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2026 Budget to Actual Quarter 1 Update

April 22, 2026



2026 Budget to Actual: Quarter 1 Update

PED Engagement, Action, and Responsibility

- Streamline budget operations throughout the year
- Objectively review proposals and inform governing bodies regarding ability to effectively execute proposal or recommendations
- Update budget line items:
 - Based on year-to-date actual spending and updated estimates for projected spending
 - Program changes
- Significant budget changes, initiated after final budget adoption typically occur through an Administrative Order or Budget Amendment:



HRA Leadership and Priorities

- Ensure HRA Special Fund balances are stable and sustainably replenished
- Establish and coordinate related spending priorities with the administration, constituents, and stakeholders
- Review proposals, spend/work plans, and policy recommendations
- Engage the public, department leaders, and others relying on HRA/PED programs, funding, and services
- Present recommendations and coordinate with the administration to determine final changes prior to authorizing a vote to approve HRA's annual budget in December



2026 Budget to Actual: Quarter 1 Update

PED Budget Background

- **PED/HRA** is most significantly funded through HRA Special Funds
 - HRA General Fund
 - Housing Trust Fund
 - HRA Loan Enterprise Fund
 - HRA Parking Enterprise Fund
- **HRA does not** utilize 100% of Special Funds (Transfers are typically allocated to support other departments or significant projects)
- **PED Operations & Programs** receive funding from sources other than HRA Special Funds (LAHA, City General Fund, STAR, HUD grants, etc.)



2026 Budget to Actual: Quarter 1 Update

2025 PED Budget Operations Key Highlights

- **June 2025** – Initial implementation of budget assignments to PED Division leaders, supervisors, or staff
- **November 2025** – Introduction and implementation of Annual Spend Plan reporting for internal PED leaders (reporting development continues – numbers are preliminary, estimated, and **UNAUDITED**)
- **December 2025** – HRA [Res 25-1860](#) adopted requiring quarterly budget to actual reports with first reporting date of April 1, 2026 (today's presentation serves as first report)



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Current Status of PED Budget Operations & Performance Management

- **Q1 2026** – Focused collaborative coordination of OFS, PED, HRA/Council in determining objectives, needs, and formatting of quarterly reporting
- **Q2 2026** – Deliberate engagement with PED Div. Directors and other leaders assigned with program or key line-item budget responsibility.
- **Q2 – Q4 2026** – Anticipate further coordination across 3 units to determine and confirm information directly available in Infor Accounting system with subsequent assessment of comparative value from quarter to quarter and/or quarter/year to date perspective
- **Future planning** – identifying, designing, and implementation of standard and supporting Fiduciary training for:
 1. those with fiduciary responsibility and
 2. accounting professionals required to provide substantive support to those with fiduciary responsibility



2026 Budget to Actual: Quarter 1 Update

PED Major Program Spending

| Program | Amended Budget | Projected Actual | Projected Variance | (Over)/Under |
|--|----------------|------------------|--------------------|--------------|
| Healthy Homes | 935,429 | 640,428 | 295,001 | 31.5% |
| Power of Home | 600,000 | 216,000 | 384,000 | 64.0% |
| District Councils | 2,096,743 | 1,982,273 | 114,470 | 5.5% |
| Supportive Housing | 880,000 | - | 880,000 | 100.0% |
| Home Line Contract | 100,000 | 100,000 | - | 0.0% |
| Down Payment Assistance/Inheritance Fund | 5,762,102 | 5,575,476 | 186,626 | 3.2% |
| Emergency Rental Assistance | 2,882,500 | 2,597,500 | 285,000 | 9.9% |
| Downtown Vitality Fund (Office to Housing) | 5,985,598 | 5,985,598 | - | 0.0% |
| Commercial Corridors | 1,400,000 | 1,400,000 | - | 0.0% |
| Inspiring Communities | 6,024,146 | 5,085,872 | 938,274 | 15.6% |
| Familiar Families Pilot | 500,000 | - | 500,000 | 100.0% |
| Tenant Protections | 380,000 | 380,000 | - | 0.0% |
| Housing Policy Evaluation | 100,000 | 100,000 | - | 0.0% |
| CDBG 30% AMI | 545,000 | 545,000 | - | 0.0% |
| CDBG Acquisition Fund | 300,000 | 300,000 | - | 0.0% |
| CDBG Housing Real Estate | 500,000 | 500,000 | - | 0.0% |
| CDBG Contingency | 345,000 | 345,000 | - | 0.0% |
| HRA MHFA Fix Up Program | 550,000 | - | 550,000 | 100.0% |
| HRA HUD Rental Rehabilitation | 526,158 | - | 526,158 | 100.0% |
| HRA Economic Development Strategy | 200,000 | 200,000 | - | 0.0% |
| HRA Business Assistance | 233,262 | 233,262 | - | 0.0% |
| HRA Investment Tracking System (PED systems) | 438,810 | 200,000 | 238,810 | 54.4% |
| HRA Full Stack | 350,000 | 370,000 | (20,000) | -5.7% |
| HRA Planning Professional Services | 365,000 | 365,000 | - | 0.0% |
| ADU Permit Ready Plans | 200,000 | 186,667 | 13,333 | 6.7% |



