Community Development
2022-2027 Capital Improvement Plan

Community Development Committee
Heather Aagesen-Huebner, Director, Finance & Administration
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
• Supporting Council Initiatives

Looking Ahead

• Forecasting 2021 Revenues and Expenses
• Forecasting 2022 and Beyond
• Special Session
• State Forecasts
• 2022 Council Targeted Initiatives
Committee Budget Conversations

• Regional Snapshot & Advancing Thrive MSP 2040
• Preliminary 2022 Operating Budget
• Metro HRA Mobility Demonstration Program (late summer/November update)
• Metro HRA and City of Edina Housing Partnership
• Livable Communities Homeownership Pilot Program
• Parks Capital Funding (October)
• Metro HRA Rent Limits / Small Area Fair Market Rent Analysis (Oct/Nov)
• Future Reimbursement Consideration Program (Q4)
• Metro HRA Home Purchase and Disposition Policy (Q4)
• CD role in supporting MCUB program (Q4)
• 2050 Regional Development Guide (flexible timing)
• Metro HRA Moving to Work designation (dependent on receiving designation from HUD)
For Today

- Overview
- Family Affordable Housing Program
- Regional Parks & Open Space
Council Unified Budget

**Capital Program**
- Multi-year plan that represents authorized and planned projects. Current capital program is 2021-2026.

**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 2021. 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.
Metro HRA

Family Affordable Housing Program
Background

• Minnesota Statute 473.195 enables the Council 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

• 150 Units purchased on the open housing market between 2001 and 2004

• In process
  – Partnership with City of Edina
  – Metro HRA Home Purchase and Disposition Policy
Council Owned Housing

Asset Preservation

- Homes managed through contract with property management vendor
- Small and routine repairs programmed in operating budget
- Large improvements programmed and tracked in capital program
Council Owned Housing Capital Program

Asset Preservation
- $300K Authorized
- $600K in 2022-2027 CIP
- 2022-2027 CIP funded by program rental income

Home Purchases
- $200K Authorized
- $0 in 2022-2027 CIP
- Investment / programming pending Council policy discussion
Regional Parks and Open Space
Regional Parks & Open Space

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

• Regional Park System
  – Over 63 million visits annually
  – 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
Capital Project Lifecycle

Equity Impacts

- Thrive MSP 2040
- 2040 Regional Parks Policy Plan
- Master Planning
- Project Development
Funding Programs

- **Programs**
  - **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 182 active projects valued at ~ $162M
- $234M in grants are programmed in the current proposed Capital Improvement Program (2022-2027)
## 2022-2027 Revenue Assumptions

<table>
<thead>
<tr>
<th>Fund</th>
<th>Assumptions</th>
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| Parks and Trails Legacy Fund (Legacy) | 2% annual growth  
2022 base year $22M |
| Environment & 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 per statute  
Match $2 to every $3 ENRTF, State Bonds, and Legacy Land Acquisition (10% set aside)  
Fund Regional Parks Equity Grant Program |
Notable Modifications to 2027

Council Investment
- $3.1M match
- Council match to anticipated State of Minnesota investments
- Regional Parks System Equity Grant Program

Investment By Program
- Parks and Trails Legacy ($26M)
- Environment and Natural Resources Trust Fund ($1.2M)
- Regional Parks Equity Grant Program ($1M)
- Bonding Program ($0)

Totals include $3.1M Council match
2022-2027 Formula Allocations

~$201M Planned
- State Bonding
- Parks & Trails Legacy
- Council Match
2022-2027 Land Acquisition

~$31M Planned
- Environment and Natural Resources Trust Fund
- Parks & Trails Legacy
- Council Match
2022-2027 Regional Parks System Equity Grant Program

~$2.5M Planned

• Council Bonds
• Parks interest earnings not programmed in CIP
  – Programming decision to be made in alignment with solicitation timelines.
Legacy & Bond Formula Allocations

<table>
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<th>Uses</th>
<th>Sources</th>
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<tr>
<td>Land Acquisition</td>
<td>State $337</td>
</tr>
<tr>
<td></td>
<td>$44 11%</td>
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<tr>
<td>HRA $1</td>
<td>Regional $59</td>
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<tr>
<td>Equity $5 1%</td>
<td>Other Revenues $1 &lt;1%</td>
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<tr>
<td>Grant Funds $5 1%</td>
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<tr>
<td>Governmental Units $54 14%</td>
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CD Capital Program (ACP + CIP) $397M
Legacy & Bond Formula Allocations

$201 86%

Land Acquisition

$31
13%

Equity Grant Funds

$2
1%

HRA

$1
<1%

Sources

State

$189
80%

Other Revenues

$1
1%

Regional

$45
19%

Uses

Legacy & Bond Formula Allocations

$201
86%

CD 2022-2027 CIP $235M
Capital Program Timeline

October 13, 2021
- Council 2022-2027 Presentation

October 27, 2021
- Council Approval of Public Comment Draft

October 27, 2021 to December 8, 2021
- Public Comment Period

December 8, 2021
- Public Comment
- Adoption of Capital Program and Annual Capital Plan
Next Up: Committee Conversations

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- Metro HRA Home Purchase and Disposition Policy (Q4)
- CD role in supporting MCUB program (Q4)
- Future Reimbursement Consideration Program (Q1/Q2 2022)
- 2050 Regional Development Guide (flexible timing)
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Contact Us

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