



Legislation Text

File #: HRA M2022-006, **Version:** 1

Meeting Date: September 27, 2022

To: Members of the Housing & Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

2023 Draft HRA Budget Approval.

Action Requested:

HRA to review the drafted 2023 HRA Budget and make a motion to approve.

Summary Report:

Staff has prepared the attached draft of the 2023 HRA Budget for consideration by the HRA. Budget spreadsheet is attached.

Revenues

The HRA has traditionally requested maximum level allowed by Minnesota State Statute of 0.0185 percent of taxable market value from the previous year (i.e. 2022 Estimated Market Value).

Based on this information, the 2023 HRA levy would be \$325,417. In addition to the levy, the HRA will receive additional revenue of approximately \$51,100 from other sources and \$65,000 through Dakota County by means of the Community Development Block Grant. These other sources include approximately \$10,000 from interest on investments, \$26,100 from rent of HRA properties, and \$15,000 through refunds and reimbursements through the Carbon Reduction Fund. This is offset by a \$15,000 expenditure on the Energy Efficient Rebate line as part of LMI/Programs. The decrease of rent revenue is anticipated due to the sale of 517 Washington.

Expenditures

The draft expenditure budget is balanced with projected revenues equal to expenditures at \$376,517. The following line items are key expenditure areas included in the HRA budget:

Personal Services: the 2023 personal services budget is based on actual salary and benefits for the Housing Coordinator and 10% of the Community Development Director. The greatest increase to this line item is due to increased medical costs from 2022 to 2023. The total estimated expenses for personal services in 2023 is \$142,240.

Professional Services: This line item is utilized for professional consulting services related to housing development including, but not limited to, affordable housing plan development, market studies, architecture/design services, and property appraisals. The preliminary 2023 HRA budget for line item professional services, includes \$35,000 for these activities.

Legal Services: The preliminary 2023 HRA budget for line item legal services, includes \$10,000 for legal

services. This line item has increased over the past few years due to the complexity of projects and land conveyance.

Rental Programs/Properties: The preliminary 2023 HRA budget for line item rental programs/properties includes \$24,957 for funding of HRA rental properties and includes association dues, water/sewer, gas, snow removal, lawn care, taxes, repair, maintenance and property management services.

Low- to moderate-income programs and Public Service: The preliminary HRA budget for the combined LMI and Public Service line is \$139,009. The HRA provides Northfield Union of Youth \$20,000 for their Wall Flower Project for homeless prevention. The HRA has set aside \$20,000 for the Manufactured Home Rehab loan program for those who do not meet the citizenship requirement for the CDBG program. The Energy Efficient Rebate is itemized here at \$15,000. The HRA budget includes \$84,009 for Public Service. This line item has not been allocated to any program or project yet. Staff has identified these items as potential source to dedicate revenue to the Local Housing Trust Fund.

Alternative Options:

If the HRA Board does not approve the preliminary draft budget at the September 27 regular meeting, it will be brought back for HRA consideration and final HRA approval in October.

Financial Impacts:

See Attached

Tentative Timelines:

Council to vote on final budget December 2022.