

Community Development 2021 Budget Discussion

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Community Development Committee
July 6, 2020



For Today

2020 Budget Summary

- 2020 Budget Overview
- COVID-19 Impacts
- Federal Cares Act

2021 Budget Development

- Timeline
- Assumptions, Opportunities and Challenges
- Discussion / Targeted Items for July 20 Discussion & Beyond

Budget Development Schedule

May – July Staff: Budget Development Activities

July **CDC: Initial 2021 Budget Conversation (July 8)**
CDC: 2021 Preliminary Operating Budget & Targeted Topics (July 20)

August CDC: Capital Program Conversation
Council: Staff Present Preliminary Operating Budget / Levies (Aug 12)
Council: Adopt Preliminary Budget / Levies (Aug 26)

Q4 Council: Capital Program Presentation (Oct 14)
CDC: HRA Rent Standards & Utility Allowance
CDC: LCA and Equity Grant Programs
Council: Adopt Final Budget/Levies (Dec 9)
CDC: Start Annual Division Workplanning

Q1, 2021 CDC: Finalize Annual Division Workplan



Major Responsibilities

-  Provide coordinated planning and policy to guide the growth and development of the region.
-  Deliver state and federally funded rent assistance to create and provide affordable housing for low-income households.
-  Partner with regional park implementing agencies to plan for and fund the Regional Parks System.
-  Provide Livable Communities Act grants to help clean up polluted sites, expand housing choices, and build developments that connect housing, jobs, and services.
-  Provide technical assistance to local governments to implement region policy in their local plans.
-  Identify, analyze, and report on issues of regional importance.
-  Facilitate community collaboration.

Budget Objectives

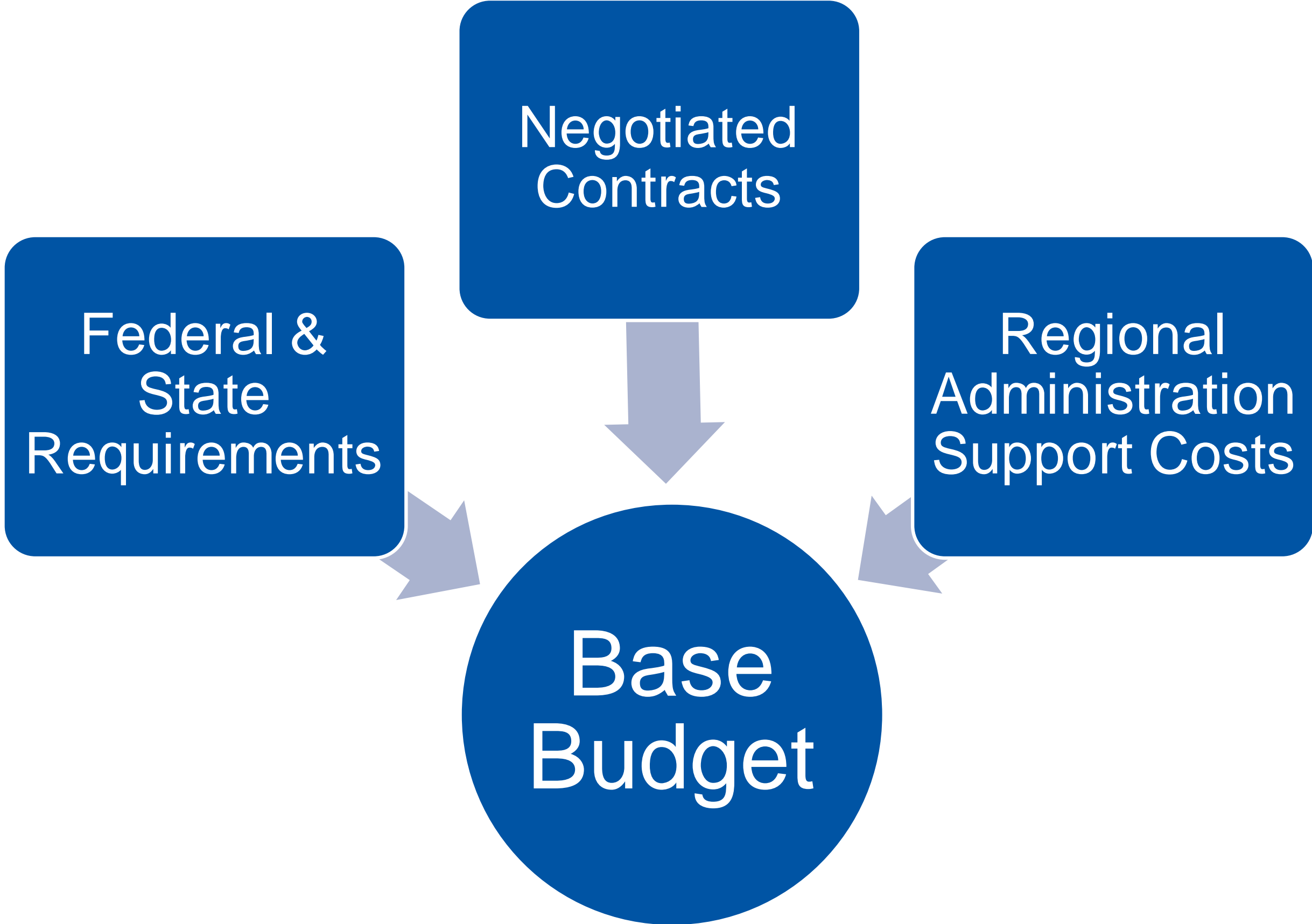
Support Implementation of:

