
Community Planning & Economic Development 2013 Budget Hearing

Department found on pages E105 – E118 in budget book

Presentation to Ways and Means/Budget Committee
October 30, 2012

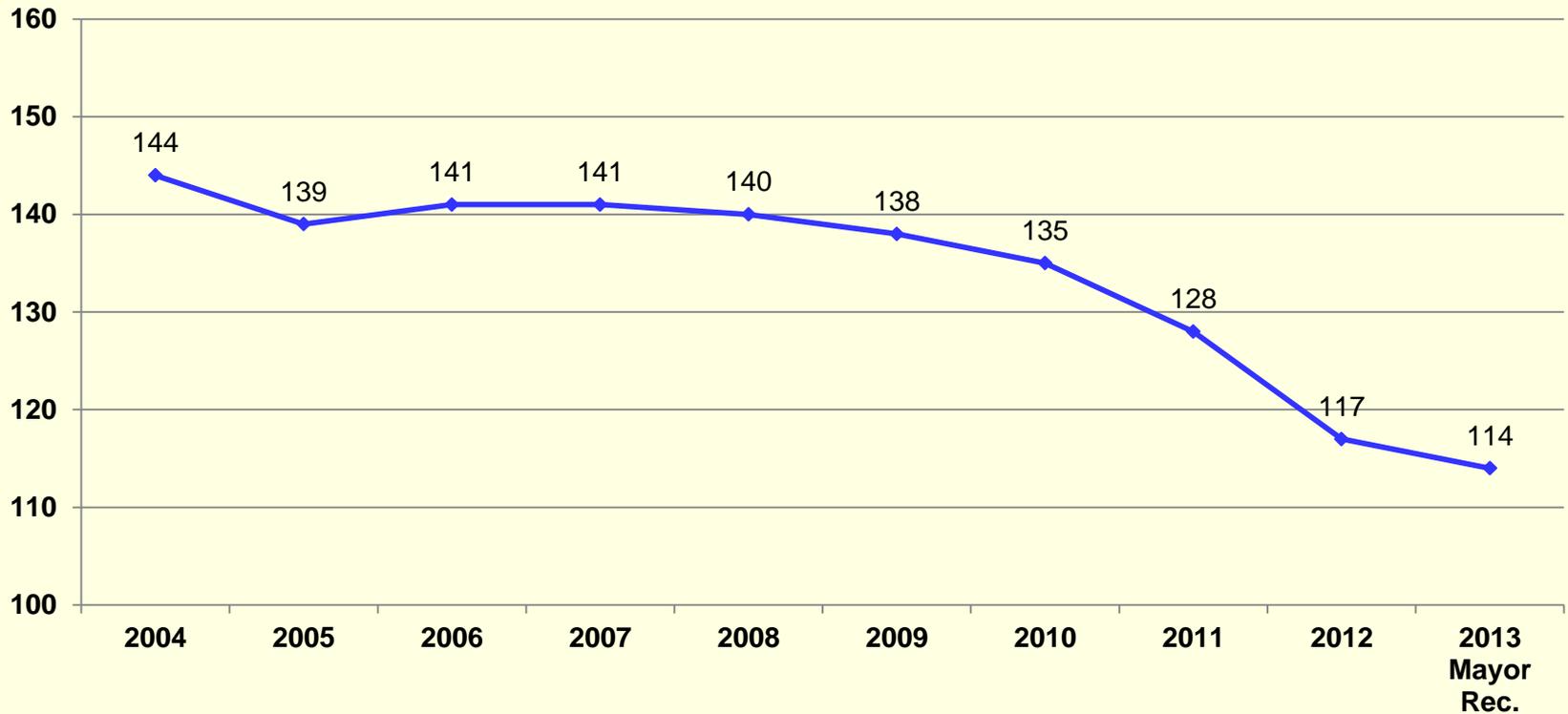
Status of Five Year Financial Plan to achieve a balance budget

■ Five Year Work-out Plan Goals:

- Reduce ongoing expenditures from 2011 levels
 - FTEs down from 128 to 114 [2013 Mayor Rec]
 - Operating budget ↓\$4.9M
 - Capital budget ↓\$7.9M
- Shift towards ongoing revenue
 - General Fund ↑\$3.3M
- Paying down major fund deficits
 - \$7.3M applied against fund deficits
- Use of one-time money to bridge gap

2013 Mayor's Recommended budget gets CPED half-way to a structurally balanced budget by 2015

Historical FTEs*



* FTE count does not account for the proposed transition of Regulatory Services into CPED

