

To: Goodhue County Budget Committee
From: Patty Heraty, Accountant and Buffy Beranek, Executive Director
Date: May 19, 2022
RE: 2023 HRA Levy Budget Request

SEMMCHRA's mission is to enhance and strengthen communities through advocacy, collaboration and promotion of self-reliance, housing, and community development. Our goal is to continue to be a recognized advocate and leader in creating housing opportunities and community development solutions. Annually, our Board sets agency standards to ensure we realize that vision and grow our mission.

Our levy in Goodhue County is critical for continuing our programs with baseline customer service. The levy request addresses the economic and housing issues facing our federal, state, and local governments. The pandemic has continued to strain small business and non-profits. The cost of systems and staffing challenges is resulting in a "survival of the fittest" business model for those trying to obtain services. The details of our request are attached.

During these unprecedented times, keeping families housed and preserving affordable housing is critical. SEMMCHRA continues to work closely with the County Housing Study Subcommittee to develop innovation solutions to address the full continuum of housing needs. Detailed below is a summary of our programs and services in Goodhue County.

Section 8 – Rental Assistance

The average number of Goodhue County households assisted from 2021 was 92 per year with an average assistance of \$5,652 per household or \$519,984 county-wide. The average household income for participants is \$17,051. Sixty-seven percent of all families served by SEMMCHRA's voucher program are on our program five years or less.

Public Housing, Rural Development, Low to Moderate, Senior and Market Rate Housing

The average number of households assisted in SEMMCHRA owned properties in Goodhue County in 2021 was 120. Maintaining our existing housing stock is instrumental in preserving affordable options in Goodhue County and SEMMCHRA continues to pursue federal funding options that require county and/or city's support to accomplish preservation and affordability goals.

Maintaining high quality facilities for our properties is a priority as well. SEMMCHRA will continue to update and enhance through capital improvements through available funds on hand and through leverage as well as refinancing when and where possible. Over \$150,000 in capital improvements were completed in 2021.

Housing Rehabilitation – City of Goodhue and Dennison; Pine Island

SEMMCHRA worked with the Cities of Goodhue, Dennison and Pine Island to secure funding to improve existing properties within these three cities. SEMMCHRA received total grant awards in the amount of \$1,122,970 from the Department of Employment and Economic Development

(DEED) to preserve existing single-family homes. With the 2022 levy, we will continue single family preservation in the city of Cannon Falls and we continue to wait for final approval.

SEMMCHRA continues to collaborate with the Goodhue County Habitat for Humanity to develop a rural single family rehabilitation program. Over five years, this will be a sustainable program and could rehab 40 homes. Utilization of the housing trust fund created this housing program.

Countryside Meadow, City of Kenyon

Countryside Meadow in the City of Kenyon continues to build out the remaining 12 buildable lots for single family construction. Building a positive, unified local approach has been critical to this development's recent success. This development serves SEMMCHRA's highest income earners, which over 90 percent of the county residents qualify to reside in. Current 2022 income limits are \$104,000 for 1-2 family member households and \$119,600 or 3+ member households.

SEMMCHRA is currently working with for-profit developers to strategically build out this development. SEMMCHRA is working with two developers to "finalize" the build-out options for the single-family and potential twin homes building sites.

First Time Homebuyers, Homebuyer Education

SEMMCHRA will continue to apply for First Time Homebuyer 30-year mortgages and provide opportunities for working families to own their own homes.

We were awarded a second round of two-year funding for the home buyer education and financial wellness training. This grant and work are extremely important during these economic times. An expansion of this program may be needed to help those in foreclosure. Our service area residents along with our program participants did not have convenient local access to these programs. This has proven to be a critical service bridge for creating financial self-sufficiency.

Approximately 25 households have been provided education and training in home buying. These services include financial wellness and counselling services. Just over 15 families were provided federally supported self-sufficiency counseling, training, and goal setting.

Please let me know if you have any questions or need additional information.

Thank You,

Buffy J. Beranek

Buffy J. Beranek
Executive Director

SEMMCHRA
2023 Levy Budget Request
Goodhue County

Total Request: \$424,807 Total Levy Requested for 2023

- \$5,207 increase; two-year budget planned for an increase of less than 2% or \$8,000 in 2023
- The estimated cost of the 2023 request to a taxpayer with a \$250,000 taxable market value is \$19.59
- Historical levy amounts: 2022 - \$419,600; 2021 – \$397,480; 2020 - \$395,580; 2019 - \$401,690

Uses of Funds:

- \$68,807 for General Fund Expenditures
 - This represents \$2,387 increase which is attributed to the allocation between the counties and the total levy overhead budget operating at an increase of 3.6% from 2021.