- Thrive MSP 2040
- Housing and Regional Parks Policy Plans

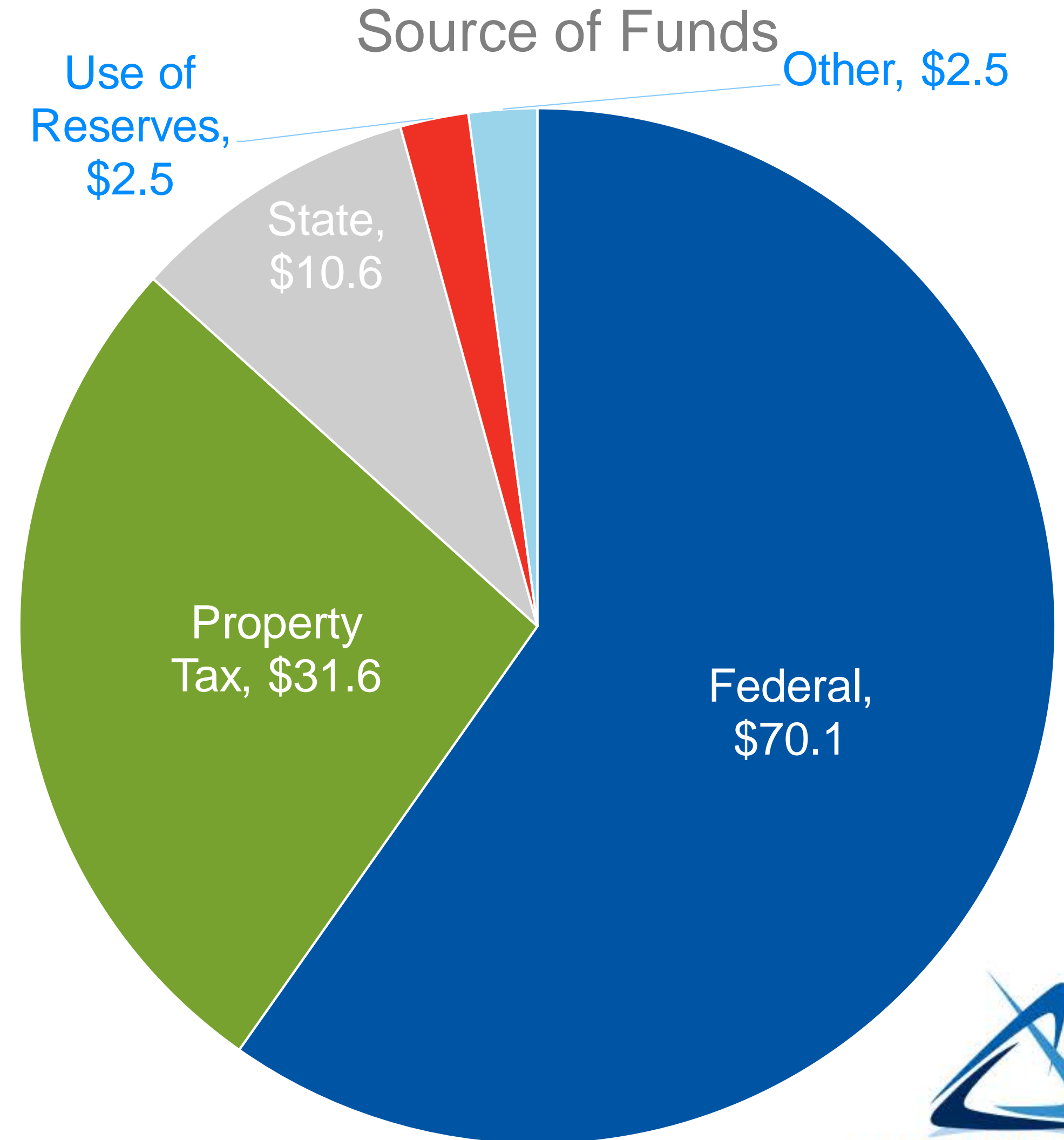
