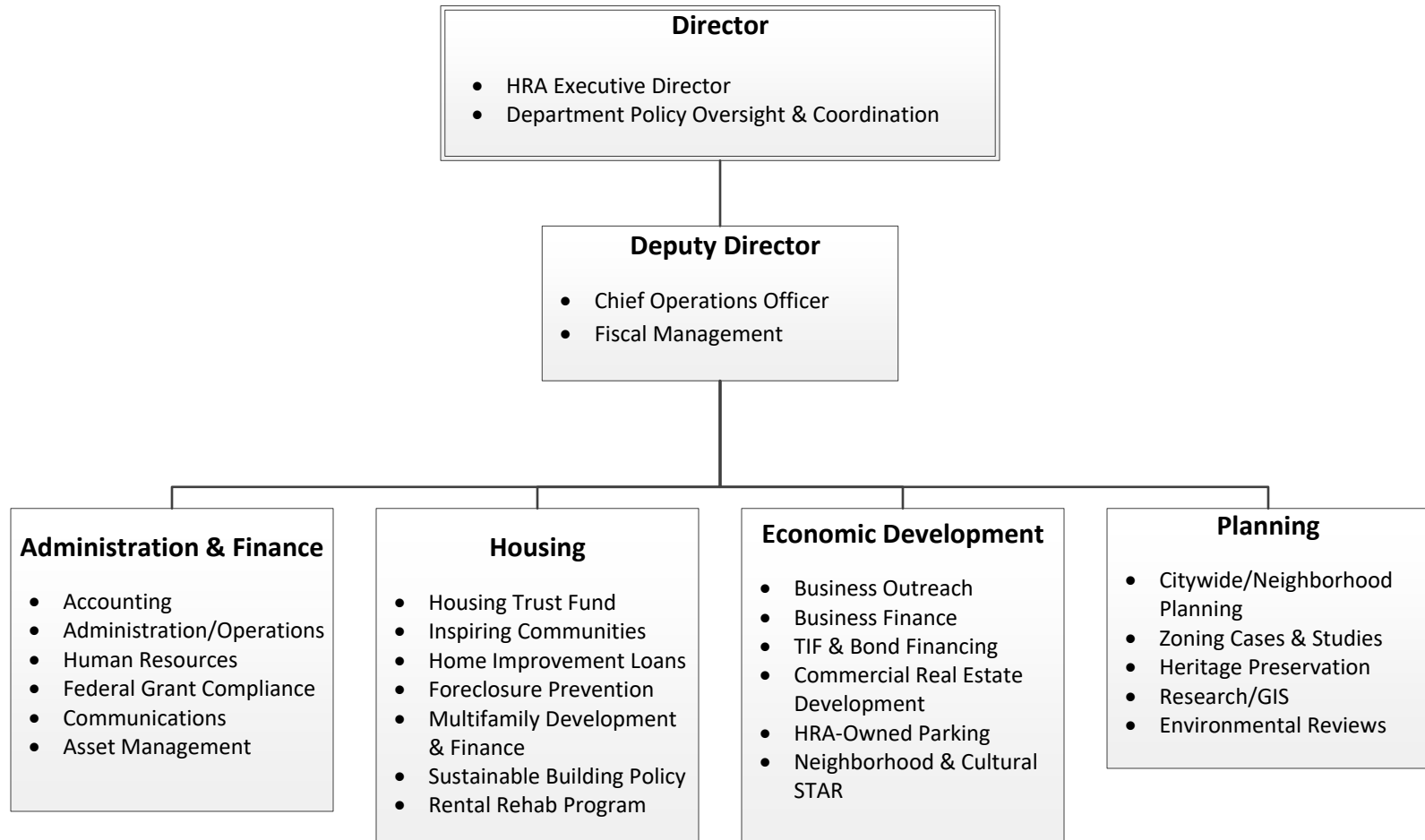


Planning and Economic Development

Mission: Building community wealth through business, housing, jobs, planning, financial and cultural assets.



(Total 74.00 FTE)

2021 Adopted Budget

Planning and Economic Development

Department Description:

PED's mission is to build community wealth through business, jobs, housing, planning, financial and cultural assets.

