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2026 Budget to Actual Quarter 2 Update

July 22, 2026



2026 Budget to Actual: Quarter 2 Update

PED Coordination, Support, and Reporting

- Accounting team (2 new hires Accountant III – Samantha Parsons and Accounting Tech – Chansophat Lor)
- OFS Director & CFO – Joe Harney
- PED Executive Director – Melanie McMahon
- Significant system & operational updates (in progress):
 - **Nortridge Loan Servicing software**
 - **Parking Operator RFP**



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HRA Housing & Economic Development Priorities

- Maintaining and sustaining the funding for Downtown revitalization initiatives
- Increasing the Commercial Corridor Fund investments from 2026 and ensuring the Commercial Corridors across the City are funded equitably
- Expanding the city tax base through commercial and light industrial development as well as affordable housing
- Maintaining Local Affordable Housing Aid (LAHA) investments, including DPA, ERA, funding for unsheltered homelessness, and HRA-related housing support
- Renewed investment into Mayoral/Council Year-Round STAR funds

Mayor's Office Priorities

- Fiscal responsibility
- Responding to constituent needs
- Investing in public safety
- Making it easier to do business in Saint Paul



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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.)



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2026 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

- **REMINDER** – Management reporting development continues – numbers are preliminary, estimated, and **UNAUDITED**
- **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



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PED Major Program Spending

Program	Amended Budget	Projected Actual	Projected Variance	(Over)/Under
Healthy Homes	935,429	814,852	120,577	12.9%
Power of Home	600,000	520,971	79,029	13.2%
District Councils	2,096,743	2,040,266	56,477	2.7%
Supportive Housing	880,000	-	880,000	100.0%
Home Line Contract	100,000	100,000	-	0.0%
Down Payment Assistance/Inheritance Fund	4,557,077	3,315,701	1,241,376	27.2%
Emergency Rental Assistance	2,880,000	1,420,000	1,460,000	50.7%
Downtown Vitality Fund (Office to Housing)	5,985,598	1,995,200	3,990,398	66.7%
Commercial Corridors	1,400,000	1,120,000	280,000	20.0%
Inspiring Communities	5,562,647	5,280,872	281,775	5.1%
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	165,000	380,000	69.7%
CDBG Acquisition Fund	300,000	75,000	225,000	75.0%
CDBG Housing Real Estate	500,000	100,000	400,000	80.0%
CDBG Contingency	345,000	75,000	270,000	78.3%
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	150,000	83,262	35.7%
HRA Investment Tracking System (PED systems)	334,232	-	334,232	100.0%
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	200,000	-	0.0%
ADU Subsidies			-	
TOTALS	\$ 30,426,146	\$ 18,787,862	\$ 11,638,284	38%



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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	53,924	(200,000)	-78.8%
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	200,000	-	0.0%
Conduit Bond Fees	2,483,129	2,288,500	(194,629)	-7.8%
HRA MN Fix up Grant	515,000	-	(515,000)	-100.0%
HRA Fees	379,239	370,500	(8,739)	-2.3%
Loan Repayments & Loan Interest	1,756,417	384,381	(1,372,036)	-78.1%
Advance Repayments	40,000	40,000	-	0.0%
Parking Revenue	13,389,598	13,200,000	(189,598)	-1.4%
Space Rental at Parking Facilities	151,767	151,767	-	0.0%
Parking Meter and Fine Revenue	3,000,000	3,000,000	-	0.0%
Interest	336,220	250,000	(86,220)	-25.6%
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



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2026 HRA and PED Annual Special Funds Projected Revenue

Description	Amended Budget	Projected Actual	Projected Variance	Variance %
Projected Expenditures	52,610,907	45,650,650	6,960,257	13.2%
Projected Revenues	40,678,494	37,649,099	(3,029,395)	-7.4%
Projected Actual Variance				
(Actual Spending vs Actual Revenue)	(11,932,413)	(8,001,551)	3,930,862	-32.9%

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 \$577,216 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 of the projected spending vs. actual revenue.



Questions?

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