Community Development
2021-2026 Capital Program

Heather Aagesen-Huebner, Director, Finance & Administration

Community Development Committee 10/5/2020
## Budget Development Schedule

<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
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<tbody>
<tr>
<td>July</td>
<td>CDC: Initial 2021 Budget Conversation (July 8)</td>
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<td>CDC: 2021 Preliminary Operating Budget (July 20)</td>
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<tr>
<td>August</td>
<td>Council: Staff Present Preliminary Operating Budget / Levies (Aug 12)</td>
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<td>CDC: 2021 Operating Budget Targeted Topics &amp; Initial Capital Conversation</td>
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<tr>
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<td>Council: Adopt Preliminary Budget / Levies (Aug 26)</td>
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<td>October</td>
<td>CDC: Capital Program Conversation (originally scheduled September)</td>
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<tr>
<td>Q4</td>
<td>Council: Capital Program Presentation (Oct 14)</td>
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<td>CDC: HRA Rent Standards &amp; Utility Allowance</td>
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<td>CDC: LCA and Equity Grant Programs</td>
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<td></td>
<td>Council: Adopt Final Budget/Levies (Dec 9)</td>
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<tr>
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<td>CDC: Start Annual Division Workplanning</td>
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<tr>
<td>Q1, 2021</td>
<td>CDC: Finalize Annual Division Workplan</td>
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For Today

Overview

Family Affordable Housing Program

Regional Parks & Open Space
Budget Development Feedback

Framing

• Council’s Regional Role
• Data Analysis and Research
  – Disaggregated data when available
• Equity Impacts
• General Economic Conditions
• Leverage Funds
• Timely Financial Impacts

Looking Ahead

• Forecasting 2020 Revenues and Expenses
• Forecasting 2021 and Beyond
• Special Session
• State Forecasts
• 2021 Council Targeted Initiatives
Council Unified Budget

• Capital Program
  – Multi-year plan that represents authorized and planned projects. Current capital program is 2020-2025.

• Authorized Capital Program (ACP)
  – Multi-year authorization for projects where funding has been secured and the Council has given final approval to proceed.

• Capital Budget
  – Represents the amount from the Authorized Capital Program that is expected to be spent in a given year. We are currently in capital budget year 2020. This budget is amended throughout the year.

• Capital Improvement Plan (CIP)
  – Six-year plan for projects where funding sources have been identified but not yet secured and the Council has not given final approval.
Family Affordable Housing Program (FAHP)

Metro HRA
Council Owned Housing

- Minnesota Statute 473.195 provides the Council with authority to develop housing units with approval of municipalities
- January 1999 Council action approved establishment of Family Affordable Housing Program
  - Development and operation of public housing units
- $28 Million provided by U.S. Department of Housing and Urban Development
  - Transferred from MPHA to the Council
- 150 Units purchased on the open housing market between 2001 and 2004
  - 82 Single Family Homes
  - 68 Townhomes
Timeline

1995
- Hollman Consent Decree Signed
- Regional negotiations begin

2000
- First unit purchased
- Property Management company hired
- First resident move in

2001
- Units converted from Public Housing to Section 8 Project Based Vouchers
- Units begin to cashflow

2004
- All 150 units purchased
- Staff continue bringing units on-line
- Units operate at a deficit

2010
- Conducted a Physical Needs Assessment
- Units in good condition but aging
- Future discussion on unit capital needs

2019
- Capital Improvement Plan
- Program exploration

2020

21-26

Timeline

- $500,000 Council Strategic Initiative, ‘Housing that is Affordable’
Asset Management

2001-2020

– Homes managed through contract with property management vendor
– Small and routine repairs programmed in operating budget
– Large improvements programmed in operating budget

2021 Forward

– Homes managed through contract with property management vendor
– Small and routine repairs programmed in operating budget
– Large improvements programmed and tracked in capital program
– Complete asset assessment
Future Spending $1.1M

Authorized
• $500,000
• Funded by General Purpose Levy

Planned
• $600,000
• Funded by FAHP Program Income
Parks and Open Space
Parks & Open Space

- **Regional Parks System Serves**
  - 7-County Twin Cities Metro Area
  - Over 3 million people

- **Regional Park System**
  - Over 63 million visits in 2019
  - 56 regional parks & park reserves totaling more than 54,000 acres
  - 8 special recreation features
  - 49 regional trails, with nearly 400 miles of interconnected trails
System Alignment