Department Facts

• Total General Fund Budget:	\$	-
• Total Special Fund Budget:	\$	48,785,992
• Total FTEs:		74.00

- Works with community members and elected officials to establish the regulatory framework and land use policy for all private investment in Saint Paul.
- Provides staffing services to the Saint Paul Housing and Redevelopment Authority (HRA). This includes managing HRA investments in affordable housing, business and job growth, and HRA assets.
- Finances investments in affordable housing and business expansion with both City and HRA resources. City investment resources include Housing and Urban Development (HUD) grants and STAR Sales Tax Revitalization program investments. HRA investment dollars include HRA levy dollars, conduit revenue bond fees, and revenues from property sales.
- Staffs four citizen advisory boards: Planning Commission, Heritage Preservation Commission, Neighborhood STAR board, and Cultural STAR board.
- Oversees regulatory compliance for HUD CDBG, HOME and ESG formula allocation grants.
- 2021 PED operations budget is \$11.792 million.
- 2021 HRA budget is \$58.712 million.

Department Goals

- Establish a community-driven policy framework for private sector investments that further Saint Paul's equity and economic justice priorities.
- Increase and improve the stock of housing in order to meet the continuum of housing needs and build community wealth.
- Expand access to opportunity and housing choice to remove barriers and ensure safe, stable housing for all.
- Stimulate business and job growth through strategic investments in entrepreneurship and key growth sectors to ensure residents have access to living wage jobs.
- Support equitable real estate development focused on community benefit and community ownership.

Recent Accomplishments

- Disbursed \$8.69m in COVID pandemic relief grants to 598 small businesses and business organizations, 86 cultural organizations, and 1,265 low-income families.
- Established a policy framework to support community wealth building with the Saint Paul for All: 2040 Comprehensive Plan.
- Planning and Heritage Preservation Commissions began addressing bias and structural racism in codes and practices including definition of family and zoning signature requirements.
- Updated Residential Multifamily Zoning districts to increase density, including a bonus for affordable dwelling units.
- Launched the Families First Housing Pilot program providing a \$300 monthly rent supplement to very low-income families with elementary-age children enrolled in a participating Saint Paul Public School
- Preserved 1,138 units of Naturally Occurring Affordable Housing through the 4d Property Tax Incentive Program.
- Raised over \$2.66 m in philanthropic contributions to the Bridge Fund and Families First programs.
- Construction began on the 122-acre former Ford site: \$1 billion of development with 25 acres of public open space and 3800 new housing units (including 380 units affordable to households earning 30% Area Median Income and 380 affordable to households earning 50% and 60% AMI or below).

2021 Adopted Budget
Planning and Economic Development

Fiscal Summary

	2019 Actual	2020 Adopted	2021 Adopted	Change	% Change	2020 Adopted FTE	2021 Adopted FTE
Spending							
100: City General Fund	82,485	82,486	-	(82,486)	-100.0%	-	-
200: City Grants	3,514,200	-	-	-	0.0%	-	-
282: City HUD Grants	9,493,397	10,650,434	10,190,330	(460,104)	-4.3%	-	-
285: City Sales Tax	32,704,785	35,265,370	26,703,298	(8,562,072)	-24.3%	-	-
780: PED Administration	10,181,683	12,209,398	11,892,364	(317,034)	-2.6%	76.00	74.00
Total	55,976,550	58,207,688	48,785,992	(9,421,696)	-16.2%	76.00	74.00
Financing							
100: City General Fund		-		-	0.0%		
200: City Grants	3,417,611	-	-	-	0.0%		
282: City HUD Grants	8,324,448	10,650,434	10,190,330	(460,104)	-4.3%		
285: City Sales Tax	32,446,988	35,265,370	26,703,298	(8,562,072)	-24.3%		
780: PED Administration	10,345,847	12,209,398	11,892,364	(317,034)	-2.6%		
Total	54,534,894	58,125,202	48,785,992	(9,339,210)	-16.1%		

Budget Changes Summary

The 2021 Planning and Economic Development (PED) adopted General Fund budget eliminates a contract for building-energy benchmarking and brings that work in-house to DSI or Real Estate.