CPED – 2013 Program Budget

2013 CPED MAYOR'S RECOMMENDED BUDGET

City Goals	Program #	Program Description	FTEs	General Fund	Other Funds	Total 2013 Budget (MR)	2012 Adopted Budget
<u>Jobs and Economic Vitality</u>							
	Program 1	Corridor Vitality Investment Program	10.55	272,826	2,360,959	2,633,785	4,350,827
	Program 4	Regional Planning & Development	3.60	590,643	167,127	757,770	642,418
	Program 5	RENEW Minneapolis		300,000		300,000	210,000
	Program 6	Transporation Planning and Management	3.60	345,776	167,604	513,380	494,938
	Program 9	Business Retention, Expansion and Attraction	17.75	1,338,220	5,156,176	6,494,396	7,830,125
	Program 10	Minneapolis Food Council Initiative	0.20		92,830	92,830	193,912
	Program 11	Adult Workforce Development	8.43		5,790,813	5,790,813	5,464,548
	Program 12	Minneapolis Youth Program	6.54	300,000	3,647,156	3,947,156	4,447,062
	Program 17 *	Licenses & Consumer Services / Environmental Health	47.00	5,316,443		5,316,443	-
	Program 18 *	Minneapolis Development Review	19.90	2,474,572		2,474,572	-
<u>Livable Communities, Healthy Lives</u>							
	Program 2	Community Stabilization	19.30	432,250	6,991,661	7,423,911	5,757,563
	Program 7	Affordable Housing Development	15.83	592,750	8,804,758	9,397,508	9,839,500
	Program 8	Homeownership Support and Development	4.13		1,613,744	1,613,744	2,918,038
	Program 13	Public Art	1.00		805,000	805,000	345,490
	Program 14	Preservation, Protection and Design of Built and Natural Environments	21.88	1,778,157	852,073	2,630,230	2,618,005
	Program 16	Green Homes North	1.00	607,378		607,378	-
<u>A City that Works</u>							
	Program 15	Transfers and Debt Service		-	31,097,206	31,097,206	29,728,039
	TOTAL		180.70	\$ 14,349,015	\$ 67,547,105	\$ 81,896,120	\$ 74,840,465
	TOTAL (before Regulatory Services transition into CPED)		113.80	\$ 6,558,000	\$ 67,547,105	\$ 74,105,105 (735,360)	\$ 74,840,465

* Pending final recommendations from the Transition Team

CPED – 2013 Program Description

City Goal – Jobs and Economic Vitality

1. Prog #1 - Corridor Vitality Investment Program (\$2,633,785) (10.55 FTEs)

The CPED Corridor Vitality Investment Program integrates the City's investment of development resources in designated growth areas along transit corridors.

2. Prog #4 – Regional Planning & Development (\$757,770) (3.6 FTEs)

This program aligns CPED-Planning, Economic Development, Public Works and Sustainability within a regional planning and development framework, poising the city for a sustainable future by:

- 1) Accommodating projected population, housing and jobs growth;
- 2) Building complete and healthy communities;
- 3) Growing the local and regional economy through the initiatives of the Metropolitan Business Plan (MBP), and Regional Corridors of Opportunity;

CPED – 2013 Program Description

- cont'd

- 4) Protecting natural and historic resources and recreational lands;
- 5) Promoting community livability by anticipating implications of climate change, and
- 6) Guiding infrastructure investment.

3. Prog #5 – RENEW Minneapolis (\$300,000) (0 FTEs)

RENEW Minneapolis provides job-skills training and employment placement services, preparing low-income Minneapolis residents for careers in the 21st century.

4. Prog #6 - Transportation Planning & Management (\$513,380) (3.6 FTEs)

The Transportation Planning and Management program develops and coordinates polices to promote a safe, efficient and integrated multi-modal transportation system, well maintained public infrastructure and to ensure community connectedness.

CPED – 2013 Program Description

- cont'd

5. Prog #9 – Business Retention, Expansion & Attraction program (\$6,494,396) (17.75 FTEs)

The purpose of this program is to retain existing Minneapolis businesses and help them expand and grow in the city, and to attract new businesses to the city.

6. Prog #10 – Minneapolis Food Council Initiative (\$92,380) (0.2 FTEs)

The purpose of the program is to foster the development and expansion of business ventures that promote sustainable agriculture and food production and processing within Minneapolis and the surrounding region.

7. Prog #11- Adult Workforce Development Program (\$5,790,813)(8.43 FTEs)

The Adult Employment and Training Program serves low-income, program eligible Minneapolis residents by participants to obtain and retain employment. The Dislocated Worker Program serves an important need for Minneapolis jobseekers and aids employers by providing a pool of experienced workers to meet future labor needs.

CPED – 2013 Program Description

- cont'd

8. Prog #12 - Minneapolis Youth Program (\$3,947,156) (6.54 FTEs)

The Minneapolis Youth Program provides employment for low-income Minneapolis youth, ages 14-21

9. Prog #17 - Licenses & Consumer Services/*Environmental Health* (\$5,316,443) (47.0 FTEs)

Environmental Health ensures commercial and institutional food offerings are safe and in compliance with state and local health codes by conducting more than 7,000 inspections a year of restaurants, schools, board and daycares, farmers markets, groceries, and food vendors. Licenses and Consumer Services regulates business licensing for liquor establishments and over 200 other types of businesses and annually renews 9,000 licenses.