State of Minnesota

Metropolitan Region / Met Council
*Thrive MSP 2040*
Regional Parks Policy Plan

Parks Implementing Agencies
Parks & Trails Master Planning and Operations

Legislative Action

Economic / Environmental Factors

Regional Needs and Outcomes
System Alignment

- Legislation
  - Create regional parks and open space system
  - Define role and authority of Council in parks and open space system
  - Appropriate funding
System Alignment

- Key Roles
  - Develop regional policy: Thrive MSP 2040
  - Develop Regional Parks Policy Plan
  - Review regional parks and trails master plans
  - Consult with Metropolitan Parks and Open Space Commission
  - Fiscal agent
System Alignment

- Key Roles
  - Lead regional park and trail master planning, including public engagement
  - Acquire, develop, and operate regional parks and trails
  - Protect and conserve natural resources
  - Provide outdoor recreation for public enjoyment
Regional Parks Capital Project Lifecycle

Equity Impacts

Thrive MSP 2040

2040 Regional Parks Policy Plan

Master Planning

Project Development
Revenue Assumptions

• Parks and Trails Legacy Fund (Legacy)
  – 2% annual growth
  – 2020 base year ~$20M

• Environment and Natural Resources Trust Fund (ENRTF)
  – No growth
  – $0.75M annually

• State of Minnesota Bonds
  – No growth
  – $15M in bonding years

• Council Bonds
  – Up to $40M outstanding
  – Match $2 to every $3 ENRTF, State Bonds, and Legacy Land Acquisition (10% set aside)
  – Continue Regional Parks Equity Grant Program
Regional Parks Capital Funding

**Program**

- **Funding Source**
  - **State matched by Council bonds**
  - **Formula**

- **Distribution Methodology**
  - **1st come, 1st served**

- **Parks & Trails Legacy**
  - **State matched by Council bonds**
  - **Formula**

- **Parks Acquisition**
  - **State matched by Council bonds**
  - **1st come, 1st served**

- **Bonding**
  - **State matched by Council bonds**
  - **Formula**

- **Equity**
  - **Council bonds**
  - **Competitive**

- Grant programs are funded by multiple state sources and Council bonds
- Council passes through 100% of state funding
- Current portfolio is 211 active projects valued at ~ $150M
- $224M in grants are programmed in the current Council Authorized Capital Improvement Program (2021-2026)
Parks Capital Program $374M

**Uses**
- Land Acquisition: $40 (11%)
- Other: $34 (9%)

**Parks Capital Program**
- Implementing Agencies Legacy & Bond Formula Allocations: $300 (80%)

**Uses by Category**
- Improve: $138 (37%)
- Preserve: $103 (27%)
- Expand: $133 (36%)

**Sources**
- State: $315 (84%)
- Regional: $59 (16%)
Future Spending $285 M

Authorized - $61 M

- Land Acquisition
  - $2
  - 11%
- Other
  - $11
  - 21%
- Implementing Agencies
  - Legacy & Bond
  - Formula Allocations
    - $48
    - 68%

Planned - $224 M

- Land Acquisition
  - $29
  - 13%
- Other
  - $3
  - 1%
- Implementing Agencies
  - Legacy & Bond
  - Formula Allocations
    - $192
    - 86%
Notable Modifications 2026 Program

Council Commitment: $12.6M

• Council match to anticipated State of Minnesota investments
• Regional Parks System Equity Grant Program Continuation

*Adjustments: Programmed

• Legacy ($24M)
• Bonding ($25M)
• Environment and Natural Resources Trust Fund ($1.2M)
• Regional Parks Equity Grant Program ($0.6M)

*Totals include $12.6M Council match
Implementing Agencies Formula $240 M

Authorized future spending: $48M

Planned: $192M

- State Bonding
- Parks & Trails Legacy
- Council Match
Land Acquisition $31 M

Authorized future spending: $2M

Planned: $29M

• Parks & Trails Legacy
• ENRTF
• Council Match
Other $14 M

Authorized future spending: $11 M

• Pass-through of state appropriations to other governmental agencies

Planned: $3 M

• Regional Park Equity Grant Program funded by Council
Questions

Heather Aagesen-Huebner, Director of Finance
651-602-1728
heather.aagesen-Huebner@metc.state.mn.us