

Housing and Redevelopment Authority

Planning and Economic Development

2021 Budget Proposal Follow Up
October 21, 2020



HRA- PED 2021 Budget Proposal Follow Up Topics

- Parking Fund
 - Information on the HRA parking system and Parking Fund, which was not included in the September 23 presentation materials
- Respond to questions regarding:
 - HRA funds
 - Requirements/policy for reserves or fund balances
 - More detail on transfers for other uses
 - Program funding proposals
 - More specificity on new program proposals
 - Current program balances and estimated carry over, esp. Full Stack
 - Department operations
 - Status of data management system and business process documentation
 - Staff vacancies

HRA Parking System Overview



- 9 ramps and 5 surface lots → 7,178 spaces, 30% of all downtown off-street spaces
- Does not include the RiverCentre Ramp
- In April, 91% of ramp capacity occupied with monthly contracts including most DT employers, currently at 53% capacity
- HRA owns these facilities → asset value approx. \$100 million
- Operator agreements with five different parking management companies
- Operators run the parking facilities, using revenues for ongoing operations costs



Downtown Area HRA-Owned Parking Facilities
October 2020

Parking Facilities
 Pledged HRA Parking Facilities
 Other City/HRA Parking Facilities

This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. The drawing is not a legally recorded plan, nor is it a map or engineering schematic and is not intended to be used as such.

0 0.1 0.2 0.4 Miles

Parking Fund

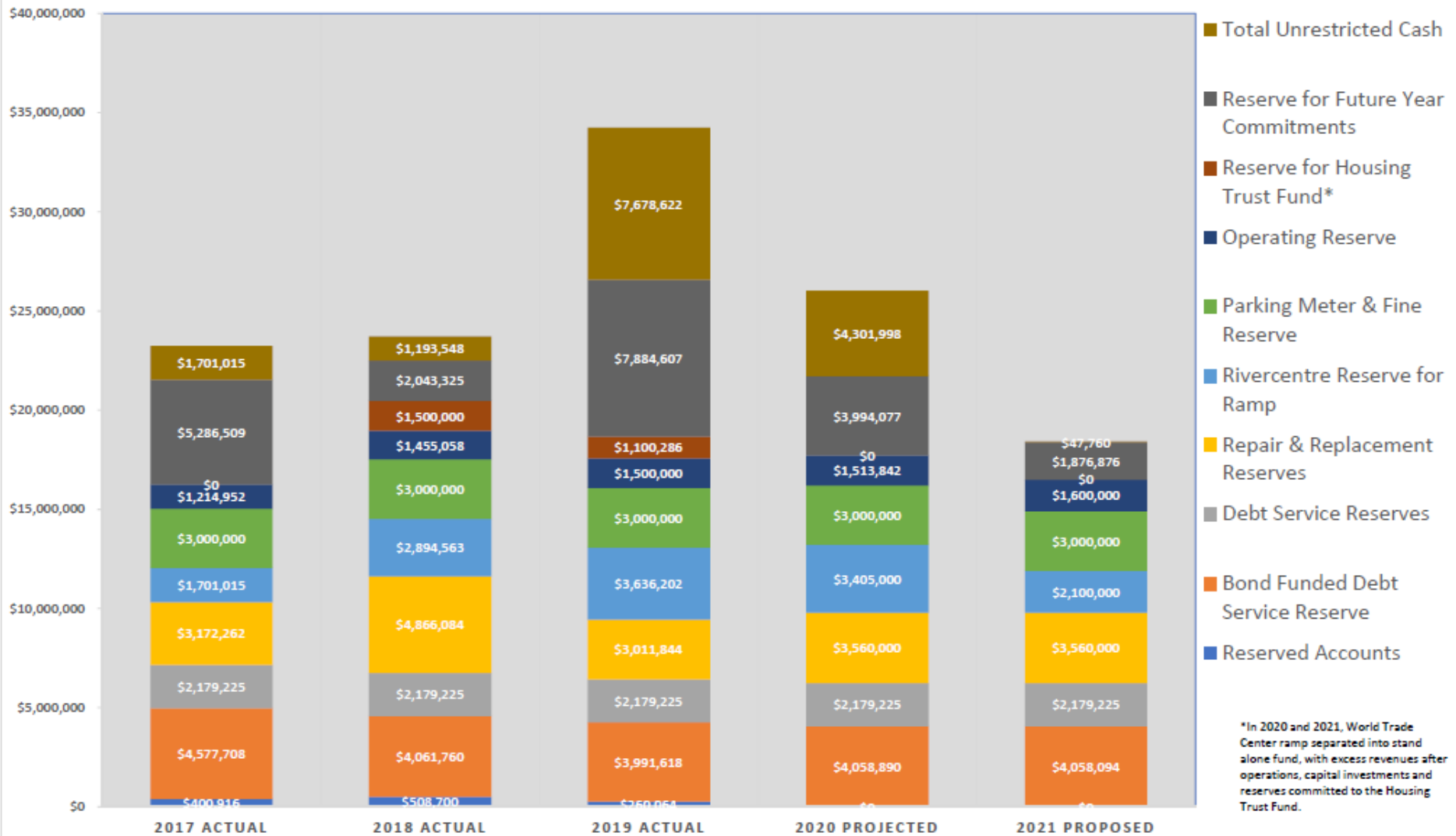
- Parking revenues significantly impacted by the COVID-19 pandemic, due to losses in event parking and office worker parking contracts. Monthly contracts are currently 50% of capacity.
- Fortunately, Q1 2020 was very strong, with revenues above budget.
- It is not clear when revenues will rebound – tied to resumed events and more office workers returning to downtown.
- The Parking Fund has sufficient reserves for debt service, repairs and operations in 2020 and under the 2021 proposal. The next slide provides more detail on the reserves and other measures to maintain system stability.
- Note: World Trade Center ramp was removed from the Parking Fund in 2020 for better tracking and reporting on funds pledged from that ramp to the Housing Trust Fund. World Trade Center parking fund details in the packet.

