

Business Item

Community Development Committee



Committee Meeting Date: February 6, 2023

For the Metropolitan Council: March 8, 2023

Business Item: 2023-35 JT

2023 Budget Amendment – Carryforward

District(s), Member(s):	All
Policy/Legal Reference:	2023 Unified Budget; Minn. Stat. § 473.13, subd. 1 – Council Budget Requirements
Staff Prepared/Presented:	Nick Hendrikson, Manager of Finance 651-602-1340; Alexandra Iverson, Principal Finance Analyst 651-602-1842
Division/Department:	Community Development Division

Proposed Action

That the Metropolitan Council authorize the 2023 Unified Budget amendment as indicated, and in accordance with, the attached tables.

Background

This business item amends the Community Development operating budget and capital program. It also provides informational background on project level adjustments that have taken place.

Capital Program – Attachment #1 (Program Level)

2023 Operating Budget – Attachment #2

Capital Program – Attachment #3 (Project Level) is included for reference and informational purposes only

Operating Budget

During the first quarter of each year, Council staff request changes to the Unified Budget adopted by the Council the previous December. These carry forward items, found in Operating Budget – Attachment #2, were authorized in the 2022 budget, but not fully expended. Unexpended funds added to 2022 fund balances by \$1.46M. Carrying forward \$1.46M from 2022 budget authority into 2023 allows these projects to be completed. Projects include:

\$1,400,000	Preservation of Naturally Occurring Affordable Housing
\$60,000	Climate Action and Resilience Plan

This amendment also authorizes that \$250,000 of Family Affordable Housing Program (FAHP) operating reserves be made available for FAHP capital expenses in 2023.

Capital Program

This amendment adds \$250,000 from FAHP reserves to the Housing and Redevelopment Authority (HRA) Authorized Capital Program (ACP). These funds will be used to pay for FAHP capital expenses in 2023. The administrative adjustment section, Attachment #3, represents

project level changes and has been included for reference and informational purposes only.

Capital Program Housing and Redevelopment Authority

Administrative Adjustments

Undesignated Family Affordable Housing Program (FAHP) – Project 14652 2022 FAHP Capital Expenses – Project 14656

This amendment will administratively reallocate \$29,605 from project 14652 to project 14656 for capital improvements on existing Council-owned properties.

Authorize New Projects, Increase Authorization, and Reduce Authorization

2023 Family Affordable Housing Program (FAHP) Capital Expenses – Project 14660 - New

This amendment transfers \$250,000 of FAHP operating fund reserves to the HRA capital program. Funds will be used to complete large home improvements needed to maintain Council-owned FAHP properties. This includes work such as replacing all the windows in a home or replacing a roof.

Operating Budget

Change in Revenues: \$0; Expenditures: \$1,460,000; Reserves \$(1,460,000)

Community Development:

These carry forward items, found in Operating Budget – Attachment #2, were authorized in the 2022 budget, but not fully expended. Unexpended funds added to fund balances by \$1.46M. Carrying forward \$1.46M from 2022 budget authority into 2023 allows these projects to be completed.

\$1,400,000	Preservation of Naturally Occurring Affordable Housing
\$60,000	Climate Action and Resilience Plan

Change in Revenues: \$0; Expenditures/Transfers: \$250,000; Reserves \$(250,000)

Housing and Redevelopment Authority:

This amendment recognizes a transfer of \$250,000 in FAHP operating fund reserves to the HRA ACP to be used for capital improvements on existing Council owned properties. This project is identified in the Capital Improvement Program (CIP).

Rationale

The proposed amendment programs available regional funds to the Unified Budget for responding to climate change and the preservation of affordable housing in the region.

Thrive Lens Analysis

The budget amendment supports the Thrive outcome of sustainability by preserving affordable rental housing and supporting climate change planning.

Funding

General purposes levy reserves, above target reserve will fund carry forward items. The fund balance increased due to lower than budgeted expenditures on the two carryforward projects.

Funding for the Housing and Redevelopment Authority capital program comes from available Family Affordable Housing Program (FAHP) operating reserve balances. FAHP's operating budget is funded by the program's rental income. This transfer was planned for in the CIP.



	Authorized Capital Program (ACP)			Capital Improvement Plan (CIP)							ACP + CIP Combined
	2023	Changes	2023 Amended	2023	2024	2025	2026	2027	2028	Total	
	Current										
Housing and Redevelopment Authority											
Family Affordable Housing Program	600	250	850	-	250	250	250	250	250	1,250	2,100
Total Housing and Redevelopment Authority	600	250	850	-	250	250	250	250	250	1,250	2,100
Other Programs											
Equity Grant Funds	2,364	-	2,364	-	1,053	-	920	-	1,096	3,069	5,433
Land Acquisition Funds	14,200	-	14,200	5,015	5,091	5,167	5,246	5,326	5,407	31,252	45,453
Other Governmental Units	52,036	-	52,036	-	-	-	-	-	-	-	52,036
Total Other Programs	68,600	-	68,600	5,015	6,144	5,167	6,165	5,326	6,503	34,321	102,921
Regional Park Implementing Agencies											
Anoka County Parks	5,399	-	5,399	1,857	4,353	1,932	4,430	2,010	4,509	19,092	24,491
Carver County Parks	1,539	-	1,539	466	1,219	485	1,239	504	1,259	5,171	6,710
City of Bloomington Parks	2,332	-	2,332	327	930	340	943	354	957	3,850	6,182
City of St Paul Parks and Recreation	16,054	-	16,054	2,642	5,796	2,749	5,905	2,860	6,018	25,969	42,023
Dakota County Parks	5,870	-	5,870	1,735	4,482	1,805	4,554	1,878	4,628	19,081	24,951
Minneapolis Parks and Recreation Board	26,060	-	26,060	4,661	9,922	4,849	10,114	5,045	10,314	44,906	70,967
Ramsey County Parks	8,851	-	8,851	1,680	3,718	1,747	3,788	1,818	3,860	16,610	25,461
Scott County	3,238	-	3,238	807	1,767	840	1,801	874	1,835	7,923	11,161
Three Rivers Park District	25,558	-	25,558	5,027	10,699	5,230	10,906	5,441	11,121	48,424	73,982
Washington County Parks	4,134	-	4,134	1,132	2,853	1,178	2,899	1,225	2,948	12,234	16,368
Total Regional Park Implementing Agencies	99,033	-	99,033	20,333	45,739	21,154	46,577	22,009	47,449	203,262	302,295
TOTAL COMMUNITY DEVELOPMENT	168,234	250	168,484	25,348	52,133	26,572	52,993	27,585	54,202	238,832	407,316



