

To: Goodhue County Budget Committee

From: Buffy J. Beranek, SEMMCHRA Executive Director

Date: 5/30/2019

Re: 2020 - 2021 HRA Levy Budget Request

SEMMCHRA HRA LEVY BUDGET REQUEST FOR 2020 and 2021 is \$395,580

The SEMMCHRA budget is developed with the recognition of the economic and housing issues facing our federal, state and local governments. Following is a list of key points regarding the HRA levy budget:

- The levy request for 2020 and 2021 is held constant both years and less than the 2019 levy because of the Goodhue County housing study funding in 2019.
 - The 2020 request is a decrease from the 2019 request by \$15,000 for the 2019 housing study funding, increase by \$6,000 to cover the unexpected housing study cost overage and increase of \$3,000 or 1 percent to cover inflationary increases from 2019.
 - The 2021 request is a decrease from the 2020 request by \$6,000 for the incremental housing study costs and increase of \$6,000 or 2.5 percent to cover inflationary increases.
- Requested program funding for 2020/2021 are consistent with 2018 and 2019 funding concepts - the request includes the historical core HRA programs, continued funding for the housing trust fund and emergency housing.
- The core HRA levy is broken into three distinct parts: general fund overhead, community development, and housing development.
- The overall general overhead budget for 2020 reflects a .44 percent decrease over 2019 and is allocated to counties based on population. The Goodhue County share is **\$62,500**.
- The HRA is requesting **\$25,000** for the community development budget to fund housing and commercial rehabilitation grants. SEMMCHRA is specifically working with the cities of Dennison and Goodhue. This funding will also be used for leveraging grant funds.

- The Housing Development 2020 budget requests funds for staff time and resources to work on new and existing housing projects (**\$30,000**), Goodhue Project subsidy amount necessary to cause project revenues less operating costs to equal 110% of debt service (**\$131,580**), and Kenyon Countryside Meadow TIF (**\$39,000**).
- The HRA requests to continue to fund the housing trust fund for **\$100,000**. The down payment assistance program has been fully implemented and demand exceeds funding levels. Funding for multi-family housing projects is being held for GAP financing for affordable or elderly housing developments.
- Emergency housing continues to be an important social and housing issue for Goodhue County. Fifty percent of the funding received to date has been spent with most of the year remaining. We expect demand to exceed funding levels - **\$7,500** is requested.

The HRA is open to exploring additional uses of its levy capacity at the request of the board and expects the potential use for HRA levy as an outcome and solution to assist with the current housing study findings.

Levy Financial Summary

According to Minnesota State Statute 469.033 Subdivision 6, a Housing and Redevelopment Authority has levy powers. “The amount of the levy shall be an amount approved by the governing body of the city but shall not exceed 0.0185 percent of estimated market value.”

Annually, SEMMCHRA obtains the estimated market value excluding the city of Red Wing to calculate the maximum levy. Historically, approximately 40 percent of the maximum levy capacity has been utilized to create and preserve affordable housing in Goodhue County. In 2018 the County approved the funding of a housing trust fund and approximately 42 percent of the maximum levy capacity is being utilized today.

The 2020/2021 request equates to a 1.5 percent decrease from 2019.

- Historical levy amounts: 2019 - \$401,690; 2018 - \$376,100; 2017 - \$273,990

The 2020 tax payer cost with a \$200,000 taxable market value is \$15.42.

SEMMCHRA			
2020/2021 Levy Financial Summary			
1	Estimated Total Market Value of Goodhue County excluding city of Red Wing	\$5,130,041,700	
2	Minnesota State Statute Maximum Levy Percentage	0.0185%	
3	Maximum HRA Levy	\$949,058	
4	Maximum HRA Levy on \$200,000 Estimated Market Value (\$200,000 * .0185%)	\$37.00	
		<u>2020</u>	
		<u>2021</u>	
5	Total Historical Core HRA Program Levy	\$282,080	\$288,080
6	Percent of Maximum Levy	29.72%	30.35%
7	Estimated cost per taxpayer on \$200,000 Market Value	\$11.00	\$11.23
8	Housing Trust Fund	\$100,000	\$100,000
9	Emergency Housing Funding	\$7,500	\$7,500
10	Goodhue County Housing Study	\$6,000	\$0
11	Subtotal with Housing Trust Fund & Emergency Housing & Housing Study	\$395,580	\$395,580
12	Percent increase over 2018 Levy	-1.5%	
13	Percent of Maximum Levy	41.68%	41.68%
14	Estimated cost per taxpayer on \$200,000 Market Value	\$15.42	\$15.42

