for police visibility at commercial plazas.

Furthermore, the City supports federal funding through grants to improve fire rescue response times and assist with the needs of emergency operations. As the City and its population have grown, Tamarac has continually invested in the fire rescue infrastructure, equipment, training, emergency preparedness and response coordination. As a result, the public gave Tamarac's fire rescue the highest satisfaction marks out of all services in the last community survey. Continued funding and grant support are important to ensure that the public receives excellent public safety services it expects.

#### Disaster preparedness and Recovery

In light of numerous large-scale disasters impacting many communities nationwide from recent hurricanes (e.g. Harvey, Maria, Irma, Matthew) to the widespread wildfires, the Federal Emergency Management Agency (FEMA) programs that assist local governments' disaster response and preparedness efforts are of a vital importance. The timeliness of FEMA reimbursement of local government expenditures is also critical, as it impacts the ability of many communities to respond to the declared emergencies in the future. Tamarac's Public Assistance Project Worksheets pertaining to the reimbursement of the City funds spent to respond to hurricane Irma (\$2.5 million) were submitted more than two (2) years ago. To date the City received \$1,079,680.37.

Therefore, the City of Tamarac supports and encourages sustained and increased funding for FEMA to ensure the full and timely reimbursement of expenditures incurred by local governments in response to emergencies.

In addition, the City supports FEMA's ongoing efforts aimed at assisting local emergency preparedness efforts through grants.

#### National Flood Insurance Program

The National Flood Insurance Program (NFIP) was established in 1968 to provide insurance that had proved difficult for the private sector to provide at affordable rates and to promote floodplain management. It is managed by FEMA. In 2017, the Congressional Budget Office published a report on NFIP's financial soundness and affordability and found "that premiums collected by the NFIP for policies in effect in August 2016 fell short of the program's expected costs by \$1.4 billion, mainly because of shortfalls in coastal counties". The program was reauthorized through September 30, 2020.

Policy premium increases seen nationwide as well as concerns over the solvency of this program have a direct impact on many Tamarac's residential and commercial property owners and renters. Homeowners that live within the Special Flood Hazard Areas (SFHA) and have a mortgage are required to acquire flood insurance. However, it is important to note that 20 - 25% of flood damage claims are from outside the SFHA. Therefore, the City's floodplain manager recommends that homeowners outside the SFHA obtain a lower cost Preferred Risk Policy.

The City of Tamarac participates in the National Flood Insurance Program's (NFIP) Community Rating System (CRS) and has earned a Class 6 rating (only 16% of communities in Florida are

Class 6 or better). This means that NFIP policies issued or renewed for properties in the Special Flood Hazard Areas (SFHAs) in Tamarac receive a 20% premium discount.

The City supports policies that ensure all property owners receive affordable flood insurance within a framework that helps the NFIP become financially sustainable.

### Parks and Open Space

The City of Tamarac has eleven (11) parks (including the golf course), where residents and visitors of all ages, backgrounds and abilities can enjoy recreation and leisure. As it continues to plan for and invest in park development and enhancements, the City has considered studies showing that access to public parks and open spaces is conducive to a healthy lifestyle through lowered risk of disease, controlling of obesity, and increasing life expectancy for its users. Parks and open spaces are also essential to community building and strengthening ties between residents, as well as preserving green and open space.

With limited vacant space available, Tamarac seeks to develop and /or enhance available park parcels and acquire additional park land as feasible. For example, the new Water's Edge park is nearing completion, the Tephford park has been recently upgraded with a new outdoor fitness court, Sunset Point and Veterans park parking, restroom and other improvements are soon to be designed. Additionally, in November 2019, the City Commission approved the acquisition of three privately parcels abutting the Caporella Park to accommodate future improvements. These and other efforts to equitably provide quality parks and open spaces to the community would benefit from federal funding opportunities.

### Green Initiatives

The City of Tamarac supports policies that fund programs, grants, and initiatives that promote environmental protection and sustainable practices, including infrastructure that promotes energy efficiency, clean, renewable energy, sustainability and resiliency to extreme weather events.

As part of its Strategic Plan, Tamarac is committed to being vibrant and sustainable. The City has successfully leveraged and continues to look for opportunities to apply federal grant funding and other incentives, such as Federal stimulus dollars and the Energy Efficiency and Conservation Block Grant, to support Tamarac's investment in environmental sustainability and resilience. For example, the implementation of Tamarac's 2008 Climate Action Plan, was successful in large part due to Federal funding opportunities available at the time. As part of the Plan, the City installed solar panels, energy saving lighting fixtures at City facilities, parks and streets while also implementing technology initiatives that reduced energy and resource use. Recognizing that South Florida is acutely vulnerable to extreme weather events that impact resident quality of life, private properties and Florida's economy overall, e.g. real estate, tourism, agriculture, energy, and transportation sectors, Tamarac has been investing in infrastructure to increase sustainability and resiliency. Federal funding, programs and initiatives supporting these efforts, will have a regional impact.

### **Fiscal Impact:**

There is no direct budgetary impact associated with the adoption of legislative agenda.

ATTACHMENT- Exhibit A: City of Tamarac, Florida 2020 Federal Legislative Agenda