The PED Administration Fund budget includes the reduction of 2 vacant FTEs: a Loan Servicing Supervisor and a Grants Manager. The Administration Fund budget also reduces spending through a reduced intern budget, lesser membership support to local organizations, and reduced materials. Additional spending is added for community engagement programs for place-based development strategies and a citywide wetlands inventory plan. The 2021 budget includes carry forward funds of \$100,000, unspent in 2020, for PED business process documentation and streamlining.

\$300,000 of HRA revenue in the PED Administration Fund budget is replaced by grant revenue by charging additional staff time to Federal grants and increasing administration fees for pass-through redevelopment grants.

The 2021 adopted budget also includes adjustments to the Sales Tax Revitalization (STAR) program. The forecast for Sales Tax revenue in 2021 is reduced by \$1,875,000 due to the impact of the COVID-19 pandemic on people's spending and the overall economy. 2020 has already seen a significant dip in sales tax revenue due to the pandemic. Because of the reduction of revenue, the budget for the Neighborhood STAR program is reduced by \$757,134 and the Cultural STAR budget is reduced by \$439,402 in 2021. Additionally, \$1,000,000 is set aside for the Rivercentre Convention and Visitors Authority to offset revenue losses due to COVID in 2021.

In the Housing and Redevelopment Authority budget, there are investments in business assistance, especially for businesses impacted by the civil unrest. The budget also includes business technical assistance and training targeting small businesses owned by people of color as well as investment in a Black, Indigenous, and people of color (BIPOC) developer growth program, providing funds for capital and predevelopment costs. Funds are also added for supportive housing for unsheltered residents. NOTE: The HRA budget is not part of the City of Saint Paul's budget. Please reference the adopted budget of the Housing and Redevelopment Authority of the City of Saint Paul for more information.

100: City General Fund**Planning and Economic Development****Change from 2020 Adopted****Spending****Financing****FTE****Mayor's Proposed Changes****Building Benchmarking**

The 2021 budget eliminates funding for a building-energy benchmarking contract and brings that work in-house to DSI or Real Estate.

Staffing shift to consulting

(82,486)

-

-

Subtotal:

(82,486)

-

-

Fund 100 Budget Changes Total

(82,486)

-

-

200: City Grants**Planning and Economic Development**

The City Grants fund has included state and federal planning and development grants administered by PED.

Change from 2020 Adopted**Spending****Financing****FTE****No Change from 2020 Adopted**

-

-

-

Subtotal:

-

-

-

Fund 200 Budget Changes Total

-

-

-

282: City HUD Grants**Planning and Economic Development**

The Community Development Block Grant (CDBG) program is administered in this fund. Because the annual grant period runs from June to May, program estimates are initially proposed and adopted. Once the final grant award is known, projects are finalized via separate action.

		Change from 2020 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Mayor's Proposed Changes</u>				
Federal Grants				
The 2021 budget reflects current federal grant allocations from the U.S. Department of Housing and Urban Development.				
Community Development Block Grant (CDBG)		(221,144)	(221,144)	-
Emergency Solutions Grant		15,468	15,468	-
HOME Program Grant		(254,428)	(254,428)	-
	Subtotal:	(460,104)	(460,104)	-
Fund 282 Budget Changes Total		(460,104)	(460,104)	-

285: City Sales Tax**Planning and Economic Development**

City sales tax includes annual half cent sales tax revenue and administration of the Neighborhood and Cultural STAR programs.