10. Prog #18 - Minneapolis Development Review (2,474,572)(19.9 FTEs)

Minneapolis Development Review serves as the front door and service center for the City's consolidated development activities and focuses on consistent, streamlined customer service.

CPED – 2013 Program Description - cont'd

City Goal – Livable Communities, Healthy Lives

1. **Prog #2 – Community Stabilization program (\$7,423,911)(19.3 FTEs)**

This program works to stabilize communities through intervening in areas of property market failure by focusing on the City's direct engagement in property acquisition, management and disposition for redevelopment and the actions to address the residential foreclosure crisis.

2. **Prog #7 – Affordable Housing Development Fund program (\$9,397,508) (15.83 FTEs)**

This program provides necessary financing for the development or redevelopment of housing that is safe and affordable with projects that are eco-friendly and create significant construction and property management industry jobs.

CPED – 2013 Program Description

- cont'd

3. Prog #8 – Homeownership Support & Development (\$1,613,744) (4.13 FTEs)

This program is designed to assist with the development of affordable ownership housing for households with income at or below 80% of the area median income to support development through rehabilitation.

4. Art in Public Places (\$805,000) (1.0 FTE)

The City of Minneapolis Public Art Program includes the annual commissioning of 2-4 public artworks, conservation and care of over four dozen works, provides technical assistance to other agencies and handles proposals for art on public and private property with City assistance.

5. Prog #14 - Protection, Preservation and Design of the Built and Natural Environment (\$2,630,230) (21.88 FTEs)

This program carries out legally-mandated regulations required by the Code of Ordinances, MN statues (including the 60-day law), and US Federal law for the protection, preservation, and design of the built and natural environment in the City of Minneapolis.

CPED – 2013 Program Description

- cont'd

6. Prog #16 – Green Homes North (\$607,378)(1.0 FTE)

The Green Homes North program will produce 100 newly constructed owner-occupied housing units over five years that meet green home standards.

City Goal – A City that Works

1. CPED Debt Service and Transfers (\$31,097,206)

This program relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds.

Impact of Recommended Budget on Key Results

The Mayor's 2013 budget recommendation increased funding to several programs which will enable the department to make progress on the following key Results measures:

- Youth job training and placements [Mpls Youth Program]
- Closing the racial employment gap [RENEW]
- Home Ownership [Green Homes]
- Growing jobs [RENEW, Green Homes]
- Restoring a stable housing market [foreclosure prevention]

2013 Budget Planning

Additional resources would be allocated to one or more of the following:

- Increased small area planning and zoning studies
- Increased work on zoning text amendments and regulatory improvements
- Payments against outstanding negative fund balances

Decreased resources would negatively impact the following areas:

- Green Homes North
- Planning support functions
- Regional transit planning
- Zoning enforcement

Recent or Planned Efficiencies

- Consolidating office space in Crown Roller Mill; planned exit of PSC 110 space by year end
- Reorganized Planning and Housing divisions resulting in fewer middle management positions
- Partnered with local non-profit vendors to manage properties in CPED inventory, with the added benefit of related job training
- Initiated joint meetings between the City Planning Commission and Heritage Preservation Commission
- On-line STEP-UP applications
- Potential integration opportunities through Regulatory Services transition

Technology Initiatives

- **Active participant on Land Management Project:**
 - “Collaboration, Innovation, Communication”

- **Wireless:**
 - CPED staff taking advantage of free USI-W user accounts for City employees
 - CPED staff expanding their use of wireless tools (personal and city managed) as smartphone and iPad technology use grows
 - CPED office space to take advantage of expanded wireless access in its Public Service Center and Crown Roller Mill offices

Workforce Planning

CPED's workforce plan has the following primary goals:

- Consistent performance management with professional development plans for all employees
- Increase department's diversity
- Assess and redesign delivery systems in connection with key business processes and the forthcoming Regulatory Services transition
- Update and clarify job descriptions, roles and responsibilities of positions and functions within the department

In addition, the department is heavily engaged in responding to the latest employee survey, which identified the following 3 primary focus areas:

- Communication/department leadership
- Diversity/inclusion
- Work environment/support

WMBE Efforts

- **Workforce Agreements** on major projects encourage local hiring and aspirational goals for minority and women hiring and W/MBE participation beyond those required by Civil Rights

Recent examples: Riverside Plaza, Orchestra Hall, Amer. Swedish Institute

- **Neighborhood Stabilization Program W/MBE subcontractors and labor:**

- *As of 2Q 2012, 133 housing projects totaling \$15.5 M*

- *Subcontractors - %Contracted Amount: actual (goal)*

- MBE- 26.4% (8%) WBE- 9.0% (8%) Section 3- 23.9% (30%)*

- *Labor - % Hours: actual (goal)*

- Minority skilled 49% (11%) Minority unskilled 82% (11%) Female 7% (6%)*

- **Future opportunity for increased W/MBE:** professional service panels, e.g. title companies, surveyors, appraisers, property management firms, engineering services, etc.