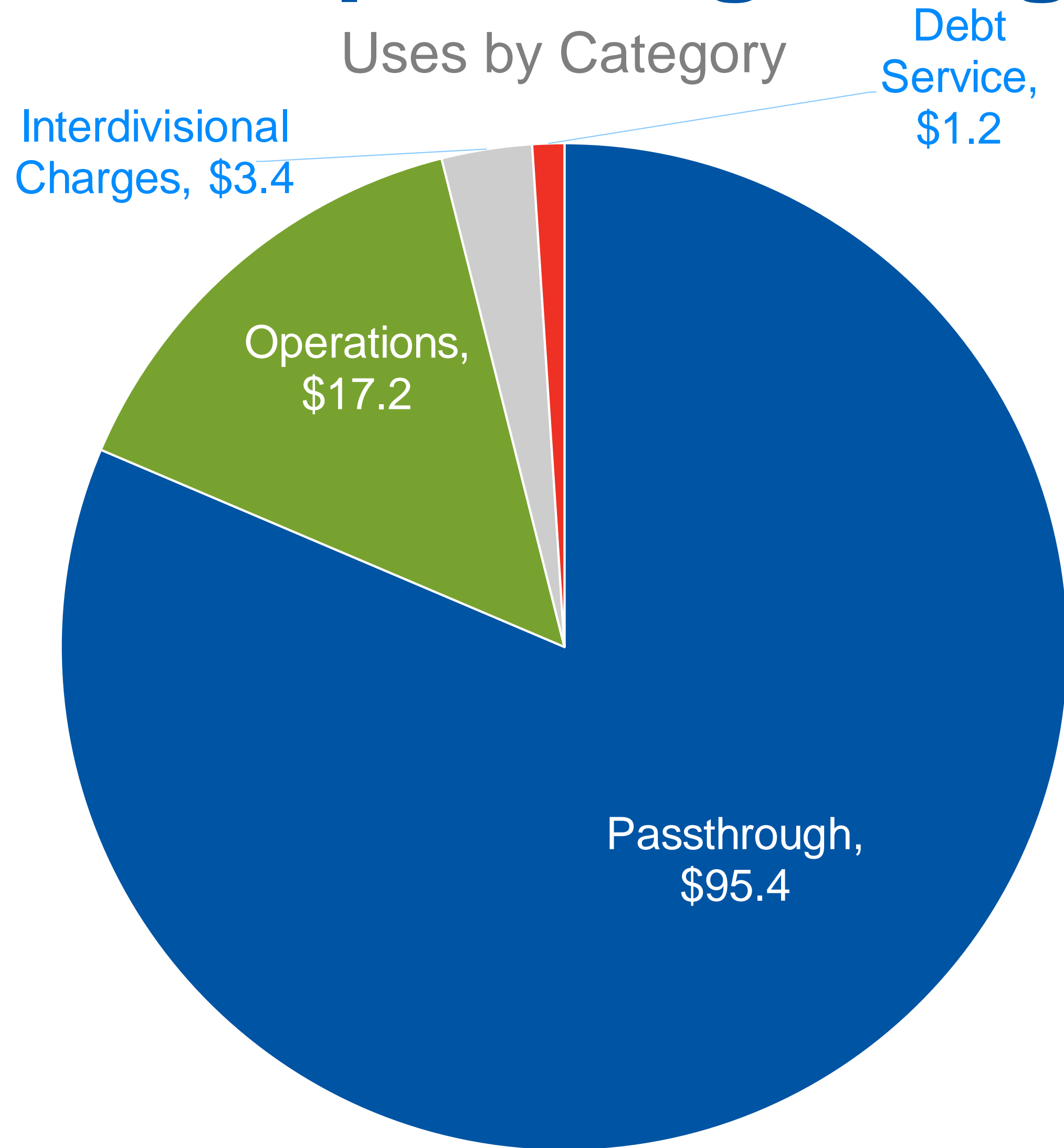
Financial Stewardship