**METROPOLITAN COUNCIL
SUMMARY BUDGET
COMMUNITY DEVELOPMENT DIVISION
FY23**

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	14,764	-	-	-	-	14,764	1,153	15,917	1,678	-	-	-	5,000	14,117	-	19,117	36,712
Federal Revenues	-	-	-	-	-	-	6,684	6,684	-	-	81,691	-	-	-	-	-	88,375
State Revenues	-	-	-	-	-	-	18	18	-	9,990	300	-	-	-	-	-	10,308
Investment Earnings	-	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	15
Other Revenues	-	70	-	-	-	70	2,920	2,990	-	-	-	-	-	-	-	-	2,990
Total Revenues	14,764	70	-	-	-	14,834	10,775	25,609	1,693	9,990	81,991	-	5,000	14,117	-	19,117	138,400
Expenses:																	
Salaries & Benefits	990	2,217	1,617	1,159	1,097	7,080	6,311	13,391	-	-	-	-	-	-	-	-	13,391
Consulting & Contractual Services	1,905	617	218	595	20	3,355	2,102	5,457	-	-	-	-	-	-	-	-	5,457
Materials & Supplies	26	-	-	-	-	26	43	69	-	-	-	-	-	-	-	-	69
Rent & Utilities	159	-	-	-	-	159	146	305	-	-	-	-	-	-	-	-	305
Printing	10	-	-	10	-	20	-	20	-	-	-	-	-	-	-	-	20
Travel	49	40	26	21	15	151	67	218	-	-	-	-	-	-	-	-	218
Insurance	-	-	-	-	-	-	100	100	-	-	-	-	-	-	-	-	100
Operating Capital	68	-	-	-	-	68	39	107	-	-	-	-	-	-	-	-	107
Other Expenses	113	43	108	8	10	282	744	1,026	-	-	-	-	-	-	-	-	1,026
Passthrough Grants	1,400	-	-	-	-	1,400	-	1,400	-	9,990	83,545	-	7,566	19,632	9,390	36,588	131,523
Debt Service Obligations	-	-	-	-	-	-	-	-	1,577	-	-	-	-	-	-	-	1,577
Total Expenses	4,720	2,917	1,969	1,793	1,142	12,541	9,552	22,093	1,577	9,990	83,545	-	7,566	19,632	9,390	36,588	153,793
Other Sources and (Uses):																	
Interdivisional Cost Allocation	(2,262)	-	-	-	-	(2,262)	(1,535)	(3,797)	-	-	-	-	-	-	-	-	(3,797)
Transfer To Operating Capital	-	-	-	-	-	-	(250)	(250)	-	-	-	-	-	-	-	-	(250)
Intradivisional Transfers	(1,500)	-	-	-	-	(1,500)	150	(1,350)	-	-	-	-	-	(500)	2,000	1,500	150
Net Other Sources and (Uses)	(3,762)	-	-	-	-	(3,762)	(1,635)	(5,397)	-	-	-	-	-	(500)	2,000	1,500	(3,897)
Change in Fund Balance	6,282	(2,847)	(1,969)	(1,793)	(1,142)	(1,469)	(412)	(1,881)	116	-	(1,554)	-	(2,566)	(6,015)	(7,390)	(15,971)	(19,290)

ACP

Project #	Agency	Description	Subgrant #	CURRENTLY AUTHORIZED			PROPOSED CHANGES			AMENDED			2023 Budget	Multi-Year Authorization
				State	Regional	Total	State	Regional	Total	State	Regional	Total		
METRO HOUSING AND REDEVELOPMENT AUTHORITY														
Administrative Adjustments / Reallocate Existing Funding														
14652		Undesignated Family Affordable Housing Program (FAHP)		\$ -	\$ 29,605	\$ 29,605	\$ -	\$ (29,605)	\$ (29,605)	\$ -	\$ -	\$ -	\$ (29,605)	\$ (29,605)
14656		2022 FAHP Capital Expenses		\$ -	\$ 210,000	\$ 210,000	\$ -	\$ 29,605	\$ 29,605	\$ -	\$ 239,605	\$ 239,605	\$ 29,605	\$ 29,605
Closing Projects / Reallocate Authorized Funding														
None				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Section Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* HRA Projects Closed and Removed from Authorized Capital Program												\$ -		
Authorize New Grants / Increase Authorized Funding / Reduce Authorized Funding														
New-14660		2023 FAHP Capital Expenses		\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	250,000	250,000
		Section Subtotal		\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
METRO HOUSING AND REDEVELOPMENT AUTHORITY TOTAL				\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
COMMUNITY DEVELOPMENT DIVISION TOTAL				\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000