Partnerships

CPED works with dozens of public, private, and non-profit partners

Our ***financial support*** of partners is based on:

- **groups which provide services in support of our mission** [*job training vendors, foreclosure counseling, energy efficiency loans*]
- **opportunity to leverage additional resources** [*TC Community Land Bank*]
- **opportunity to provide services more efficiently** [*property management*]
- **or in a more culturally competent manner** [*ADC, LEDC, MEDA, NEON*]

Examples include:

Government: *Park Board, School Board, Hennepin County, Metropolitan Council, Metro Transit, Regional Council of Mayors, MN DEED, MN Housing, MnDOT, MN DHS, Small Business Administration, HUD*

Private Sector: *Downtown Council, Regional Chamber of Commerce, private developers, banks, private businesses*

Non-profit/Community: *Neighborhood groups & business associations, MCCD, numerous non-profit developers, social service agencies*

Academic: *University of MN, MCTC, Brookings Institution*

Foundations/funders: *McKnight, Pohlad, Family Housing Fund, Northside Funders*

Local and National Professional Associations: *IEDC, ULI, APA, CDFP, NALFA*

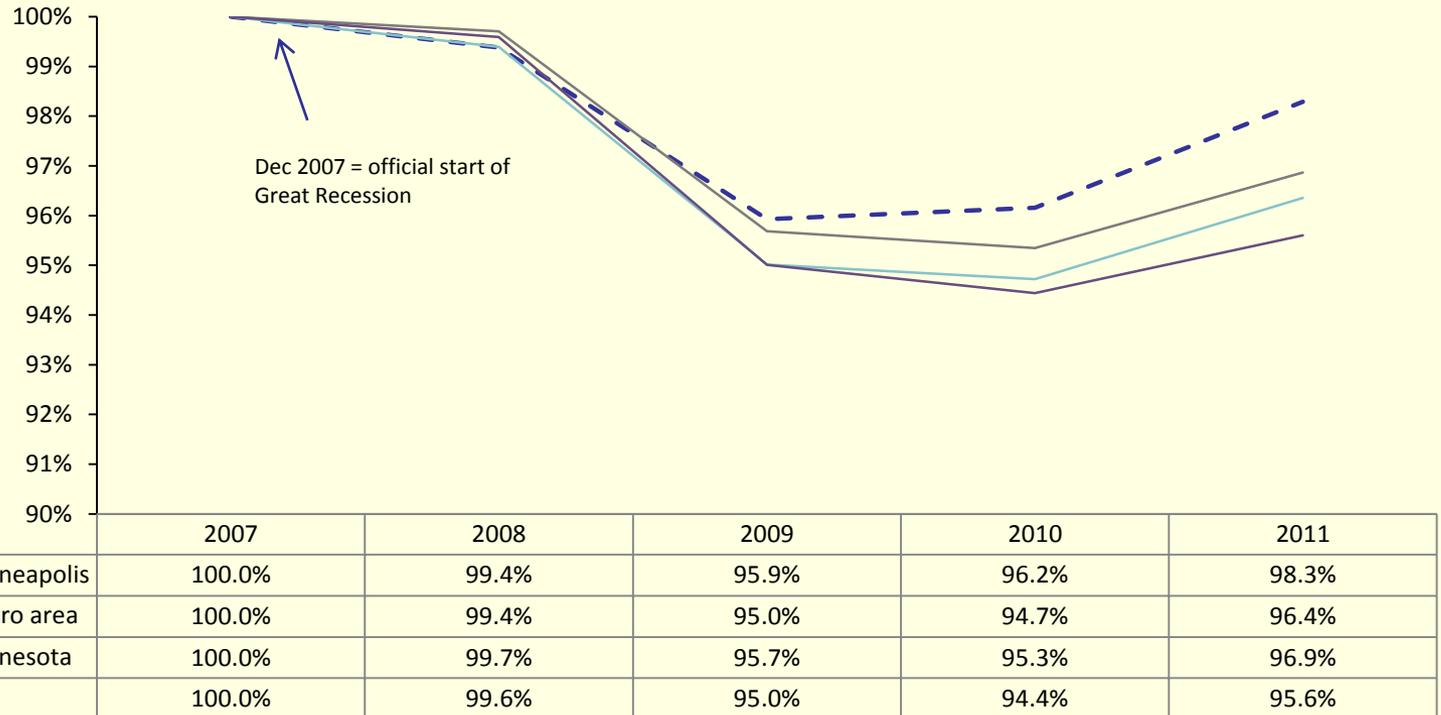
Job recovery outpacing region, state, US