- Construct a balanced budget
- Prioritize structural solutions – mitigate structural gaps over time
- Maintain reserve balances at Council policy levels

Base Assumptions

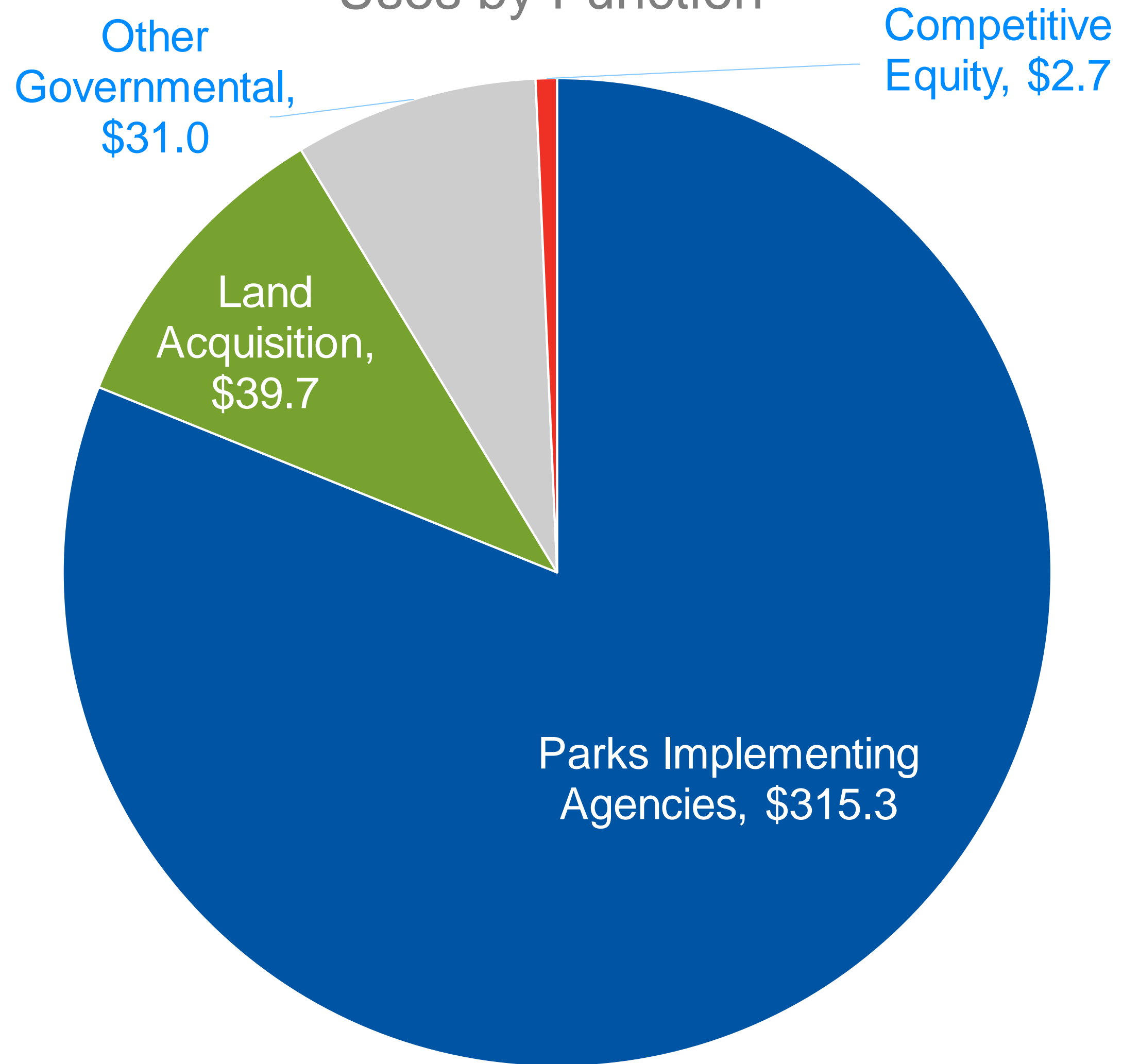


2020 Operating Budget \$117M

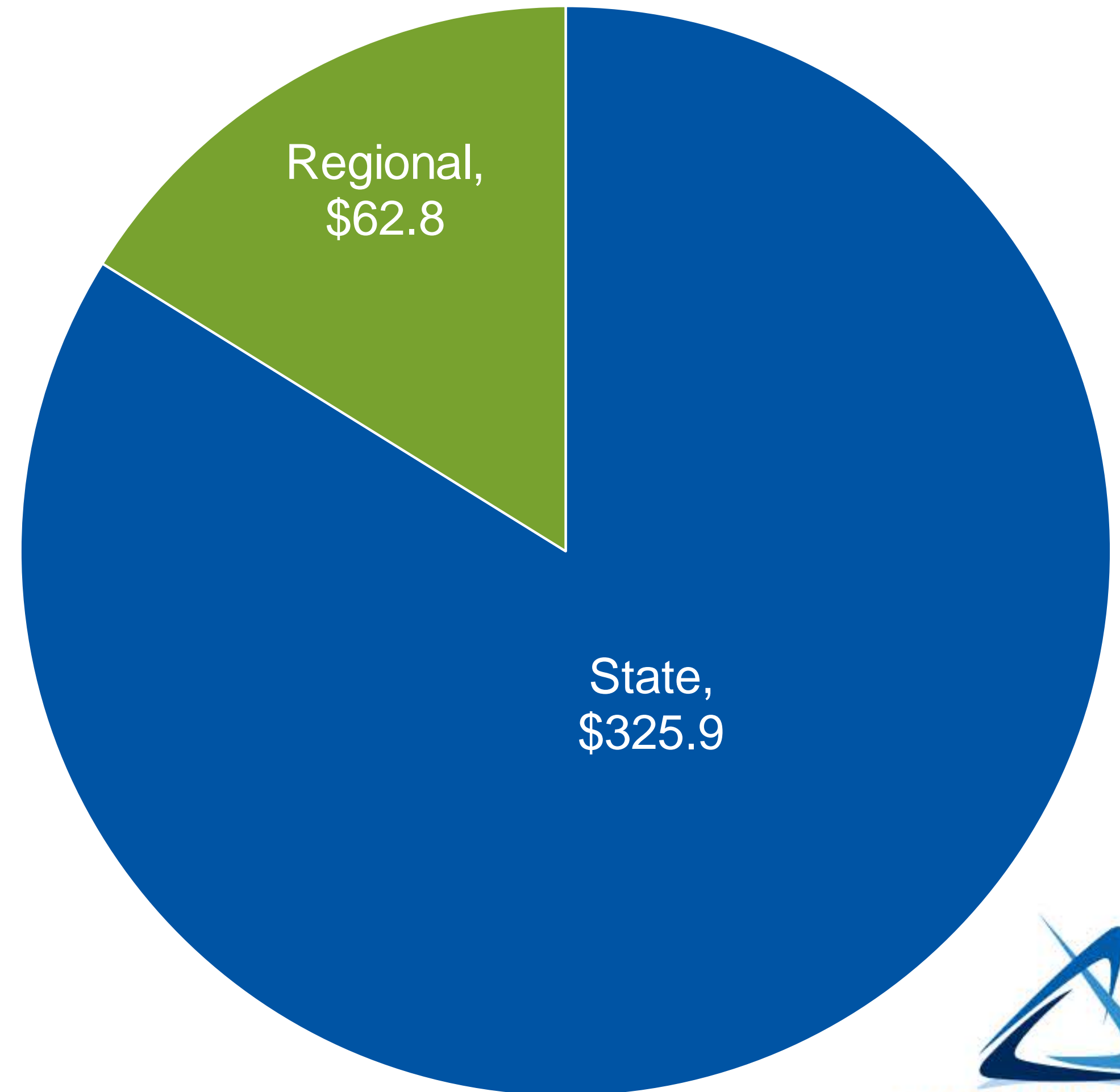


2020-2025 Capital Program \$389M

Uses by Function



Source of Funds



2020 Budget Initiatives & COVID-19 Impacts

Local Housing
Incentives
Account

Homelessness

Housing that is
Affordable

Climate

Parks Visitor
Study



Regional Parks Grant Programs

Program	Funding Source Distribution Methodology
Operations & Maintenance	State Formula
Parks & Trails Legacy	State matched by Council bonds Formula
Parks Acquisition	State matched by Council bonds 1 st come 1st served
Bonding	State matched by Council bonds Formula
Equity	Council bonds Competitive

- Over 160 active grants valued at ~\$140M
- ~\$389M in the current Parks Capital Program (authorized + planned projects)
- Council approves scoring criteria for competitive grants



