

Community Development Committee

Meeting date: November 16, 2020

Management Committee date: November 18, 2020

For the Metropolitan Council meeting of December 9, 2020

Subject: 2020 Budget Amendment – November Operating Budget Amendment

District(s), Member(s): All

Policy/Legal Reference: 2020 Unified Budget; Minn. Stat. § 473.315 subd. 1 – Council Budget Requirements

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 2020 Unified Budget amendment as indicated, and in accordance with, the attached tables.

Background

This business item amends the Community Development operating and passthrough budgets.

This amendment will transfer \$1M the Council identified as a 2020 Council strategic initiative from the 2020 operating budget to the Local Housing Incentives Account Passthrough Budget to support populations experiencing homelessness. Council staff is proposing to program those dollars to the Council's Local Housing Incentives Account to fund projects from Minnesota Housing's 2020 Consolidated Request for Proposals as described in detail in Business Item 2020-312. Business Item 2020-312 will be reviewed by the Community Development Committee on November 16, 2020, and the Council on November 18. Both BI 2020-312 and this budget amendment will need to be approved prior to any grants being awarded.

This amendment will also program \$350,000 in Local Planning Assistance reserves to the Local Planning Assistance passthrough program to account for higher than anticipated reimbursement requests on awarded grants with multi-year activity periods. This grant program was authorized by the Council in 2016 to facilitate the development of local comprehensive plans ([Business Item 2016-76](#)).

The passthrough adjustment to Metropolitan Housing and Redevelopment Authority (Metro HRA) revenue and expenses will program new federal funds received as a result of the Federal Cares Act to support housing voucher payments. Families and individuals with vouchers pay 30% of their income towards rent. The federal voucher makes up the remaining 70%.

Federal Cares Act funds are eligible to be spent in 2020 and 2021. The base federal appropriation for the calendar year HRA 2021 budget is not yet known. Staff anticipate some of the federal revenues from this budget amendment may be brought forward into the 2021 budget through a future budget amendment.

Operating Budget

Change in Revenues: \$0; Expenditures/Transfers: \$0; Reserves \$0

Division Management Operating:

This amendment recognizes a decrease in Other Expenses (\$1,000,000) and an increase in Transfer to Passthrough to transfer \$1,000,000 from Division Management's Operating Budget to the Local Housing Incentives Account Passthrough Budget.

Passthrough Budget

Change in Revenues: \$1,000,000 Expenditures/Transfers: \$0; Reserves \$1,000,000

Livable Communities Passthrough:

This amendment recognizes a \$1,000,000 transfer in Council General Purpose Levy funds, currently programmed in the Community Development Division Operating Budget, to the LHIA Passthrough Budget, and increases reserves by an equal amount. Reserves will be programmed to the annual passthrough expenditure budget, through future budget amendments, as needed to meet annual cashflow needs of authorized grants.

Change in Revenues: \$3,117,821; Expenditures/Transfers: \$750,000; Reserves \$2,367,821

Metro HRA Passthrough:

This amendment recognizes \$3,117,821 in new federal passthrough revenues for the Metro HRA, increases expenditure authority for housing voucher payments by \$750,000 and increases reserves by \$2,367,821. This will bring year end projected reserves for the entire HRA operating and passthrough program to \$13.6M.

Change in Revenues: \$0; Expenditures/Transfers: \$350,000; Reserves (\$350,000)

Local Planning Assistance Passthrough:

This amendment recognizes a transfer of \$350,000 from LPA reserves to the LPA passthrough account and increases expenditures by an equal amount. This will bring year end projected reserves to \$765,000.

Rationale

This amendment will allow the Community Development Division to continue or complete projects initiated in 2020 and programs available General Purpose Levy funds in the Unified Budget to allow the Council to carry out its work plan.

Thrive Lens Analysis

The budget amendment supports the Thrive outcome of Stewardship through responsible planning and management of resources for the Community Development Division.

Funding

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

Known Support / Opposition

There is no known opposition.



**METROPOLITAN COUNCIL
SUMMARY BUDGET
COMMUNITY DEVELOPMENT DIVISION
FY20**

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	13,513	-	-	-	-	13,513	777	14,290	-	-	-	-	5,000	12,301	-	17,301	31,591
Federal Revenues	-	-	-	-	-	-	7,309	7,309	-	-	71,096	-	-	-	-	-	78,405
State Revenues	-	-	-	-	-	-	148	148	-	9,140	1,950	-	-	-	-	-	11,238
Investment Earnings	-	-	-	-	-	-	-	-	90	-	-	-	-	-	-	-	90
Other Revenues	-	-	-	-	-	-	2,435	2,435	-	-	-	-	-	-	-	-	2,435
Total Revenues	13,513	-	-	-	-	13,513	10,669	24,182	90	9,140	73,046	-	5,000	12,301	-	17,301	123,759
Expenses:																	
Salaries & Benefits	956	1,887	1,573	868	610	5,894	4,675	10,569	-	-	-	-	-	-	-	-	10,569
Consulting & Contractual Services	185	826	135	560	-	1,706	1,785	3,491	-	-	-	-	-	-	-	-	3,491
Materials & Supplies	6	-	-	-	-	6	45	51	-	-	-	-	-	-	-	-	51
Rent & Utilities	178	-	-	-	-	178	145	323	-	-	-	-	-	-	-	-	323
Printing	10	-	-	-	-	10	5	15	-	-	-	-	-	-	-	-	15
Travel	39	28	17	15	13	112	60	172	-	-	-	-	-	-	-	-	172
Insurance	-	-	-	-	-	-	95	95	-	-	-	-	-	-	-	-	95
Operating Capital	84	-	-	-	-	84	38	122	-	-	-	-	-	-	-	-	122
Other Expenses	165	33	107	3	3	311	2,765	3,076	-	-	-	-	-	-	-	-	3,076
Passthrough Grants	1,400	-	-	-	-	1,400	-	1,400	-	9,140	71,678	675	7,100	15,801	2,000	24,901	107,794
Debt Service Obligations	-	-	-	-	-	-	-	-	1,230	-	-	-	-	-	-	-	1,230
Total Expenses	3,023	2,774	1,832	1,446	626	9,701	9,613	19,314	1,230	9,140	71,678	675	7,100	15,801	2,000	24,901	126,938
Other Sources and (Uses):																	
Interdivisional Cost Allocation	(2,337)	-	-	-	-	(2,337)	(1,056)	(3,393)	-	-	-	-	-	-	-	-	(3,393)
Transfer To Capital	(500)	-	-	-	-	(500)	-	(500)	(3,948)	-	-	-	-	-	-	-	(4,448)
Intradivisional Transfers	(2,500)	-	-	-	-	(2,500)	-	(2,500)	-	-	-	-	-	(500)	3,000	2,500	-
Net Other Sources and (Uses)	(5,337)	-	-	-	-	(5,337)	(1,056)	(6,393)	(3,948)	-	-	-	-	(500)	3,000	2,500	(7,841)
Change in Fund Balance	5,153	(2,774)	(1,832)	(1,446)	(626)	(1,525)	-	(1,525)	(5,088)	-	1,368	(675)	(2,100)	(4,000)	1,000	(5,100)	(11,020)

- BI2020-26 Special Budget B4 CF
- BI2020-64 1st Quarter Budget Amendment
- BI2020-141 2nd qrt Budget Amendment
- BI2020-182 July Budget amendment
- BI2020-210 September Budget Amendment
- BI2020-210 & BI2020-141
- BI2020-305
- BI2020-210 & BI2020-305