Change in Jobs since 2007

Mpls, Metro, MN, US

Source: DEED-QCEW

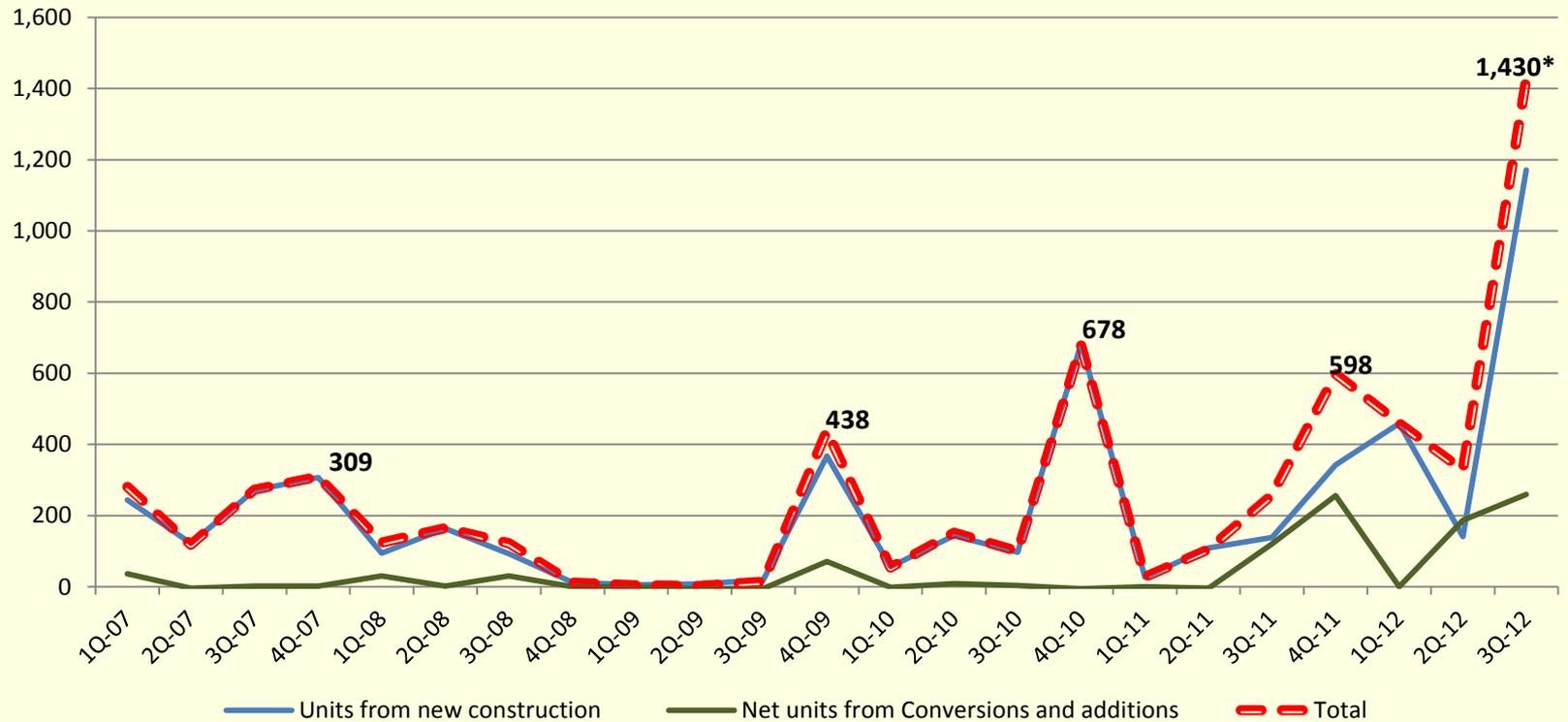
CPED Research, September 2012



Housing construction booming . . .

Residential units permitted 2007 – 2012 3Q

Sources: Census Bureau and City of Minneapolis Regulatory Services
 CPED-Research, October 25, 2012

