

Community Development Committee

Meeting date: May 4, 2020

For Management Committee meeting on May 13, 2020

For the Metropolitan Council meeting on May 27, 2020

Subject: May 2020 Budget Amendment

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statutes Section 473.13, Subd. 1

Staff Prepared/Presented: Heather Aagesen-Huebner, Director of Finance and Administration (651) 602-1728

Division/Department: Community Development Division

Proposed Action

That the Metropolitan Council authorize the 2019 Unified Budget amendment as indicated, and in accordance with the attached table.

Background

This amendment programs available reserves and state and federal funds into Community Development passthrough accounts and increases expenditures to match actual passthrough amounts.

Metropolitan Housing and Redevelopment Authority (Metro HRA) expenses came in slightly over budget due to increased tenant rent expenses. The Council also received increased revenue from the United States Department of Housing and Urban Development, in December 2019, to offset the expense overage and to build reserves.

The Council passes through Parks Lottery in Lieu revenue to Parks Implementing Agencies. An appropriation provided additional revenue to pass to Parks Implementing Agencies for their operating and maintenance (O&M) expenses.

Livable Communities grant programs have multi-year grant terms and available funds are housed in reserve accounts. The Livable Communities Act (LCA) pass through account saw higher than anticipated expenditures due to grantees seeking reimbursement at rates higher than historic levels.

Passthrough Accounts

HRA: Change in Revenues: \$2,274,184; Expenditures/Transfers: \$188,284; Reserves \$2,085,900

This amendment recognizes additional federal revenues for the Metro HRA, increases expenditure authority by \$188,284, and increases reserves by \$2,085,900.

O&M: Change in Revenues: \$300,000; Expenditures/Transfers: \$300,000; Reserves \$0

This amendment recognizes additional state revenues for the O&M passthrough account and increases expenditures by an equal amount.

LCA: Change in Revenues: \$0; Expenditures/Transfers: \$7,865,671; Reserves \$(7,865,671)

This amendment recognizes a transfer of \$7,865,671 from LCA reserves to the LCA passthrough account and increases expenditures by an equal amount.

Rationale

The proposed amendment programs available state and federal funds to the Unified Budget to allow the Council to carry out its work plan and for regional partners to implement grant projects.

Thrive Lens Analysis

The Thrive outcomes of prosperity, equity, and livability are supported by providing rent assistance to low-income families to live in safe, affordable housing.

The Thrive outcome of livability is supported by investing in the regional parks system and providing access to outdoor recreation, enhanced quality of life, and opportunities for increased health and wellness.

The Thrive outcomes of livability, equity, and prosperity are advanced through the Council's investment in Livable Communities programs that advance and encourage development and redevelopment.

Funding

Funding for the operating and passthrough accounts comes from new state and federal funding, and from available reserve balances.

Known Support / Opposition

There is no known opposition.



**METROPOLITAN COUNCIL
SUMMARY BUDGET
COMMUNITY DEVELOPMENT DIVISION
FY19**

Table D-1

(\$ in 000's)