Measures to maintain Parking System stability

- Ensure ample reserves
 - Debt service reserves are required
 - Repair and replacement reserves are required for parking facilities financed with bonds
 - The repair and replacement reserve for the entire system are based on an average of capital repair costs for the five prior years.
 - While not required, an operating reserve is prudent to cover costs if revenues decline below the costs to operate. The proposed reserve in 2021 is \$1.6m, just under half of the 2019 system operating costs of \$3.8m.
- Maintain quality facilities and operations
- Make strategic capital improvements and defer some large capital projects to 2022
- Operating cost saving measures
- Lesser demand for uses of funds not connected to maintaining the HRA parking system
- Retain \$1.5m in revenues from the 2019 sale of the Spruce Tree Ramp for the operating reserve

HRA NET PARKING FUND CASH BALANCE AS OF 12/31

(EXCLUDES WORLD TRADE CENTER AFTER 2019*)



HRA- PED 2021 Budget Proposal Additional Follow Up Topics

Written document provided, responding to questions regarding:

- HRA funds
 - Requirements/policy for reserves or fund balances
 - More detail on transfers for other uses
- Program funding proposals
 - More specificity on new program proposals, particularly for the BIPOC developer program
 - Current program balances and estimated carry over, esp. Full Stack, slide follows
- Department operations
 - Status of data management system and business process documentation
 - Staff vacancies

HRA Funds: Requirements for reserves or fund balances

- Whether there are restrictions on uses or on reserves of the fund balances varies by fund type.
- Details on HRA funds and the restrictions on uses are in the written document in the packet, including notes on any formal policies for retaining fund reserves or best practices employed.
- Some highlights:
 - HRA General Fund and Loan Enterprise Fund are the only dollars that are unrestricted.
 - While there is not a formal policy, we retain a 15% operating reserve for the HRA General Fund and Loan Enterprise Fund spending including the HRA portion of the PED Operations budget.
 - The Parking Fund includes a number of reserves – both required by lenders and best practices – including reserves to cover debt service, repairs and operations

HRA Funds: Uses of HRA transfers

Description	Use	2020	2021
City Council: Policy Analyst	Staff	\$84,322	\$84,322
General Staff: Citizen Participation	Staff	\$18,486	\$18,486
HREEO: Contract Compliance	Contract Compliance staff and business technical assistance contracts	\$539,966	\$539,966
HRA Board of Commissioners	Staff	\$183,233	\$183,233
Mayor's Office: Policy Analyst/IGR	\$40,000 for IGR services \$105,422 for policy analyst staffing	\$145,422	\$145,422
Office of Financial Empowerment	Salary and Fringe for Fair Housing Coordinator (hired mid-year 2019)	\$121,909	\$121,135
Right Track	Staff	\$191,437	\$191,437
Non-HRA Use	Various, primarily transfers from the Parking Fund	\$5,182,327	\$2,708,716

Program Funding proposals: more detail on budgets

- Proposals for new programs are currently at the concept stage, with program development to follow if there is preliminary HRA board support
- All program proposal budget requests are for either capital investment dollars or consulting contracts, and mostly for capital investments
- Only the Housing Trust Fund budget proposal includes some dollars for staffing – the Fair Housing Coordinator position in the Office of Financial Empowerment and a Housing policy Project Manager position in PED