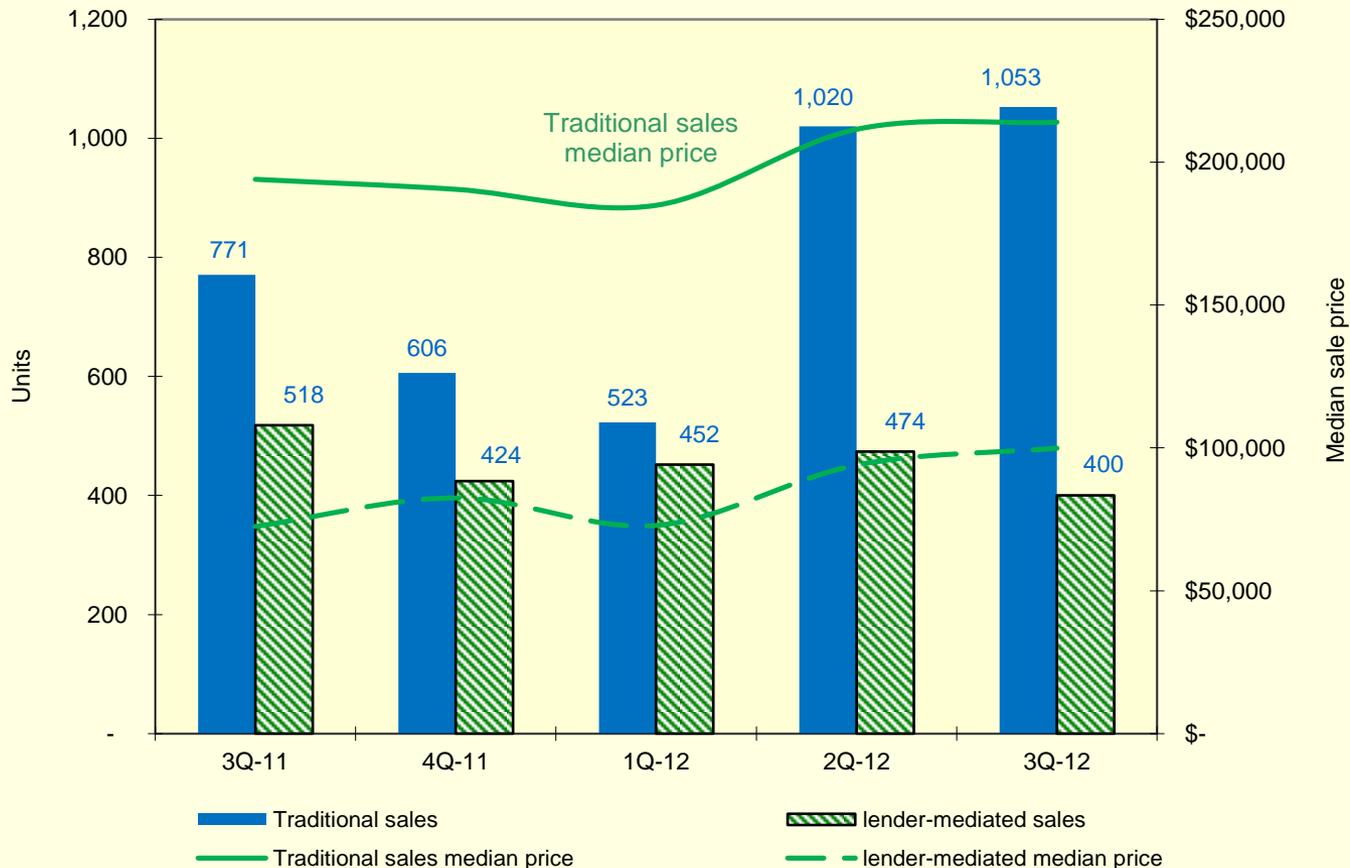


**Note: CPED planning or financial assistance to 7 projects totaling 1400 units:
 Third North, Bennett East, Dock Street, Mill & Main, Track 29, Longfellow Station, Soo Line City Apts*

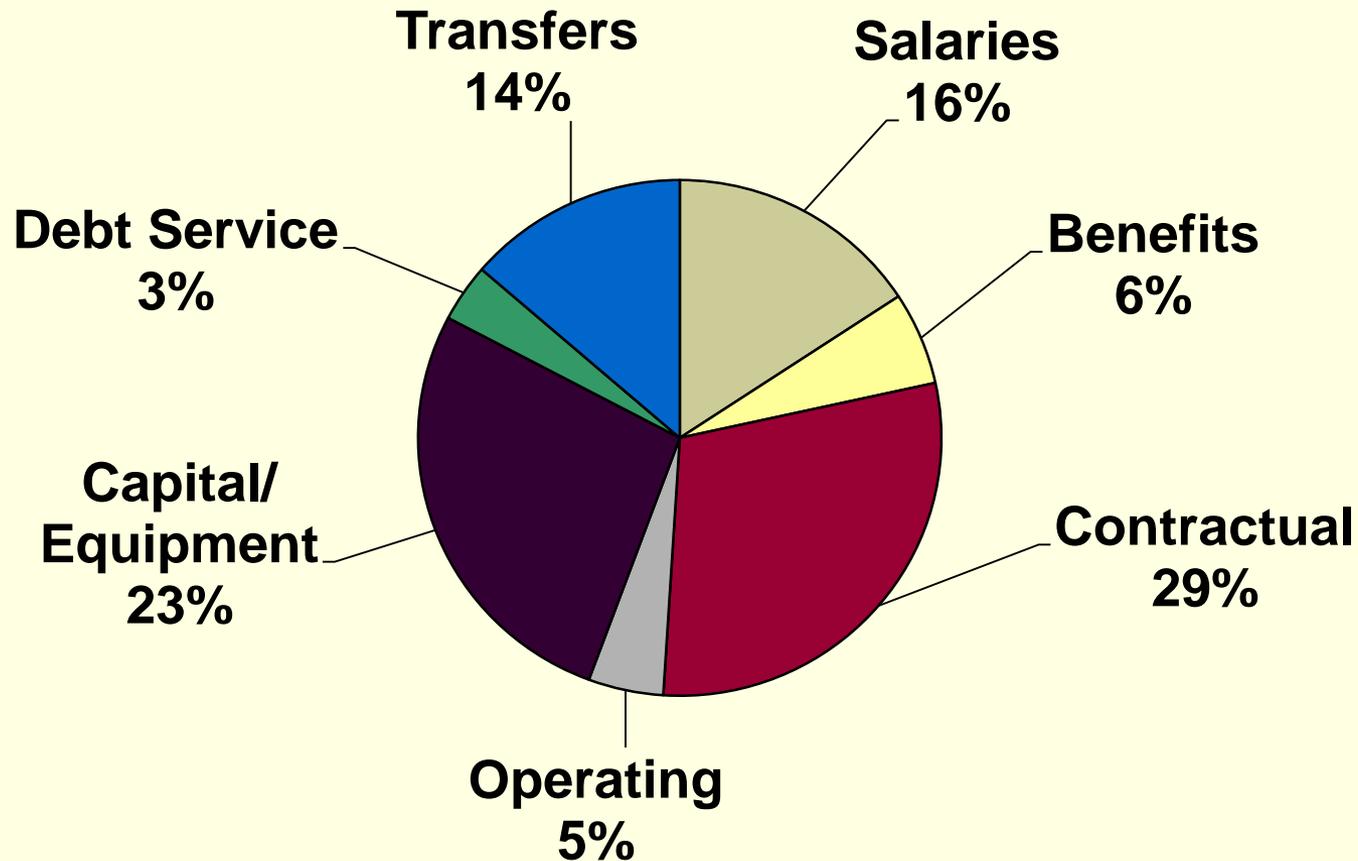
Home prices stabilizing . . .