- \$27,500 for Community Development
 - Rental preservation and rehabilitation program for Goodhue County
 - Housing rehabilitation grant leverage – Cannon Falls

- \$44,500 for Housing Services & Development
 - \$30,000 –Housing development for Goodhue County
 - \$4,500: Home Buyer Education Counseling & Training
 - 124% increase or \$2,800
 - Matching funds for \$108,000 grant leverage
 - Two-year grant/commitment 2022-2023
 - \$10,000: Housings preservation and stabilization services

- \$174,000 for existing Housing Developments
 - \$25,000 Countryside Meadow TIF - debt service reserve SBT levy
 - \$149,000 Goodhue Housing Development rental assistance and debt coverage

- \$100,000 – Housing Trust Fund
 - Includes funding for new construction; down payment assistance; and rural housing rehabilitation

- \$10,000 – Emergency Housing for homelessness
 - Includes short-term immediate shelter and security deposit assistance

Levy/Funding Additional Information:

- Return on Levy Investment: 10 year average is \$1.00: \$3.00 or over \$1.0 million annually.
- SEMMCHRA pays property taxes to Goodhue County of approximately \$55,000 annually.
- Total HRA levy capacity is approximately \$1,002,986 and 42 percent of maximum is being requested.

Goodhue County
Outside Agency Funding Request Form

| Budget | | 2023 |
|---------------------------------------|------------------------|-------------|
| Revenues | | |
| | Fees: | |
| | Grants: | |
| | State/Federal Funding: | |
| | Other Revenue: | |
| Total Revenues: | | \$ - |
| Expenses | | |
| a) | Salaries: | \$ 43,856 |
| b) | Benefits: | \$ 22,638 |
| c) | Professional Services: | \$ 9,370 |
| d) | Services & Charges: | \$ 6,575 |
| e) | Supplies & Materials: | \$ 28,216 |
| f) | Other Expenses: | \$ 309,276 |
| g) | Capital: | \$ 4,876 |
| Total Expenses: | | \$ 424,806 |
| Requested Funding From County: | | \$ 424,806 |
| Number of Staff | | 0.69 |

SEMMCHRA

2023 General Overhead Budget (Levy/Program Funded)

| | 2023 | | |
|--------------------------------------------------------------|---------------------------|-----------|----------|
| | TOTAL General Overhead | Levy | Program |
| 1 Other government Revenue | 484,458 | 484,458 | |
| 2 Levy Funds Transferred to Projects | (164,002) | (164,002) | |
| 3 Investment income - unrestricted | 118,746 | | 118,746 |
| 4 Indirect Cost Reimbursement | 115,791 | | 115,791 |
| 5 Car Reimbursement | 10,000 | | 10,000 |
| 6 Copy Reimbursement | 7,277 | | 7,277 |
| 7 Subordination Fees | 830 | | 830 |
| 8 Recording Fees | 220 | | 220 |
| 9 Admin Fees | 19,000 | | 19,000 |
| 10 Investment income - restricted | - | | - |
| 11 Administrative salaries | (82,570) | (51,606) | (30,964) |
| 12 Audit | (9,750) | (6,094) | (3,656) |
| 13 Marketing | (1,107) | (692) | (415) |
| 14 Employee benefit contributions - administrative | (52,691) | (32,932) | (19,759) |
| 15 Telephone | (1,498) | (937) | (562) |
| 16 Internet | (1,600) | (1,000) | (600) |
| 17 Sundry | (1,000) | (625) | (375) |
| 18 Other Admin. Expenses | (3,768) | (2,355) | (1,413) |
| 19 Copies | (7,471) | (4,670) | (2,802) |
| 20 Office Supplies | (6,500) | (4,063) | (2,438) |
| 21 Printing Expense | (2,568) | (1,605) | (963) |
| 22 Postage | (4,000) | (2,500) | (1,500) |
| 23 Computer software | (2,818) | (1,761) | (1,057) |
| 24 Computer Equipment | (2,675) | (1,672) | (1,003) |
| 25 Legal Expense | (17,185) | (10,741) | (6,444) |
| 26 Staff Training Travel | (9,711) | (6,069) | (3,642) |
| 27 Other | (966) | (604) | (362) |
| 28 Water | (554) | (346) | (208) |
| 29 Electricity | (3,855) | (2,409) | (1,446) |
| 30 Gas | (625) | (391) | (234) |
| 31 Ordinary maintenance and operations - materials and other | (3,019) | (1,887) | (1,132) |
| 32 Protective services - other contract costs | (631) | (394) | (237) |
| 33 Protective services - other | (191) | (119) | (72) |
| 34 Property Insurance | (4,160) | (2,600) | (1,560) |
| 35 Liability Insurance | (4,430) | (2,769) | (1,661) |
| 36 Workmen's Compensation | (15,067) | (9,417) | (5,650) |
| 37 All other Insurance | (3,246) | (2,029) | (1,217) |
| 38 Travel Mileage | (1,092) | (682) | (409) |
| 39 Maint. Mileage | (228) | (142) | (85) |
| 40 Travel - Main. Gas | (25) | (16) | (9) |
| 41 Travel Meals | - | - | - |
| 42 Travel Per Diem - Board Meeting | (8,000) | (8,000) | - |
| 43 Travel Mileage Board Meeting | (1,500) | (1,500) | - |
| 44 Travel Lodging | - | - | - |
| 45 Computer software | (5,109) | (3,193) | (1,916) |
| 45 Advertising | (2,000) | (1,250) | (750) |
| 46 Memberships & Subscriptions | (5,773) | (3,608) | (2,165) |
| 47 Computer Support Services | (21,100) | (13,188) | (7,913) |
| 48 Other General | - | - | - |
| 49 Compensated absences | - | - | - |
| 48 Property Taxes | (1) | (1) | (0) |
| 49 Interest of Mortgage (or Bonds) Payable | (2,779) | (2,779) | - |
| 51 Extraordinary Maintenance/Satellite Offices | (4,500) | (2,813) | (1,688) |

