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BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS
COMMISSIONER JOHN TOBIA, DISTRICT 3

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July 6, 2021

**UPDATE RE: AMERICAN RESCUE PLAN ACT FIRST ROUND
FUNDING ALLOCATION**

This memorandum is not intended to solicit a response from any Commissioner, and it is requested that Commissioners refrain from doing so in accordance with Florida's Sunshine laws.

The following memorandum is intended to replace that issued on April 12, 2021 due to updated information on the requirements of ARPA, comments made by Board members during Board meetings, and staff recommendations regarding critical needs relating to Utilities.

While I previously suggested that the entire first allocation be essentially divided into fifths for the discretion of each Commission office, the Board has since allocated \$8.6 million in order to reduce the impact of the fire assessment fee increase, and the County Manager has made it known that the Utilities Department has critical needs and that the public would greatly benefit from an allocation of \$35-\$40 million. As to the Utilities allocation, I am convinced that it is in the fiscal and environmental interests of the citizens of Brevard County to allocate at least \$35 million. Allocating funds for this purpose will lead to lower costs in the future, and greatly speed up efforts to reduce spills and leaks from existing aging infrastructure.

As such, of the \$58.5 million received by the County, \$43.6 million would be allocated directly to reduce the fire assessment fee and to address Utilities' needs. This leaves approximately \$14.9 million to allocate. An alternative option is to designate \$40 million to Utilities, leaving \$10.9 million.

Ultimately, my opinion on how these funds should be designated remain unchanged. I believe each Commission office should have discretion over 1/5 of these funds (approximately \$3 million in the event \$35 million is allocated to utilities, or \$2.2 million if \$40 million is allocated), subject to the following conditions:

- 1) All allocations must be eligible to be made directly under ARPA and in accordance with guidelines issued by the U.S. Department of Treasury. Such eligibility shall be determined by the County Attorney's Office, whose responsibility it shall be to review each proposed category of allocation and provide such a determination.
- 2) It shall not be permitted to use budgeting techniques that would require allocating to a separate expense in order to convert funding for use in a category which is not specifically provided for in ARPA. For example, the method previously used under the CARES Act to free funding by allocating to payroll reimbursement would not be permitted under this proposal. The categories provided by ARPA are listed below for convenience.
 - i) To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - ii) Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers that are performing such essential work, or providing grant to eligible employers that have eligible workers who perform essential work;
 - iii) For the provision of government services to the extent of the reduction in revenue due to COVID-19 relative to revenues collected in the most recent full fiscal year of the County prior to the emergency;

- iv) To make necessary improvements in water, sewer, or broadband infrastructure.

It may make Commissioners more comfortable to understand what I intend to allocate funding to should the Board approve this proposal. I intend to direct most or all funding designated to District 3 for a hazard pay program for County employees who worked during the COVID-19 emergency, with the remainder designated for food assistance.

It is my hope that Commissioners would consider and use sound judgment regarding the burden that any allocation places on staff. For example, should a Commissioner wish to institute a program that requires hundreds of hours to administer, for marginal benefit, I would expect that Board member to reconsider. This would be particularly true if key staff members, who would otherwise be doing critical work on behalf of the citizens of Brevard County, are utilized. Should it appear that any Commissioner is abusing the authority given to them under this proposal, the County Manager would be authorized at any time to seek Board direction.

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Prasad, Billy

From: Lisa Cullen <Lisa.Cullen@brevardtc.com>
Sent: Tuesday, June 29, 2021 3:43 PM
To: Tobia, John
Cc: Ena Blumer; Linda Smith
Subject: RE: PACE
Attachments: 20210629153331640.pdf; 20210629154024537.pdf

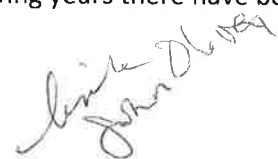
Follow Up Flag: Follow up
Flag Status: Completed

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Commissioner Tobia,

In 2017, we saw the first PACE Assessment Account go on the tax roll. In the following years there have been exponential increases in the number of PACE Assessment Accounts.

Roll Year 2017 – 1 Account
Roll Year 2018 – 9 Accounts
Roll Year 2019 – 310 Accounts
Roll Year 2020 – 659 Accounts



We have seen assessments as low as \$413 per year to a high of \$14,290 per year be added to a Tax Account. I have included a list of all Tax Accounts with a PACE Assessments so you can research any that might interest you.

As the Tax Collector, I make sure the PACE Agreement has been properly filed with the Brevard County Clerk of Court. There have been cases where the agreement was filed in Broward County and sometimes not filed at all. This would present a problem when searching for the documents regarding the assessment. If I were purchasing a property with a PACE Assessment, I would want to know all the details. Those details would be found with the documents filed with the Clerk of the Court.

Pace Assessments are not to be placed on properties with delinquent taxes. There have been 9 PACE Assessments filed on accounts where delinquent taxes existed. This is easily determined on the Tax Collector website. One property was 4 years in arrears and could have possibly been brought to Tax Deed Sale. If a property owner can not keep their tax payments current, one would reason that increasing the tax bill amount with a PACE Assessment would only make that situation worse.

I have included copies of the documents for Account 2301672. This Port St. John property was transferred on October 1, 2018 from Timothy N. and Julie Smith to Courtney C. Roll, PA. Two months after the warranty deed was executed and filed with the Clerk of the Court, Timothy Smith signed a PACE Financing Agreement on December 10, 2018 for a Central Air Conditioner for a term of 15 years in the amount of \$8,728.84. Mr. Smith was not the owner of the property at the time the agreement was signed. The PACE Assessment stays with the property so the new owner Courtney C. Roll PA becomes responsible for paying for the air conditioner.

We often hear that the property owner did not realize the amount that would be added to their Tax Bill. It hasn't happened yet but I am positive at some point one of these properties will be sold at Tax Deed Sale due to non-payment

of Property Taxes. This is something that I hate especially in the case of a homestead property but it is part of my statutory responsibility as Tax Collector.

In full disclosure, I am not a proponent of PACE Assessments. In my opinion, the level of oversight is lacking. Keep in mind many of these Assessments are placed on properties where the owners do not have the credit or ability to finance the "improvements" in what one consider a conventional manner. As far as I know Fannie Mae and Freddie Mac will not finance a property with an existing PACE Assessment.



From: Tobia, John <John.Tobia@brevardfl.gov>
Sent: Monday, June 21, 2021 12:22 PM
To: Lisa Cullen <Lisa.Cullen@brevardtc.com>
Subject: PACE

Ms. Cullen,

As you might know, I voted against implementing the PACE program in Brevard County when it was brought before the Board years ago. I recall you subsequently informed the Board of some of the ills the program is causing, including placing veterans at risk of losing their homes. John Oliver ran a segment on the program over the weekend (you can view it at <https://youtu.be/zv8ZPFOxJEc>). I am considering bringing the issue back before the Board for reconsideration.

Would you be able to provide me with an update on what impacts your office has witnessed with the program over the past year?

Thank you,

A handwritten signature in dark ink, appearing to read "jpt", is positioned above the typed name.

John Tobia
County Commissioner, District 3



BOARD OF COUNTY COMMISSIONERS

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