Program Funding proposals: estimated program carry over

Program investment	2020 proposed carry forward	2021 new proposal	2021 total proposed
Innovation Cabinet/Full Stack (slides follow)	\$265,521*	\$300,000	\$565,521*
Business Assistance	\$50,000*	\$1,710,000 **	\$1,760,000
Pre-development	\$254,566 (funds committed to projects and not reallocated to Bridge Fund)	\$50,000	\$303,566
Strategic Investment Fund	\$0	\$100,000	\$100,000
Data Management Assessment/Systems Development (slide follows)	\$0	\$200,000	\$200,000
Job Opportunity Fund	\$0	\$0	\$0

*Estimates updated since the HRA Outlook dated September 17, 2020

** HRA budget action October 14, 2020

Full Stack program

Annual budget since 2018 of \$300,000 for programmatic investments including:

- Scholarships for tech training for help desk and programming certificates, now with contributions from Ramsey County Workforce Solutions
- Marketing/events – reinforcing Saint Paul as a place for innovation-focused business growth

Additional \$150,000 budgeted in 2020 for investments in business recruitment and growth, including incubator models such as Tech Stars

Full Stack program update

Highlights:

- Tech training programs have pivoted to remote learning and remain very competitive options for pandemic secure careers
 - Funded 8 full scholarships to software development and user experience design with 11 strong candidates for 2020 including a Right Track cohort
- Community engagement and training events such as Hack the Gap and Twin Cities Startup Week continued in a modified mix of smaller in-person and virtual events
 - Sponsored dozens of virtual events and hackathons including Lunar Labs, Coven, and even Startup Week at Keg and Case
- Launched Restaurant Resiliency Project to focus on new Tech for Brick and Mortar, also engaging Right Track youth interested in tech and marketing
 - 16 restaurant consultations and 5 digital implementations

Full Stack program update

Challenges:

- COVID and civil unrest greatly impacted PED staffing and crisis focus this year
- Private sector partners and co-chairs focused on other triage for much of the year

Opportunity:

- \$150,000 for new tech fund was suspended and still available for 2021
- Necessity and potential for tech-driven economic recovery remains high

Full Stack budget request

2021 Budget

\$300,000 annual investment request

\$265,000 estimated rollover balance

\$565,000

- \$245,000 for scholarships for tech training to complement Ramsey County Workforce Solutions contributions
- \$50,000 for communications and marketing contract support to boost program outreach and reinforce Saint Paul as a place for innovation-focused business growth
- \$45,000 for event sponsorship and marketing with innovation partners such as Hack the Gap, Twin Cities Startup Week, CodeSwitch, MinneDemo
- \$150,000 for investments in high potential tech/startup business recruitment, accelerator/incubator growth and development, tech training center development
- \$75,000 for specialized technical assistance for brick and mortar businesses, such as restaurants, to go online and expand tech capacity

Department operations: Status of data management system and business process documentation

- PED currently maintains investment data mostly in spreadsheets and lacks process documentation to ensure consistent protocols and training materials for new staff.
- \$100,000 was budgeted in 2020 to define system requirements for an investment tracking system.
 - The system requirements for the investment tracking system have been completed and are being reviewed by OTC and PED leadership.
 - \$200,000 in 2021 will be invested in building the system, establishing protocols for system use, and training staff.
- An additional \$100,000 was budgeted for a consultant to assist with business process documentation and streamlining.
 - Work was to be led by PED's Deputy Director.
 - With the July 2019 departure of the Department Director and the Deputy serving as the Interim Director through August 2020, this work has not begun.
 - Dollars budgeted for the work in 2020 will either be carried forward to 2021 or returned to the Parking Fund.

Department operations: Staffing vacancies

- Eight staff vacancies for all or part of 2020
- Have prioritized which to fill based on focus on both customer service and core operations such as accounting
- Two of these eight vacancies are proposed to be held vacant through the end of 2021

Title	Beginning of vacancy	End or anticipated end of vacancy	Plan to fill
Grants Manager	12/8/2018	12/31/2021	Hold vacant through 2021, job study with HR
Loan Servicing and Real Estate Supervisor	7/1/2019	12/31/2021	Hold vacant through 2021, job study with HR
Principal City Planner	7/31/2019	11/15/2020	Needs assessment
Deputy Director	8/15/2019	8/3/2020	Filled when Director hired
Housing Project Manager	1/1/2020	11/15/2020	Posting in Sept-Oct
Director of Business Development (Business Outreach Coordinator)	1/3/2020	7/4/2020	Filled
Accountant III	1/31/2020	10/15/2020	Posting not allowed until Jan 2021, could fill from Accountant II list
Accountant II	5/22/2020	10/15/2020	Posting closed Sept 4