		Change from 2020 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Mayor's Proposed Changes</u>				
STAR Program				
Based on updated estimates for sales tax collections, the budget for the Sales Tax Revitalization (STAR) programs will change in 2021. The budget decreases STAR funds for general debt service, and reduces Neighborhood STAR and Cultural STAR funds. Further budget adjustments to the Neighborhood program reflects the flow of funds from debt service to STAR programs.				
General Debt Service		(1,875,000)	(1,875,000)	-
Neighborhood STAR program		(718,733)	(718,733)	-
Cultural STAR adjustments		(439,402)	(439,402)	-
Other Neighborhood STAR adjustments		(3,722,937)	(3,722,937)	-
	Subtotal:	(6,756,072)	(6,756,072)	-

Economic Development

The 2021 proposed budget included the reduction of a transfer from CVZ projects to Public Works pedestrian safety. It also included ongoing reductions to the budgets for pay-go economic development funds, the reduction of one-time City Capital projects funding from 2020, and ongoing reductions of City Capital projects funding.

Pedestrian safety		(350,000)	(350,000)	
Pay-go economic development funds		(250,000)	(250,000)	
City Capital projects one-time funding		(950,000)	(950,000)	
City Capital projects ongoing funding		(300,000)	(300,000)	
	Subtotal:	(1,850,000)	(1,850,000)	-

285: City Sales Tax**Planning and Economic Development**

City sales tax includes annual half cent sales tax revenue and administration of the Neighborhood and Cultural STAR programs.

		Change from 2020 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Adopted Changes</u>				
Economic Development				
The 2021 adopted budget increases funding for Public Works pedestrian safety and reduces the Year Round STAR budget.				
Pedestrian safety		82,401	82,401	
Neighborhood STAR program		(38,401)	(38,401)	-
	Subtotal:	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Fund 285 Budget Changes Total		<u><u>(8,562,072)</u></u>	<u><u>(8,562,072)</u></u>	<u><u>-</u></u>

780: PED Administration**Planning and Economic Development**

PED operations are budgeted in the PED Administration fund.

		Change from 2020 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Current Service Level Adjustments</u>				
PED's current service level changes include inflationary adjustments for wage and benefit growth as well as other spending and revenue changes.				
Current service level adjustments		(3,550)	(3,550)	
	Subtotal:	(3,550)	(3,550)	-
<u>Mayor's Proposed Changes</u>				
Staffing Adjustment				
The 2021 budget takes out 2 FTE's, a Loan Servicing Supervisor and a Grants Manager.				
Loan Servicing Supervisor		(113,927)	(113,927)	(1.00)
Grants Manager		(129,557)	(129,557)	(1.00)
	Subtotal:	(243,484)	(243,484)	(2.00)
Cost Reduction				
The 2021 budget reduces PED's postage and intern budget. It also reduces the membership dues budget for GreaterMSP and East Metro Strong.				
Postage		(15,000)	(15,000)	
Interns		(100,000)	(100,000)	
Membership Fees		(95,000)	(95,000)	
	Subtotal:	(210,000)	(210,000)	-
Community Engagement and Wetland Planning				
The 2021 budget includes resources for community engagement programs for place-based development strategies and a citywide wetlands inventory plan.				
Community Engagement		25,000	25,000	-
Citywide Wetlands Plan		15,000	15,000	
	Subtotal:	40,000	40,000	-

780: PED Administration**Planning and Economic Development**

PED operations are budgeted in the PED Administration fund.

		Change from 2020 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Adopted Changes</u>				
Carryover one-time funds for Business Process Documentation				
The 2021 budget includes carrying over one-time funds that were allocated and unspent in 2020 to hire a consultant to document and streamline PED's business processes. These funds are carried over into 2021.				
Consultant		100,000	100,000	-
Subtotal:		<u>100,000</u>	<u>100,000</u>	<u>-</u>
Fund 780 Budget Changes Total		<u>(317,034)</u>	<u>(317,034)</u>	<u>(2.00)</u>

Spending Reports

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY GENERAL FUND

Budget Year: 2021

		2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Spending by Major Account						
SERVICES			82,485	82,486		(82,486)
	Total Spending by Major Account		82,485	82,486		(82,486)
Spending by Accounting Unit						
10051100	PED ADMINISTRATION		82,485	82,486		(82,486)
	Total Spending by Accounting Unit		82,485	82,486		(82,486)

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY GRANTS

Budget Year: 2021

	2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Spending by Major Account					
SERVICES	26,631	60,984			
PROGRAM EXPENSE	4,894,141	3,453,217			
Total Spending by Major Account	4,920,771	3,514,200			
Spending by Accounting Unit					
20051860 PED PLANNING GRANTS	132,419	11,937			
20051870 PED DEVELOPMENT GRANTS	4,769,566	3,437,948			
20051890 PED ADVANCE GRANTS	18,787	64,315			
Total Spending by Accounting Unit	4,920,771	3,514,200			

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY HUD GRANTS

Budget Year: 2021

	2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Spending by Major Account					
SERVICES	1,222,184	1,565,672	1,782,686	1,669,597	(113,089)
PROGRAM EXPENSE	9,482,890	5,349,411	8,867,748	8,520,733	(347,015)
DEBT SERVICE		1,750,000			
OTHER FINANCING USES	792,618	828,314			
Total Spending by Major Account	11,497,692	9,493,397	10,650,434	10,190,330	(460,104)
Spending by Accounting Unit					
28251810 EMERGENCY SOLUTIONS GRANT	716,890	382,248	578,890	594,358	15,468
28251820 COMMUNITY DEVELOP BLOCK GRANT	8,554,293	6,508,243	7,321,144	7,100,000	(221,144)
28251830 NEIGHBORHOOD STABLIZATION PROG	171,662	1,800,665			
28251840 HOME PROGRAM	2,054,847	802,240	2,750,400	2,495,972	(254,428)
Total Spending by Accounting Unit	11,497,692	9,493,397	10,650,434	10,190,330	(460,104)

CITY OF SAINT PAUL
Spending Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**
Fund: **CITY SALES TAX**

Budget Year: 2021

	2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Spending by Major Account					
SERVICES	468,891	436,361	490,000	572,401	82,401
PROGRAM EXPENSE	4,014,421	4,894,720	3,542,433	2,430,897	(1,111,536)
OTHER FINANCING USES	25,129,492	27,373,703	31,232,937	23,700,000	(7,532,937)
Total Spending by Major Account	29,612,804	32,704,785	35,265,370	26,703,298	(8,562,072)
Spending by Accounting Unit					
28551100 CITY SALES TAX REVENUE	18,426,924	19,557,706	18,750,000	16,875,000	(1,875,000)
28551200 NEIGHBORHOOD STAR PROGRAM	5,857,145	6,329,138	9,621,993	5,141,922	(4,480,071)
28551220 CITY CAPITAL FUNDING	1,783,686	1,525,000	1,525,000	1,525,000	
28551230 HRA DESIGNATED PROJECTS	28,600				
28551240 HOUSING TRUST	235,236	85,764			
28551300 CULTURAL STAR PROGRAM	2,286,478	1,889,177	1,918,377	1,478,975	(439,402)
28551400 PAY GO ECON DEVELOPMENT	994,735	3,318,000	3,450,000	1,682,401	(1,767,599)
Total Spending by Accounting Unit	29,612,804	32,704,785	35,265,370	26,703,298	(8,562,072)

CITY OF SAINT PAUL
Spending Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**
Fund: **PED ADMINISTRATION**

Budget Year: **2021**

	2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Spending by Major Account					
EMPLOYEE EXPENSE	7,305,649	8,213,804	9,730,619	9,478,576	(252,042)
SERVICES	1,626,527	1,744,024	2,172,735	2,148,504	(24,231)
MATERIALS AND SUPPLIES	35,867	28,598	89,250	81,750	(7,500)
ADDITIONAL EXPENSES	1,224				
CAPITAL OUTLAY	31,726	16,086	30,000	30,000	
OTHER FINANCING USES	154,736	179,171	186,794	153,533	(33,261)
Total Spending by Major Account	9,155,729	10,181,683	12,209,398	11,892,364	(317,034)
Spending by Accounting Unit					
78051100 PED OPERATIONS	9,155,729	10,181,683	12,209,398	11,892,364	(317,034)
Total Spending by Accounting Unit	9,155,729	10,181,683	12,209,398	11,892,364	(317,034)

Financing Reports

CITY OF SAINT PAUL

Financing Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**
Fund: **CITY GRANTS**

Budget Year: 2021

		2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Financing by Major Account						
INTERGOVERNMENTAL REVENUE		5,002,775	3,416,611			
INVESTMENT EARNINGS		202				
MISCELLANEOUS REVENUE		963	1,000			
Total Financing by Major Account		5,003,940	3,417,611			
Financing by Accounting Unit						
20051860	PED PLANNING GRANTS	216,709	11,937			
20051870	PED DEVELOPMENT GRANTS	4,786,066	3,404,673			
20051890	PED ADVANCE GRANTS	1,165	1,000			
Total Financing by Accounting Unit		5,003,940	3,417,611			

CITY OF SAINT PAUL

Financing Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**
Fund: **CITY HUD GRANTS**

Budget Year: **2021**

		2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Financing by Major Account						
INTERGOVERNMENTAL REVENUE		10,141,991	6,446,388	9,091,193	9,382,898	291,705
CHARGES FOR SERVICES		1,709,148	1,664,136			
INVESTMENT EARNINGS		250,595	58,100			
MISCELLANEOUS REVENUE		131,717	34,747	1,559,241	807,432	(751,809)
OTHER FINANCING SOURCES		98,956	121,076			
Total Financing by Major Account		12,332,407	8,324,448	10,650,434	10,190,330	(460,104)
Financing by Accounting Unit						
28251810	EMERGENCY SOLUTIONS GRANT	716,890	382,248	578,890	594,358	15,468
28251820	COMMUNITY DEVELOP BLOCK GRANT	8,549,740	6,113,134	7,321,144	7,100,000	(221,144)
28251830	NEIGHBORHOOD STABLIZATION PROG	86,335	167,459			
28251840	HOME PROGRAM	2,979,442	1,661,607	2,750,400	2,495,972	(254,428)
Total Financing by Accounting Unit		12,332,407	8,324,448	10,650,434	10,190,330	(460,104)

CITY OF SAINT PAUL

Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY SALES TAX

Budget Year: 2021

		2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Financing by Major Account						
TAXES		18,757,724	19,464,749	18,750,000	16,875,000	(1,875,000)
CHARGES FOR SERVICES		922,691	422,635	351,706	402,434	50,728
INVESTMENT EARNINGS		212,612	844,864	293,752	295,794	2,042
OTHER FINANCING SOURCES		11,098,696	11,714,740	15,869,912	9,130,070	(6,739,842)
Total Financing by Major Account		30,991,722	32,446,988	35,265,370	26,703,298	(8,562,072)
Financing by Accounting Unit						
28551100	CITY SALES TAX REVENUE	18,757,724	19,464,749	18,750,000	16,875,000	(1,875,000)
28551200	NEIGHBORHOOD STAR PROGRAM	8,864,948	7,020,022	9,621,993	5,141,922	(4,480,071)
28551220	CITY CAPITAL FUNDING			1,525,000	1,525,000	
28551300	CULTURAL STAR PROGRAM	1,835,073	1,896,044	1,918,377	1,478,975	(439,402)
28551400	PAY GO ECON DEVELOPMENT	1,533,977	4,066,173	3,450,000	1,682,401	(1,767,599)
Total Financing by Accounting Unit		30,991,722	32,446,988	35,265,370	26,703,298	(8,562,072)

CITY OF SAINT PAUL

Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: PED ADMINISTRATION

Budget Year: 2021

	2018 Actuals	2019 Actuals	2020 Adopted	2021 Adopted	Change From 2020 Adopted
Financing by Major Account					
CHARGES FOR SERVICES	8,873,903	10,165,314	10,480,586	10,830,997	350,411
MISCELLANEOUS REVENUE	34,246	10,533			
OTHER FINANCING SOURCES	448,671	170,000	1,728,812	1,061,367	(667,445)
Total Financing by Major Account	9,356,821	10,345,847	12,209,398	11,892,364	(317,034)
Financing by Accounting Unit					
78051100 PED OPERATIONS	9,356,821	10,345,847	12,209,398	11,892,364	(317,034)
Total Financing by Accounting Unit	9,356,821	10,345,847	12,209,398	11,892,364	(317,034)