| | Division Management | Reg Policy & Research | Local Planning Assistance | Reg Parks & Natural Resources | Livable Communities | Subtotal General Fund Operating | HRA Administration | Total Operating | Parks Debt Service | Parks Pass-Through | HRA Pass-Through | Planning Assistance Pass-Through | TBRA | DEMO | LHIA | Total Livable Communities Pass-Through | Memo Total |
|---|---------------------|-----------------------|---------------------------|-------------------------------|---------------------|---------------------------------|--------------------|-----------------|--------------------|--------------------|------------------|----------------------------------|----------------|----------------|----------------|--|----------------|
| Revenues: | | | | | | | | | | | | | | | | | |
| Property Tax | 12,758 | - | - | - | - | 12,758 | - | 12,758 | 1,323 | - | - | - | 5,000 | 12,032 | - | 17,032 | 31,113 |
| Federal Revenues | - | - | - | - | - | - | 5,065 | 5,065 | - | - | 63,274 | - | - | - | - | - | 68,339 |
| State Revenues | - | - | - | - | - | - | 148 | 148 | - | 8,840 | 1,875 | - | - | - | - | - | 10,863 |
| Investment Earnings | - | - | - | - | - | - | 50 | 50 | 96 | - | - | 15 | 200 | 500 | 60 | 760 | 921 |
| Other Revenues | - | - | - | - | - | - | 2,260 | 2,260 | - | - | - | - | - | - | - | - | 2,260 |
| Total Revenues | 12,758 | - | - | - | - | 12,758 | 7,523 | 20,281 | 1,419 | 8,840 | 65,149 | 15 | 5,200 | 12,532 | 60 | 17,792 | 113,496 |
| Expenses: | | | | | | | | | | | | | | | | | |
| Salaries & Benefits | 751 | 1,941 | 1,330 | 903 | 724 | 5,649 | 4,417 | 10,066 | - | - | - | - | - | - | - | - | 10,066 |
| Consulting & Contractual Services | 170 | 462 | 159 | 105 | - | 896 | 1,687 | 2,583 | - | - | - | - | - | - | - | - | 2,583 |
| Materials & Supplies | 6 | - | - | - | - | 6 | 40 | 46 | - | - | - | - | - | - | - | - | 46 |
| Rent & Utilities | 183 | - | - | - | - | 183 | 147 | 330 | - | - | - | - | - | - | - | - | 330 |
| Printing | 30 | - | - | - | - | 30 | 7 | 37 | - | - | - | - | - | - | - | - | 37 |
| Travel | 40 | 17 | 15 | 12 | 10 | 94 | 40 | 134 | - | - | - | - | - | - | - | - | 134 |
| Insurance | - | - | - | - | - | - | 100 | 100 | - | - | - | - | - | - | - | - | 100 |
| Operating Capital | 75 | - | - | - | - | 75 | 43 | 118 | - | - | - | - | - | - | - | - | 118 |
| Other Expenses | 175 | 20 | 100 | 3 | 3 | 301 | 691 | 992 | - | - | - | - | - | - | - | - | 992 |
| Passthrough Grants | 1,400 | - | - | - | - | 1,400 | - | 1,400 | - | 8,840 | 65,113 | 300 | 6,216 | 16,835 | 3,607 | 26,658 | 102,311 |
| Debt Service Obligations | - | - | - | - | - | - | - | - | 1,915 | - | - | - | - | - | - | - | 1,915 |
| Total Expenses | 2,830 | 2,440 | 1,604 | 1,023 | 737 | 8,634 | 7,172 | 15,806 | 1,915 | 8,840 | 65,113 | 300 | 6,216 | 16,835 | 3,607 | 26,658 | 118,632 |
| Other Sources and (Uses): | | | | | | | | | | | | | | | | | |
| Interdivisional Cost Allocation | (2,414) | - | - | - | - | (2,414) | (1,420) | (3,834) | - | - | - | - | - | - | - | - | (3,834) |
| Transfer To Operating Capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Intradivisional Transfers | (4,250) | - | - | - | - | (4,250) | 1,250 | (3,000) | - | - | 2,000 | - | - | (500) | 1,500 | 1,000 | - |
| Net Other Sources and (Uses) | (6,664) | - | - | - | - | (6,664) | (170) | (6,834) | - | - | 2,000 | - | - | (500) | 1,500 | 1,000 | (3,834) |
| Change in Fund Balance | 3,264 | (2,440) | (1,604) | (1,023) | (737) | (2,540) | 181 | (2,359) | (496) | - | 2,036 | (285) | (1,016) | (4,803) | (2,047) | (7,866) | (8,970) |
| B12019-30 Carry Forward Budget Amendment | | | | | | | | | | | | | | | | | |
| B12020-134 May 2020 Budget Amendment | | | | | | | | | | | | | | | | | |