Median Sales Prices

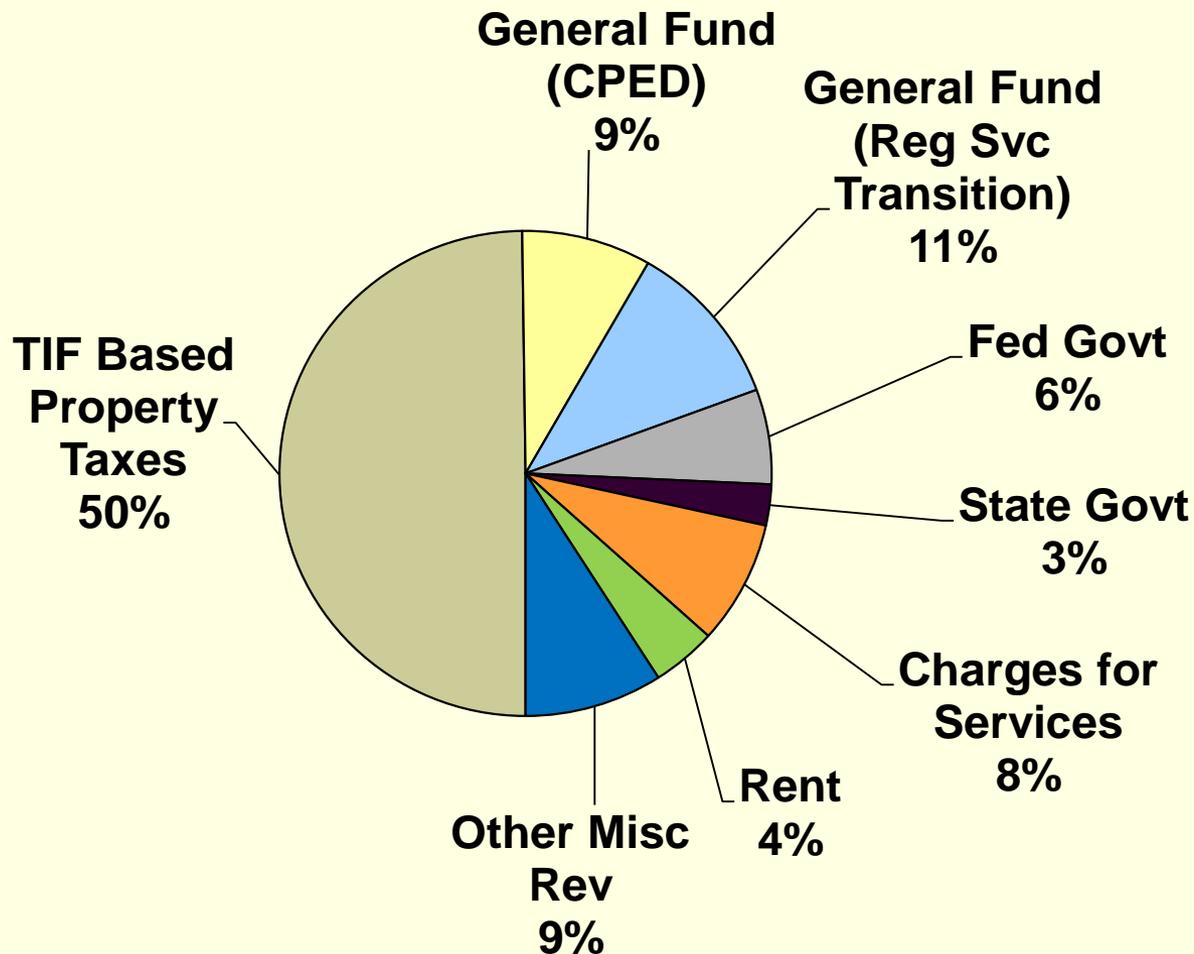
Source: Mpls Area Association of Realtors