SEMMCHRA		
BUDGET CATEGORICAL BREAKDOWN		
	<u>2020</u>	<u>2021</u>
General Overhead	\$62,500	\$64,057
Community Development		
Preservation - <i>Goodhue & Dennison; Cannon Falls/Pine Island</i>	\$25,000	\$15,623
Housing Development		
Housing Education & Financial Wellness Grant Leverage	\$2,250	\$2,250
Housing Study - Overage	\$6,000	\$0
Housing Development - <i>Kenyon and Cannon Falls; Pine Island, Cannon Falls, Wanamingo and Zumbrota</i>	\$21,750	\$32,292
Countyside Meadow TIF Debt Coverage	\$39,000	\$39,000
Goodhue County Housing Development Levy Pledge	\$131,580	\$134,858
Housing Trust Fund	\$100,000	\$100,000
Emergency Services	\$7,500	\$7,500
Total Levy Requested	\$395,580	\$395,580

Budget		2020	2021
Revenues			
	Fees:		
	Grants:		
	State/Federal Funding:		
	Other Revenue:		
Total Revenues:		\$ -	\$ -
Expenses			
a)	Salaries:	\$ 38,800	\$ 39,389
b)	Benefits:	\$ 17,966	\$ 18,239
c)	Professional Services:	\$ 9,257	\$ 3,398
d)	Services & Charges:	\$ 6,889	\$ 6,994
e)	Supplies & Materials:	\$ 25,286	\$ 25,670
f)	Other Expenses:	\$ 294,180	\$ 298,642
g)	Capital:	\$ 3,200	\$ 3,249
Total Expenses:		\$ 395,580	\$ 395,580
Requested Funding From County:		\$ 395,580	\$ 395,580
Number of Staff		0.69	0.69

SEMMCHRA
2020 General Overhead Budget (Levy/Program Funded)

		2020		
		TOTAL		
		General Overhead	Levy	Program
1	Other government Revenue (a)	417,280	417,280	
2	Levy Funds Transferred to Projects (a)	(146,580)	(146,580)	
3	Investment income - unrestricted	74,969		74,969
4	Indirect Cost Reimbursement	75,362		75,362
5	Car Reimbursement	14,410		14,410
6	Copy Reimbursement	13,939		13,939
7	Other Income - Reads Landing Billing	(0)		(0)
8	FTHB - Issuer Fees	-		-
9	Subordination Fees	580		580
10	Recording Fees	-		-
11	Admin Fees	8,000		8,000
12	Gain or loss on sale of capital assets	-		-
13	Investment income - restricted	2,977		2,977
14	Administrative salaries	(83,671)	(44,346)	(39,326)
15	Audit	(2,500)	(1,325)	(1,175)
16	Advertising and Marketing	(4,000)	(2,120)	(1,880)
17	Employee benefit contributions - administrative	(41,580)	(22,037)	(19,542)
18	Telephone	(1,057)	(560)	(497)
19	Telephone Reimbursement	(0)	(0)	(0)
20	Internet	(3,417)	(1,811)	(1,606)
21	Sundry	(1,320)	(699)	(620)
22	Other Admin. Expenses	(1,000)	(530)	(470)
23	Copies	(4,909)	(2,602)	(2,307)
24	Office Supplies	(6,000)	(3,180)	(2,820)
25	Printing Expense	(1,460)	(774)	(686)
26	Postage	(5,500)	(2,915)	(2,585)
27	Computer software	-	-	-
28	Software Maintenance Contract	(1,509)	(800)	(709)
29	Legal Expense	(8,903)	(4,719)	(4,185)
30	Staff Training Travel	(11,634)	(6,166)	(5,468)
31	Other	(2,071)	(1,097)	(973)
32	Water	(560)	(297)	(263)
33	Electricity	(3,993)	(2,116)	(1,877)
34	Gas	(950)	(503)	(446)
35	Ordinary maintenance and operations - materials and other	(1,794)	(951)	(843)
36	Protective services - other contract costs	(570)	(302)	(268)
37	Protective services - other	(436)	(231)	(205)
38	Property Insurance	(5,387)	(2,855)	(2,532)
39	Liability Insurance	(3,360)	(1,781)	(1,579)
40	Workmen's Compensation	(12,803)	(6,786)	(6,017)
41	All other Insurance	(2,165)	(1,147)	(1,018)
42	Travel Mileage	(2,179)	(1,155)	(1,024)
43	Travel - Gas	-	-	-
44	Maint. Mileage	(448)	(238)	(211)
45	Travel - Main. Gas	-	-	-
46	Travel Misc Travel Exp	(29)	(15)	(13)
47	Travel Meals	(275)	(146)	(129)
48	Travel Per Diem - Board Meeting	(6,962)	(6,962)	-
49	Travel Mileage Board Meeting	(3,598)	(3,598)	-
50	Computer software	-	-	-
51	Advertising	(7,500)	(3,975)	(3,525)
52	Memberships & Subscriptions	(4,365)	(2,313)	(2,051)
53	Computer Support Serv	(4,005)	(2,123)	(1,882)
56	Property Taxes	(4,682)	(2,482)	(2,201)
58	Interest of Mortgage (or Bonds) Payable	(2,393)	(2,393)	-
69	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal	(1,157)	(613)	(544)
73	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contra	(1,300)	(689)	(611)
76	Ordinary Maintenance and Operations Contracts - Extermination Contracts	(0)	(0)	(0)
77	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contra	(0)	(0)	(0)
78	Ordinary Maintenance and Operations Contracts - Misc Contracts	(1,994)	(1,059)	(935)