2026 Budget to Actual: Quarter 1 Update

2026 HRA and PED Annual Special Funds Projected Revenue

| Revenue Description | Amended Budget | Projected Actual | Projected Variance | Over/(Under) |
|------------------------------------|----------------|------------------|--------------------|--------------|
| City General Fund | 870,537 | 495,677 | (374,860) | -43.1% |
| Zoning Fees | 86,000 | 86,000 | - | 0.0% |
| PED Fees | 320,000 | 266,687 | (53,313) | -16.7% |
| HUD Grant Reimbursement for Admin. | 1,245,000 | 1,245,000 | - | 0.0% |
| Fund 211 (ARPA Project) Admin. | 253,924 | 253,924 | - | 0.0% |
| STAR for Admin. | 615,000 | 615,000 | - | 0.0% |
| Tax Increment for Admin. | 314,454 | 314,454 | - | 0.0% |
| Tax Increment for Debt Service | 5,765,332 | 5,765,332 | - | 0.0% |
| HRA Tax Levy | 6,504,137 | 6,504,137 | - | 0.0% |
| 7th Place Mall Assessments | 200,000 | 180,000 | (20,000) | -10.0% |
| Conduit Bond Fees | 2,483,129 | 2,408,635 | (74,494) | -3.0% |
| HRA MN Fix up Grant | 515,000 | - | (515,000) | -100.0% |
| HRA Fees | 379,239 | 341,315 | (37,924) | -10.0% |
| Loan Repayments & Loan Interest | 1,756,417 | 356,417 | (1,400,000) | -79.7% |
| Advance Repayments | 40,000 | 40,000 | - | 0.0% |
| Parking Revenue | 13,389,598 | 13,657,390 | 267,792 | 2.0% |
| Space Rental at Parking Facilities | 151,767 | 182,120 | 30,353 | 20.0% |
| Parking Meter and Fine Revenue | 3,000,000 | 3,000,000 | - | 0.0% |
| Interest | 336,220 | 336,220 | - | 0.0% |
| Intrafund Transfers | 1,955,198 | 1,920,198 | (35,000) | -1.8% |
| Transfers | 497,542 | 497,542 | - | 0.0% |

* Excludes HUD Grants, LAHA and STAR Except for Admin



2026 HRA/PED Budget Proposal

2026 HRA and PED Annual Special Funds Projected Revenue

| Description | Amended Budget | Projected Actual | Projected Variance | Variance % |
|--|----------------|------------------|--------------------|------------|
| Projected Expenditures | 52,852,128 | 47,527,829 | 5,324,299 | 10.1% |
| Projected Revenues | 40,678,494 | 38,466,048 | (2,212,446) | -5.4% |
| Projected Actual Variance (Actual Spending vs Actual Revenue) | (12,173,634) | (9,061,781) | 3,111,853 | -25.6% |

Removed PED admin. spending and transfers out in HRA to avoid double counting since PED Operations Fund is included. Adjusted for program spending estimates if included in annual funds. Assumes \$673,932 savings from HRA transfer to PED Operations.

HRA General and Loan Enterprise Fund approx. \$6 million, Housing Trust Fund approx. \$2 million, Parking approx. \$1 million



Questions?

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