Community Planning & Economic Development Expenditures by Type (\$81.9 million)



Community Planning & Economic Development Revenue by Type (\$77.0 million)



2013 CPED ECONOMIC DEV & HOUSING ALLOCATIONS SORTED BY PROGRAM

2013 CPED Program Allocations by Funds

Program/Category	2012 Adopted (as per HUD Consolidated Plan)	2013 Mayor's Recommended	2013 APPROPRIATION BY FUNDING SOURCE			
			General Fund (00100)	CDBG (1400)	HOME (1500)	Other Development Funds
<u>Program #1: Corridor Vitality Investment Program</u>						
Great Streets	889,510	399,826		10,726		389,100
Commercial Corridor 2% Loan Program	1,169,000	176,800				176,800
High Density Corridor Initiative	578,769	578,769		578,769		
	2,637,279	1,155,395	0	589,495	0	565,900
<u>Program #2: Community Stabilization</u>						
Commercial Property Management	172,800	0				
Mortgage Foreclosure Prevention Program	0	360,000	19,200			340,800
Vacant and Boarded Program	2,674,688	3,253,430		1,753,430		1,500,000
	2,847,488	3,613,430	19,200	1,753,430	0	1,840,800
<u>Program #4: Regional Planning and Development</u>						
Greater MSP	150,000	125,000	125,000			
<u>Program #5: RENEW - One Minneapolis</u>						
Racial Disparities in Employment (RENEW)	210,000	300,000	300,000			
<u>Program #7: Affordable Ownership Development</u>						
Affordable Housing Trust Fund	6,698,088	7,082,145	393,000	2,966,776	1,722,369	2,000,000
AHTF - Emergency Solutions Grants	964,655	829,655		829,655		
AHTF - Non-profit Developer Assistance	0	0				
It's All About Kids	0	0				
Housing Programs	0	1,244,050	199,750			1,044,300
	7,662,743	9,155,850	592,750	3,796,431	1,722,369	3,044,300
<u>Program #8: Homeownership Support and Development</u>						
Affordable Ownership Combined Program	80,668	0				
Home Ownership Works	418,415	430,592			430,592	
	499,083	430,592	0	0	430,592	0

2013 CPED ECONOMIC DEV & HOUSING ALLOCATIONS SORTED BY PROGRAM - cont'd

Program/Category	2012 Adopted (as per HUD Consolidated Plan)	2013 Mayor's Recommended	2013 APPROPRIATION BY FUNDING SOURCE			
			General Fund (00100)	CDBG (1400)	HOME (1500)	Other Development Funds
<u>Program #9: Business, Retention, Expansion and Attraction</u>						
Business Retention, Expansion & Attraction**	2,135,210	1,338,220	1,338,220			
2% Loans	1,075,000	321,800				321,800
Alternative Loans	287,404	234,520				234,520
BDF Loans	150,584	162,750				162,750
Business Association Assistance	135,696	0				
Real Estate Acquisition Loan Program	0	263,930				263,930
Credit Building Loans	22,792	18,710				18,710
Small Business Partnerships	208,960	153,730				153,730
Commercial Energy Efficiency Loans	136,196	248,370				248,370
Common Bond Fund Program	0	501,400				501,400
Technical Assistance Program	0	177,000				177,000
Economic Development Programs	0	596,410				596,410
	4,151,842	4,016,840	1,338,220	0	0	2,678,620
<u>Program #10: Minneapolis Food Council Initiative</u>						
Homegrown Business Dev Center	205,348	105,510				105,510
<u>Program #11: Adult Workforce Development</u>						
Adult Programs	2,257,600	2,517,600		1,467,600		1,050,000
<u>Program #12: Minneapolis Youth Program</u>						
Youth Programs	1,010,900	1,071,600	220,700	250,900		600,000
<u>Program #14: Prevention, Protection and Design of Built and Natural Environments</u>						
Planning Matching Grants	75,000	0				
<u>Program #16: Green Homes North</u>						
Green Homes North (3 Point Housing Strategy)	0	607,378	607,378			
GRAND TOTALS	21,707,283	23,099,195	3,203,248	7,857,856	2,152,961	9,885,130

* Amounts shown above do not include the related operating costs.

** Not included in 2012 Totals as it was previously an Operating budget item