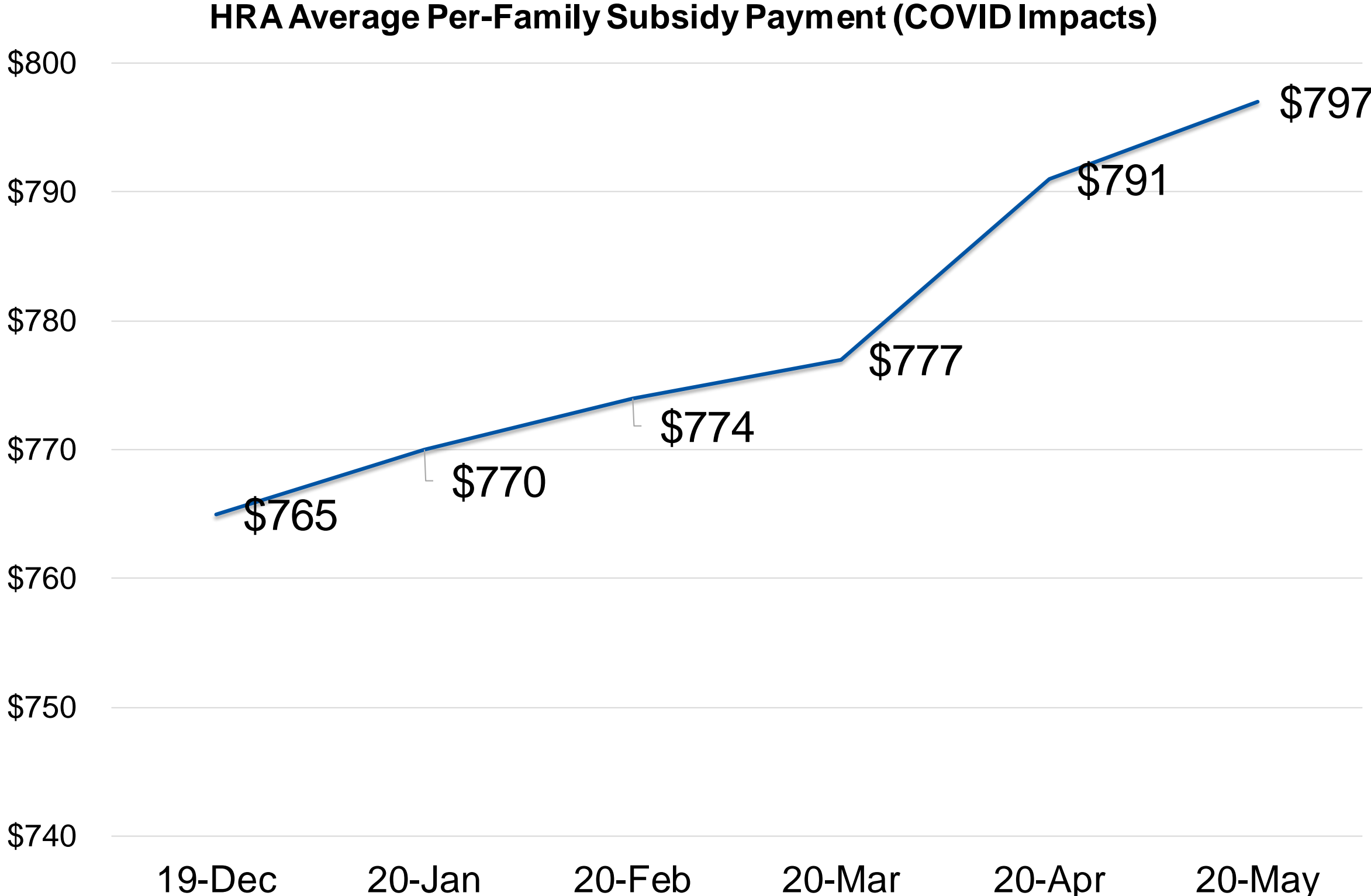
Livable Communities Grant Programs

- Three Primary Programs:
 - Tax Base Revitalization Account (TBRA)
 - Local Housing Incentive Account (LHIA)
 - Livable Communities Demonstration Account (LCDA)
- Grants competitively awarded; Council approves scoring criteria, funding levels above base
- Over 180 active grants valued at ~\$85M
- Over \$24 million to be awarded in 2020



Metro HRA

- Rising Housing Costs
 - Federal funding not keeping up
 - Can no longer lease to all families within funding provided
- Administrative Deficit
 - Prorated federal revenues do not cover the rising cost of staffing this work
- Tight Rental Market
 - Less units available for voucher holders
 - Landlords opt out of program participation
 - Rising rents
- COVID-19
 - Average per family subsidy payments rising



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Parks Interest Earnings Preview: July 20

- Brief history: what statute says about how we can program funds
- Funds available for programming
- Stakeholder feedback
- Options and recommendations
- Other?

HRA Preview: July 20

- COVID-19 impacts
- Federal Cares Act funding
- Council options to balance the budget
- Schedule of upcoming conversations
 - Rent Standards
 - Utility Allowance
- Other?

Discussion

- Proposed July 20 Discussion
 - Preliminary 2021 Operating Budget
 - Targeted conversation on Metro HRA and Parks Interest Earnings
 - TBD
- Are there other specific topics you would like to hear about as part of our budget development process, either on July 20 or throughout the year?
- What else would you like us to know as we prepare for future budget conversations?



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