| | | | |
|------------------------------------------------------------------------|------------------|------------------|------------------|
| 50 Ordinary Maintenance and Operations Contracts - Garbage and Trash F | (1,800) | (1,125) | (675) |
| 51 Ordinary Maintenance and Operations Contracts - Landscape & Ground | (1,000) | (625) | (375) |
| 52 Ordinary Maintenance and Operations Contracts - Extermination Contr | (256) | (160) | (96) |
| 53 Ordinary Maintenance and Operations Contracts - Routine Maintenanc | (5,634) | (3,521) | (2,113) |
| 54 Ordinary Maintenance and Operations Contracts - Misc Contracts | (2,610) | (1,631) | (1,972) |
| 55 CASH AVAILABLE FROM OPERATIONS | 284,138 | 123,900 | 160,238 |
| 56 Principal Bond Payment | (13,240) | (8,275) | (4,965) |
| 57 Interest Income Accrual to Cash Adj (TIFs) | (118,746) | | (118,746) |
| 58 WEB TIF DSR Reserve Transfer Out of Operations | (50,000) | (50,000) | - |
| 59 SF TIF DSR Reserve Transfer Out of Operations | (25,000) | (25,000) | - |
| 60 CSM TIF DSR Reserve Transfer Out of Operations | (25,000) | (25,000) | - |
| 61 Voucher Program Shortfall Funding | - | - | - |
| 62 Capital Reserve Transfers | (25,000) | (15,625) | (9,375) |
| 63 CASH USED FOR FINANCING & RESERVES | (256,986) | (123,900) | (133,086) |
| 64 BUDGETED CASH FLOW | 27,152 | (0) | 27,152 |

65 Total Expenses/Levy Funded/Program Funded \$ **(345,363)** \$ **(220,456)** \$ **(124,906)**

NOTES:

| | | | |
|-------------------------------------------------|-------|-------------|-------------|
| | | 64% | 36% |
| (a) NET General Fund Levy Allocation (rounded): | | <u>2023</u> | <u>2022</u> |
| Dodge | 21.8% | 48,054 | 46,387 |
| Goodhue | 31.2% | 68,807 | 66,420 |
| Wabasha | 22.5% | 49,645 | 47,922 |
| Winona | 24.5% | 53,951 | 52,079 |

| MAXIMUM LEVY CAPACITY - COUNTY | Taxable Market Value * | Max HRA Levy | SEMMCHRA Total Request |
|---------------------------------------|-------------------------------|---------------------|-------------------------------|
| Dodge | 3,548,324,500 | 656,440 | 52,554 |
| Goodhue | 5,421,548,100 | 1,002,986 | 424,807 |
| Wabasha | 3,618,619,000 | 669,445 | 114,145 |
| Winona | 3,832,955,280 | 709,097 | 108,451 |
| | 17,256,403,580 | | |

| MAXIMUM LEVY CAPACITY - RESIDENTIAL | | | |
|--------------------------------------------|---------|-------|-------|
| Dodge | 250,000 | 46.25 | 3.70 |
| Goodhue | 250,000 | 46.25 | 19.59 |
| Wabasha | 250,000 | 46.25 | 7.89 |
| Winona | 250,000 | 46.25 | 7.07 |

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 2023.**

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 Goodhue 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 levy of such a preliminary special benefit tax in the amount of \$424,807.00 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 2023.

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

Section 1. That the budget for fiscal year 2023 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 2023 in the amount of \$424,807.00 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 _____, 2022.

GOODHUE COUNTY BOARD OF COMMISSIONERS

Brad Anderson
Board Chair

Attest:

Scott Arneson
County Administrator