

Business Item

Community Development Committee



Committee Meeting Date: November 21, 2022

For the Metropolitan Council: November 30, 2022

Business Item: 2022-280 JT

2022 Budget Amendment – 4th Quarter

District(s), Member(s):	All
Policy/Legal Reference:	2022 Unified Budget; Minn. Stat. § 473.315, subd. 1 – Council Budget Requirements
Staff Prepared/Presented:	Nick Hendrikson, Manager of Finance 651-602-1340
Division/Department:	Community Development Division

Proposed Action

That the Metropolitan Council authorize the 2022 Unified Budget amendment as indicated, and in accordance with, the attached tables.

Background

This business item amends the Community Development operating budget as indicated and in accordance with the spreadsheet in Operating Budget – Attachment #2 (Table D-1).

This operating adjustment to the Metropolitan Housing and Redevelopment Authority (Metro HRA) will program additional expenses to the administrative budget for the Housing Choice Voucher (HCV) program. Administrative fees associated with the transfer, or “port,” of HCVs have been higher than anticipated in 2022.

Portability is a requirement of the HCV program that allows families to live in a location anywhere in the country that operates an HCV program. Portability refers to the process through which a family can transfer or “port” their rental subsidy when they move to a location outside the jurisdiction of the public housing agency (PHA) that issued the voucher. PHAs receive administrative fees from the U.S. Department of Housing and Urban Development (HUD) for operating the HCV program. When a family ports to a new location, a portion of the administrative fee is provided to the receiving PHA. When the family arrives in the new location, the receiving PHA has discretion to absorb the voucher into their own program or bill the initial housing authority. The Metro HRA has seen a decrease in the number of vouchers that are absorbed by receiving PHAs resulting in increased portability fees in 2022.

Operating Budget Housing and Redevelopment Authority

Changes in Revenue: \$250,000; Expenditures/Transfers: \$250,000; Reserves: \$(0)

HRA Operating

This amendment authorizes an increase of \$250,000 in Metro HRA operating expense authority for additional administrative fee payments related to portability. Federal administrative revenue will also be increased by \$250,000 to support these fee payments. HRA reserves will remain unchanged.

Rationale

The proposed amendment programs available federal funds to the Unified Budget to allow the Council to continue to provide affordable housing.

Thrive Lens Analysis

The budget amendment supports the Thrive outcome of equity by helping renters with vouchers choose the community that best meet their needs.

Funding

Funding for Housing Choice Voucher program administrative fees come from HUD.

Attachments:

1. Operating – Attachment #2 (Table D-1)





**METROPOLITAN COUNCIL
SUMMARY BUDGET
COMMUNITY DEVELOPMENT DIVISION
FY22**

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	12,269	-	-	-	-	12,269	1,078	13,347	3,477	-	-	-	5,000	13,014	-	18,014	34,838
Federal Revenues	-	-	-	-	-	-	6,369	6,369	-	-	77,882	-	-	-	-	-	84,251
State Revenues	-	-	-	-	-	-	20	20	-	9,990	300	-	-	-	-	-	10,310
Investment Earnings	-	-	-	-	-	-	-	-	30	-	-	-	-	-	-	-	30
Other Revenues	-	105	-	-	-	105	2,910	3,015	-	-	-	-	-	-	-	-	3,015
Total Revenues	12,269	105	-	-	-	12,374	10,377	22,751	3,507	9,990	78,182	-	5,000	13,014	-	18,014	132,444
Expenses:																	
Salaries & Benefits	869	1,980	1,523	995	929	6,296	5,948	12,244	-	-	-	-	-	-	-	-	12,244
Consulting & Contractual Services	1,491	597	207	579	-	2,874	1,911	4,785	-	-	-	-	-	-	-	-	4,785
Materials & Supplies	26	-	-	-	-	26	47	73	-	-	-	-	-	-	-	-	73
Rent & Utilities	175	-	-	-	-	175	154	329	-	-	-	-	-	-	-	-	329
Printing	10	-	-	10	-	20	5	25	-	-	-	-	-	-	-	-	25
Travel	49	40	26	21	15	151	67	218	-	-	-	-	-	-	-	-	218
Insurance	-	-	-	-	-	-	100	100	-	-	-	-	-	-	-	-	100
Operating Capital	67	-	-	-	-	67	42	109	-	-	-	-	-	-	-	-	109
Other Expenses	113	43	108	5	9	278	1,011	1,289	-	-	-	-	-	-	-	-	1,289
Passthrough Grants	1,400	-	-	-	-	1,400	-	1,400	-	9,990	79,182	250	5,581	23,301	4,859	33,741	124,563
Debt Service Obligations	-	-	-	-	-	-	-	-	1,731	-	-	-	-	-	-	-	1,731
Total Expenses	4,200	2,660	1,864	1,610	953	11,287	9,285	20,572	1,731	9,990	79,182	250	5,581	23,301	4,859	33,741	145,466
Other Sources and (Uses):																	
Interdivisional Cost Allocation	(2,079)	-	-	-	-	(2,079)	(1,436)	(3,515)	-	-	-	-	-	-	-	-	(3,515)
Transfer To Operating Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer To Capital	-	-	-	-	-	-	(100)	(100)	-	-	-	-	-	-	-	-	(100)
Transfer from RA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	2,000
Intradivisional Transfers	(1,000)	-	-	-	-	(1,000)	150	(850)	-	-	-	-	-	(500)	1,500	1,000	150
Net Other Sources and (Uses)	(3,079)	-	-	-	-	(3,079)	(1,386)	(4,465)	-	-	-	-	-	(500)	3,500	3,000	(1,465)
Change in Fund Balance	4,990	(2,555)	(1,864)	(1,610)	(953)	(1,992)	(294)	(2,286)	1,776	-	(1,000)	(250)	(581)	(10,787)	(1,359)	(12,727)	(14,487)