79 CASH AVAILABLE FROM OPERATIONS

		209,429	130,290	77,213
80 Principal Bond Payment		(15,607)	(8,272)	(7,335)
81 Interest Income Accrual to Cash Adj (TIFs)		(74,969)		(74,969)
82 WEB TIF DSR Reserve Transfer Out of Operations	(a)	(50,000)	(50,000)	-
83 SF TIF DSR Reserve Transfer Out of Operations	(a)	(25,000)	(25,000)	-
84 CSM TIF DSR Reserve Transfer Out of Operations	(a)	(39,000)	(39,000)	-
85 Interfund Loan or DSR		(22,763)		(22,763)
86 Capital Reserve Transfers		(15,000)	(7,950)	(7,050)
87 CASH USED FOR FINANCING & RESERVES		(242,339)	(130,222)	(112,117)

88 BUDGETED CASH FLOW

(32,910)	68	(34,905)
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89 Total Expenses/Levy Funded/Program Funded

\$ (284,041)	\$ (156,631)	\$ (127,409)
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NOTES:

(a) NET General Fund Levy Allocation (rounded):

		55%	45%
		<u>2020</u>	<u>2019</u>
Goodhue	39.9%	62,500	63,500
Wabasha	28.7%	45,000	44,700
Winona	31.4%	49,200	49,400

MAXIMUM LEVY CAPACITY - COUNTY

	<u>Taxable Market Value *</u>	<u>Max HRA Levy</u>	<u>SEMMCHRA Total Request</u>
Goodhue	5,130,041,700	949,058	395,580
Wabasha	3,056,499,200	565,452	107,250
Winona	1,746,999,700	323,195	101,450
	9,933,540,600		

MAXIMUM LEVY CAPACITY - RESIDENTIAL

Goodhue	200,000	37.00	15.42
Wabasha	200,000	37.00	7.02
Winona	200,000	37.00	11.61

RESOLUTION NO. _____

RESOLUTION APPROVING PRELIMINARY SPECIAL BENEFIT TAX LEVY OF SOUTHEASTERN MINNESOTA MULTI-COUNTY HOUSING AND REDEVELOPMENT AUTHORITY PURSUANT TO MINNESOTA STATUTES, SECTION 469.033, SUBD. 6, AND APPROVING A BUDGET FOR FISCAL YEAR 2020.

WHEREAS, the Southeastern Minnesota Multi-County Housing and Redevelopment Authority (the "Authority") was created by action of the Boards of Commissioners of Dodge, Goodhue, Wabasha and Winona Counties (collectively referred to as the "Counties") pursuant to Minnesota Statutes, Section 469.004; and

WHEREAS, pursuant to such action on the part of the Counties and Minnesota Statutes, Sections 469.001 to 469.047 (the "Act"), the Authority was granted all of the same functions, rights, powers, duties, privileges, immunities and limitations as are provided for housing and redevelopment authorities created for cities under the Act; and

WHEREAS, Section 469.033, subd. 6, of the Act permits the Authority to levy and collect a special benefit tax of up to .0185% of taxable market value upon all taxable property, both real and personal, within the Authority's area of operation; and

WHEREAS, the Authority has requested that the Board of Commissioners of Goodhue County approve the preliminary levy of such a special benefit tax in the amount of \$395,580.00 to be levied upon all taxable market value of taxable property within the Authority's area of operation contained within Goodhue County; and

WHEREAS, the Board of Commissioners of Goodhue County has considered such request by the Authority and believes that consenting to such a preliminary special benefit tax levy by the Authority is in the best interests of Goodhue County and its residents; and

WHEREAS, the Authority is also required pursuant to Section 469.033, subd. 6, of the Act to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedures of the Counties in the same manner as required of executive departments of the Counties and the amount of the tax levy for the following year shall be based upon that budget and approved by the Counties; and

WHEREAS, the Authority has presented to the Board of Commissioners of Goodhue County a copy of a proposed budget for its operations for fiscal year 2020.

NOW, THEREFORE, be it resolved by the Board of Commissioners of Goodhue County as follows:

Section 1. That the budget for fiscal year 2020 for the operations of the Authority as presented for consideration by the Board of Commissioners of Goodhue County is hereby in all respects approved.

Section 2. That the levy of a preliminary special benefit tax pursuant to Minnesota Statutes, Section 469.033, subd. 6, is hereby consented to with respect to taxes payable in calendar year 2020 in the amount of \$395,580.00 to be levied upon all taxable market value of taxable property within the Authority's area of operation within Goodhue County.

The above resolution was adopted this _____ day of _____, 2019.

Chairperson

Attest: