



2023 Adopted Budget: Planning and Economic Development

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

Note: The Housing and Redevelopment Authority (HRA) is not part of the City of Saint Paul's budget. Please reference the budget of the Housing and Redevelopment Authority of the City of Saint Paul for more information: [Housing and Redevelopment Authority \(HRA\) | Saint Paul Minnesota \(stpaul.gov\)](https://www.stpaul.gov/departments/housing-and-redevelopment).

Learn More: [stpaul.gov/departments/planning-and-economic-development](https://www.stpaul.gov/departments/planning-and-economic-development)

Department Facts

Total General Fund Budget:	\$549,132
Total Special Fund Budget:	\$60,516,429
Total FTEs:	84.0

Department Goals

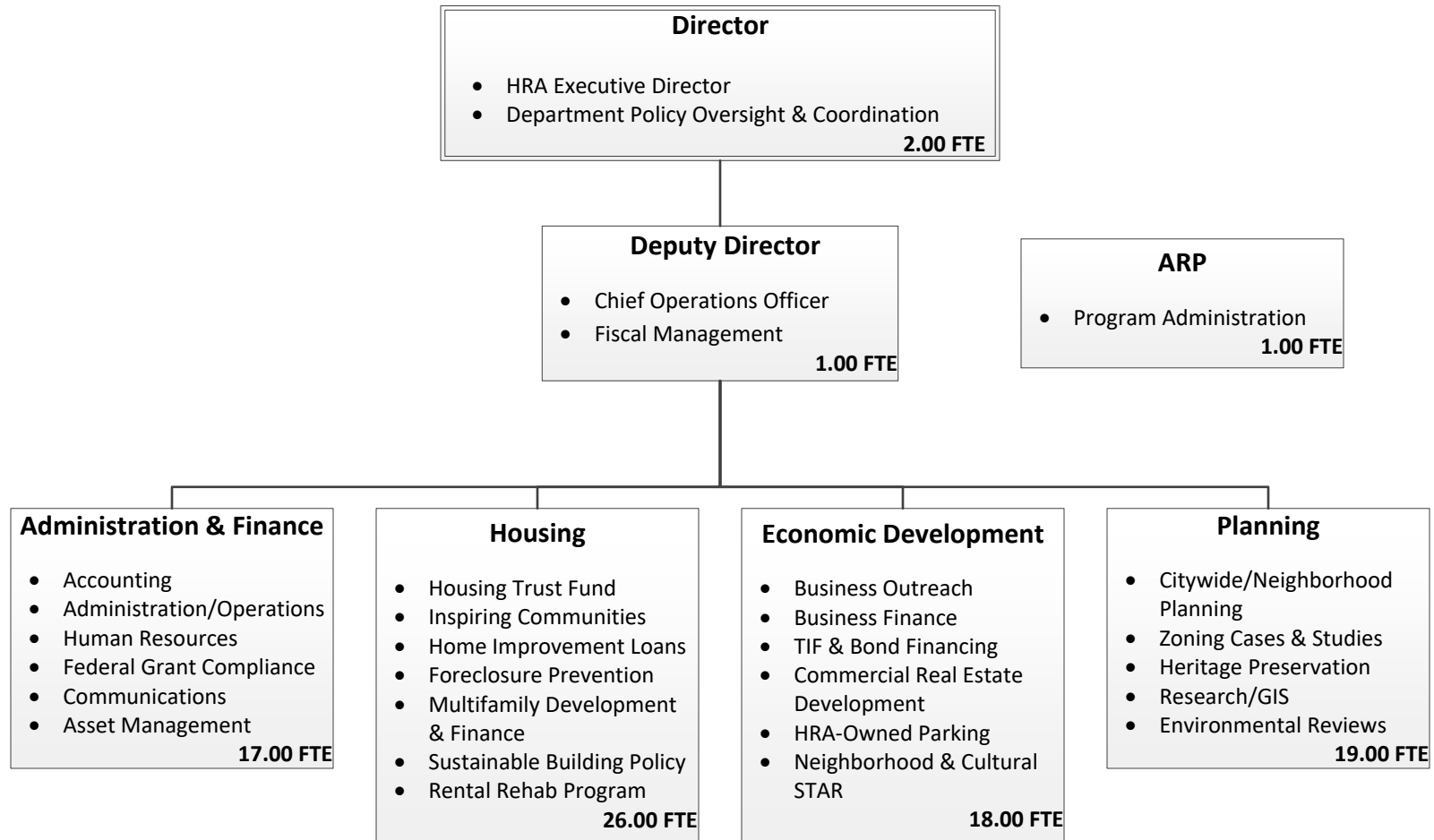
- Establish a community-driven policy framework for private sector investments that further Saint Paul's equity and economic justice priorities.
- Increase and improve the stock of housing in order to meet the continuum of housing needs and build community wealth.
- Expand access to opportunity and housing 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

- Hired two key leadership team positions, Housing Director and Economic Development Director in 2022.
- Issued two ARPA 30% AMI solicitations awarding over \$30M that will result in the creation of approximately 250 new units of deeply affordable rental housing. Two of these projects closed and broke ground in 2022.
- Awarded 11 Inspiring Communities projects, disposing of HRA owned land and creating affordable homeownership opportunities.
- Updated Families First guidelines to be able to serve more families, renewed contracts with SPPHA and community outreach in effort to increase applications.
- Approved and administered 21 Neighborhood STAR, 19 Year-Round STAR, and 90 Cultural STAR projects.
- Successfully provided full tech training for 24 job seekers through MSP Tech Hire funded by Full Stack.
- Awarded tentative development status to developer JB Vang on Hamm's Site.
- Closed on three affordable housing projects within the TIF Districts at Highland Bridge site.
- Completed phase 1 of the 1-4 Unit Housing Study (zoning study) focused on enabling small housing, additional accessory dwelling units, and development of small parcels (adopted by City Council).
- Implemented zoning text amendments to eliminate consent petition requirements for some zoning application (nonconforming use permits and certain types of conditional use permits) to remove unnecessary hurdles to small-scale commercial and residential development.

Planning and Economic Development

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



(Total 84.00 FTE)

**2023 Adopted Budget
PLANNING ECONOMIC DEVELOPMENT**

Fiscal Summary

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year	FY 2022 Adopted Budget FTE	FY 2023 Adopted Budget FTE
Spending							
100: CITY GENERAL FUND	0	0	349,132	549,132	200,000	0.00	0.00
200: CITY GRANTS	14,681,796	2,008,587	0	0	0	0.00	0.00
282: CITY HUD GRANTS	9,038,604	14,262,701	10,887,816	10,877,235	-10,581	0.00	0.00
285: CITY SALES TAX	31,074,432	29,216,796	29,717,996	35,469,475	5,751,479	0.00	0.00
780: PED ADMINISTRATION	10,177,170	9,927,603	13,014,993	14,169,719	1,154,726	79.00	84.00
Total	64,972,002	55,415,687	53,969,937	61,065,561	7,095,624	79.00	84.00
Financing							
200: CITY GRANTS	14,702,210	2,012,587	0	0	0		
282: CITY HUD GRANTS	7,331,099	14,888,226	10,887,816	10,877,235	-10,581		
285: CITY SALES TAX	31,677,864	31,933,158	29,717,996	35,469,475	5,751,479		
780: PED ADMINISTRATION	10,375,823	10,298,658	13,014,990	14,169,719	1,154,729		
Total	64,086,996	59,132,630	53,620,802	60,516,429	6,895,627		

Budget Changes Summary

The 2023 Planning and Economic Development (PED) General Fund budget adds \$200,000 of general fund support for PED staffing costs.

The 2023 budget also includes adjustments to the Sales Tax Revitalization (STAR) program budgets. Total sales tax revenues for 2023 are estimated at \$21,000,000, an all-time high. This increased revenue combined with above-budget collections from 2021 and 2022 result in a \$898,738 increase in the Neighborhood STAR program and additional funding for bike/pedestrian improvements and eligible city capital projects.

Additionally, the 2023 budget includes the issuance of sales tax bonds to pay for the construction of the North End Community Center and Fire Station 7. Using new sales tax bonds for these major facility projects frees up a like amount of capital improvement bonds (CIB bonds) to be used on deferred capital maintenance in city facilities. The first year's debt payment on these new sales tax bonds is included in the 2023 sales tax budget.

The 2023 PED administration budget includes the addition of positions dedicated to implementing the City's new 30% AMI Affordable Housing program, funded through the American Rescue Plan (ARP) grant.

NOTE: The HRA budget is not part of the City of Saint Paul's budget. Please reference the budget of the Housing and Redevelopment Authority of the City of Saint Paul for more information. In the 2023 Housing and Redevelopment Authority budget, the HRA levy increased by 9.7% which results in an additional \$490,000 of projected revenue.

100: City General Fund

Planning and Economic Development

Mayor's Proposed Changes

PED Staff Support

The 2023 budget includes funding for PED staff time.

PED staff time

Subtotal:

Fund 100 Budget Changes Total

Change from 2022 Adopted

Spending Financing FTE

200,000 - -

200,000 - -

200,000 - -

200: City Grants

Planning and Economic Development

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

No Change from 2022 Adopted

Subtotal:

Fund 200 Budget Changes Total

Change from 2022 Adopted

Spending Financing FTE

- - -

- - -

- - -

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.

		<u>Change from 2022 Adopted</u>		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Adopted Changes</u>				
Federal Grants				
The 2023 budget reflects current federal grant allocations from the U.S. Department of Housing and Urban Development.				
	Community Development Block Grant (CDBG)	100,000	100,000	-
	Emergency Solutions Grant	(1,929)	(1,929)	-
	HOME Program Grant	(108,652)	(108,652)	-
	Subtotal:	(10,581)	(10,581)	-
Fund 282 Budget Changes Total		(10,581)	(10,581)	-

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.

	<u>Change from 2022 Adopted</u>		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Mayor's Proposed Changes</u>			
STAR Program			
<p>During the Mayor's Proposed phase of the 2023 budget the forecast for sales tax revenue was increased by \$1,000,000 to reflect increased receipts in 2022. Due to the increase in revenue, the budget for the Neighborhood STAR program increased in 2023. A one-time increase to fund the Council Neighborhood Development Fund has been removed for 2023 and an additional \$1,500,000 has been added to support eligible city capital expenditures. Additionally, the 2023 budget includes the issuance of sales tax bonds to pay for the capital projects. The first year's debt payment on these new sales tax bonds is included in the 2023 sales tax budget. Further budget adjustments reflect the flow of funds from debt service to STAR programs.</p>			
Increase estimate for 2023 collections	1,000,000	1,000,000	-
Neighborhood STAR program	898,738	898,738	-
Council Neighborhood Development Fund	(800,000)	(800,000)	-
City capital projects	1,500,000	1,500,000	-
Cultural STAR adjustments	(647,259)	(647,259)	-
Subtotal:	1,951,479	1,951,479	-
<u>Adopted Changes</u>			
STAR Program			
<p>Based on updated estimates for sales tax collections, the budget for the Sales Tax Revitalization (STAR) programs will increase over the amounts included in the 2023 proposed budget. The 2023 adopted budget recognizes higher than anticipated sales tax revenue, increases Cultural STAR funds over the 2023 proposed budget amount, adjusts the debt service budget, adds one-time Neighborhood STAR funding for bike and pedestrian improvements, and adds Neighborhood STAR and Economic Development funding for eligible city capital projects. The Year-Round STAR program is funded at \$800,000 in 2023.</p>			
Increase estimate for 2023 collections	2,000,000	2,000,000	-
Cultural STAR program	120,000	120,000	-
One-time bike and pedestrian improvements	380,000	380,000	-
City capital projects	1,300,000	1,300,000	-
Subtotal:	3,800,000	3,800,000	-
Fund 285 Budget Changes Total	5,751,479	5,751,479	-

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

PED operations are budgeted in the PED Administration fund.

	Change from 2022 Adopted		
	Spending	Financing	FTE
<u>Current Service Level Adjustments</u>			
<p>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 changes also include the return of one Program Administrator, previously budgeted in the ARP grant fund and the addition of a Principal Project Manager and Senior Project Manager added in 2022 to support ARP housing initiatives.</p>			
Current service level adjustments	324,334	760,983	-
Program Administrator - returned from ARP grant fund	161,540	-	1.00
Principal Project Manager - ARP housing	148,329	-	1.00
Senior Project Manager - ARP housing	126,777	-	1.00
Subtotal:	760,980	760,983	3.00
<u>Adopted Changes</u>			
Program Carryforward			
<p>Unspent funds for the following programs will carry forward into the 2022 budget.</p>			
Business Process Documentation/Streamlining	100,000	100,000	-
Anti-Displacement and Inclusionary Zoning Study	53,200	53,200	-
Wetlands Inventory/Plan	15,000	15,000	-
Subtotal:	168,200	168,200	-
PED Staffing			
<p>The 2023 budget adds two Loan Specialists II funded by a transfer from the HRA to support loan servicing work.</p>			
Loan Specialist II	112,773	112,773	1.00
Loan Specialist II	112,773	112,773	1.00
Subtotal:	225,546	225,546	2.00
Fund 780 Budget Changes Total	1,154,726	1,154,729	5.00

Planning and Economic Development Spending Reports

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT

Fund: CITY GENERAL FUND

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Spending by Major Account					
SERVICES	0	0	349,132	549,132	200,000
Total Spending by Major Account	0	0	349,132	549,132	200,000
Spending by Accounting Unit					
10051100 - PED ADMINISTRATION	0	0	349,132	549,132	200,000
Total Spending by Major Account	0	0	349,132	549,132	200,000

CITY OF SAINT PAUL
Spending Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**

Fund: **CITY GRANTS**

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Spending by Major Account					
PROGRAM EXPENSE	14,681,796	2,008,587	0	0	0
Total Spending by Major Account	14,681,796	2,008,587	0	0	0
Spending by Accounting Unit					
20051860 - PED PLANNING GRANTS	5,506	0	0	0	0
20051870 - PED DEVELOPMENT GRANTS	14,676,290	2,008,587	0	0	0
Total Spending by Major Account	14,681,796	2,008,587	0	0	0

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT

Fund: CITY HUD GRANTS

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Spending by Major Account					
SERVICES	1,784,950	2,393,247	1,780,000	1,789,135	9,135
MATERIALS AND SUPPLIES	0	307	0	0	0
PROGRAM EXPENSE	6,162,264	10,468,846	9,107,816	9,088,100	-19,716
OTHER FINANCING USES	1,091,390	1,400,301	0	0	0
Total Spending by Major Account	9,038,604	14,262,701	10,887,816	10,877,235	-10,581
Spending by Accounting Unit					
28251810 - EMERGENCY SOLUTIONS GRANT	212,163	3,928,859	587,816	585,887	-1,929
28251820 - COMMUNITY DEVELOP BLOCK GRANT	6,774,995	6,262,290	7,500,000	7,600,000	100,000
28251821 - COMMUNITY DEV BLOCK GRANT - CV	60,399	1,121,623	0	0	0
28251830 - NEIGHBORHOOD STABLIZATION PROG	2,056	1,999	0	0	0
28251840 - HOME PROGRAM	1,988,991	2,947,929	2,800,000	2,691,348	-108,652
Total Spending by Major Account	9,038,604	14,262,701	10,887,816	10,877,235	-10,581

CITY OF SAINT PAUL
Spending Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT

Fund: CITY SALES TAX

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Spending by Major Account					
SERVICES	448,033	400,406	415,000	415,000	0
PROGRAM EXPENSE	4,207,583	3,143,008	4,402,996	4,074,475	-328,521
OTHER FINANCING USES	26,418,816	25,673,381	24,900,000	30,980,000	6,080,000
Total Spending by Major Account	31,074,432	29,216,796	29,717,996	35,469,475	5,751,479
Spending by Accounting Unit					
28551100 - CITY SALES TAX REVENUE	18,093,007	19,665,136	18,000,000	21,000,000	3,000,000
28551200 - NEIGHBORHOOD STAR PROGRAM	6,641,767	5,581,520	5,815,542	7,633,007	1,817,465
28551220 - CITY CAPITAL FUNDING	1,525,000	1,525,000	1,525,000	1,525,000	0
28551230 - HRA DESIGNATED PROJECTS	0	173,819	0	0	0
28551240 - HOUSING TRUST	276,303	0	0	0	0
28551300 - CULTURAL STAR PROGRAM	2,306,845	1,028,137	1,938,727	1,411,468	-527,259
28551400 - PAY GO ECON DEVELOPMENT	2,231,510	1,243,183	2,438,727	3,900,000	1,461,273
Total Spending by Major Account	31,074,432	29,216,796	29,717,996	35,469,475	5,751,479

CITY OF SAINT PAUL
Spending Plan by Department

Department: **PLANNING ECONOMIC DEVELOPMENT**

Fund: **PED ADMINISTRATION**

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Spending by Major Account					
EMPLOYEE EXPENSE	8,213,233	8,082,670	10,290,405	11,235,313	944,908
SERVICES	1,743,916	1,666,676	2,458,016	2,662,360	204,344
MATERIALS AND SUPPLIES	16,769	9,805	81,750	86,750	5,000
PROGRAM EXPENSE	1,538	0	0	0	0
CAPITAL OUTLAY	14,920	14,920	30,000	30,000	0
OTHER FINANCING USES	186,794	153,533	154,822	155,296	474
Total Spending by Major Account	10,177,170	9,927,603	13,014,993	14,169,719	1,154,726
Spending by Accounting Unit					
78051100 - PED OPERATIONS	10,177,170	9,927,603	13,014,993	14,169,719	1,154,726
Total Spending by Major Account	10,177,170	9,927,603	13,014,993	14,169,719	1,154,726

Planning and Economic Development Financing Reports

CITY OF SAINT PAUL
Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY GRANTS

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Financing by Major Account					
INTERGOVERNMENTAL REVENUE	14,702,210	2,008,587	0	0	0
MISCELLANEOUS REVENUE	0	4,000	0	0	0
Total Financing by Major Account	14,702,210	2,012,587	0	0	0
Financing by Accounting Unit					
20051860 - PED PLANNING GRANTS	7,003	0	0	0	0
20051870 - PED DEVELOPMENT GRANTS	14,695,207	2,008,587	0	0	0
20051890 - PED ADVANCE GRANTS	0	4,000	0	0	0
Total Financing by Accounting Unit	14,702,210	2,012,587	0	0	0

CITY OF SAINT PAUL
Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY HUD GRANTS

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Financing by Major Account					
INTERGOVERNMENTAL REVENUE	6,448,926	13,107,022	10,057,654	9,449,177	-608,477
CHARGES FOR SERVICES	642,836	910,179	0	0	0
INVESTMENT EARNINGS	105,299	124,028	0	0	0
MISCELLANEOUS REVENUE	77,665	699,200	830,162	1,428,058	597,896
OTHER FINANCING SOURCES	56,373	47,797	0	0	0
Total Financing by Major Account	7,331,099	14,888,226	10,887,816	10,877,235	-10,581
Financing by Accounting Unit					
28251810 - EMERGENCY SOLUTIONS GRANT	212,163	3,928,516	587,816	585,887	-1,929
28251820 - COMMUNITY DEVELOP BLOCK GRANT	5,960,063	7,529,528	7,500,000	7,600,000	100,000
28251821 - COMMUNITY DEV BLOCK GRANT - CV	0	1,176,252	0	0	0
28251830 - NEIGHBORHOOD STABLIZATION PROG	51,981	150,849	0	0	0
28251840 - HOME PROGRAM	1,106,892	2,103,080	2,800,000	2,691,348	-108,652
Total Financing by Accounting Unit	7,331,099	14,888,226	10,887,816	10,877,235	-10,581

CITY OF SAINT PAUL
Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: CITY SALES TAX

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Financing by Major Account					
TAXES	17,774,259	19,936,941	18,000,000	21,000,000	3,000,000
CHARGES FOR SERVICES	420,772	571,126	411,405	341,128	-70,277
INVESTMENT EARNINGS	409,636	327,730	228,366	432,904	204,538
MISCELLANEOUS REVENUE	1,003,845	0	0	0	0
OTHER FINANCING SOURCES	12,069,352	11,097,361	11,078,225	13,695,443	2,617,218
Total Financing by Major Account	31,677,864	31,933,158	29,717,996	35,469,475	5,751,479
Financing by Accounting Unit					
28551100 - CITY SALES TAX REVENUE	17,774,259	19,936,941	18,000,000	21,880,000	3,880,000
28551200 - NEIGHBORHOOD STAR PROGRAM	6,220,023	7,253,512	5,815,542	6,753,007	937,465
28551220 - CITY CAPITAL FUNDING	1,490,434	1,525,000	1,525,000	1,525,000	0
28551240 - HOUSING TRUST	53,845	0	0	0	0
28551300 - CULTURAL STAR PROGRAM	1,807,864	1,660,601	1,938,727	1,411,468	-527,259
28551400 - PAY GO ECON DEVELOPMENT	4,331,439	1,557,104	2,438,727	3,900,000	1,461,273
Total Financing by Accounting Unit	31,677,864	31,933,158	29,717,996	35,469,475	5,751,479

CITY OF SAINT PAUL
Financing Plan by Department

Department: PLANNING ECONOMIC DEVELOPMENT
Fund: PED ADMINISTRATION

Budget Year: 2023

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Change From Prior Year
Financing by Major Account					
CHARGES FOR SERVICES	9,533,741	9,681,101	11,385,567	12,109,284	723,717
MISCELLANEOUS REVENUE	13,136	8,684	0	0	0
OTHER FINANCING SOURCES	828,946	608,873	1,629,423	2,060,435	431,012
Total Financing by Major Account	10,375,823	10,298,658	13,014,990	14,169,719	1,154,729
Financing by Accounting Unit					
78051100 - PED OPERATIONS	10,375,823	10,298,658	13,014,990	14,169,719	1,154,729
Total Financing by Accounting Unit	10,375,823	10,298,658	13,014,990	14,169,719	1,154,729