

2018

DEPARTMENT

results
minneapolis

Community Planning and Economic Development (CPED)

Results Minneapolis is changing.













The City Coordinator's Office Strategic Planning and Analysis team is leading an evolution of the City's Results Minneapolis program. These changes reflect recommendations of a recent program assessment completed by What Works Cities, a Bloomberg Philanthropies initiative, and the Center for Government Excellence at Johns Hopkins University. [See the assessment to learn more about the changes.](#)

Note: The Strategic Planning and Analysis team is working with City departments on a rolling basis to select a core set of performance metrics to report on each year. This department has not yet completed the process. Therefore, **the performance metrics in this report are interim metrics for 2018 and may be subject to change.**

Performance summary (page 1 of 2)

Enterprise priorities (page 3): Workforce diversity, Spending with diverse suppliers









Department priorities (page 4): Produce and preserve affordable housing units; Minneapolis 2040

Budget program	2017 Budget	Performance measure	2017 performance	Data trend: Change from 2016	Status indicator: Red/yellow/green
CPED Debt Service & Transfers	\$36M	1. Number of active TIF districts	1. 67 active TIF districts	1. No change (general downward trend since 2008)	1. 
Affordable Housing Development	\$14.3M	1. Number of affordable housing units produced and preserved 2. Leveraged investment in CPED affordable housing projects	1. 1,511 units 2. \$248 million	1. Slight decrease since 2016 (though large increase since 2015) 2. Slight decrease	1.  2. 
Construction Code Services	\$11.1M	1. Construction valuation 2. Number of inspections per year 3. Number of active permits valued at more than \$1 million	1. \$1.5 billion 2. Approximately 85,000 inspections 3. 172 permits	1. Decrease 2. Increase 3. Slight decrease	1.  2.  3. 
Business Development	\$10.2M	1. B-TAP participant demographics 2. Borrower demographics 3. Great Streets Façade Grants: Private dollars leveraged	1. 64% people of color 2. 35% people of color; 25% white women 3. \$772K	1. Decrease 2. Slight decrease; No change 3. Slight decrease	1.  2.  3. 
Homeownership Support & Development	\$6.6M	1. Ownership housing units developed 2. Number of homebuyers assisted 3. Percent people of color assisted	1. 170 units 2. 69 households 3. 51% households of color assisted	1. Increase 2. Slight decrease	1.  2.  3. 
Adult Workforce Development	\$5.7M	1. Number of adults trained 2. Number of adults placed into employment 3. Adult programs wage gains	1. 563 adults 2. 1,118 adults 3. 19% - 76% wage gain	1. Increase 2. Increase 3. Varies by program (10.7% -86.5% in 2016)	1.  2.  3. 

Performance summary (page 2 of 2)

Enterprise priorities (page 3): Workforce diversity, Spending with diverse suppliers

Department priorities (page 4): Produce and preserve affordable housing units; Minneapolis 2040

Budget program	2017 Budget	Performance measure	2017 performance	Data trend: Change from 2016	Status indicator: Red/yellow/green
Youth Training and Development	\$4.7M	<ol style="list-style-type: none"> Total number of youth served Total value of wages earned 	<ol style="list-style-type: none"> 2,771 youth \$3.135 million 	<ol style="list-style-type: none"> Slight increase No change 	<ol style="list-style-type: none">  
Business Licensing	\$4.3M	<ol style="list-style-type: none"> Licensing fees collected Liquor license applications 	<ol style="list-style-type: none"> \$8.22 million 850 	<ol style="list-style-type: none"> Slight increase Slight increase 	<ol style="list-style-type: none">  
Land Use, Design and Preservation/ Zoning Administration	\$3.7M	<ol style="list-style-type: none"> Land Use and Preservation Applications for CPC, BOA, and HPC New buildings with 1-4 dwelling units 	<ol style="list-style-type: none"> 611 applications 139 new buildings 	<ol style="list-style-type: none"> Slight increase Slight decrease 	<ol style="list-style-type: none">  
CPED Long Range Planning Division	\$3.5M	<ol style="list-style-type: none"> Major 2017 work items: Minneapolis 2040 	<ol style="list-style-type: none"> All major 2017 work items complete 	<ol style="list-style-type: none"> Trend not available 	<ol style="list-style-type: none"> 
Development Services – Customer Service Center	\$2.9M	<ol style="list-style-type: none"> Number of Customer Service Center counter visits 	<ol style="list-style-type: none"> 35,314 visits 	<ol style="list-style-type: none"> Slight decrease 	<ol style="list-style-type: none"> 

Enterprise Priorities

Workforce diversity

Does not meet the 2022 enterprise goal of 41% people of color
Exceeds the 2022 enterprise goal of 45% women

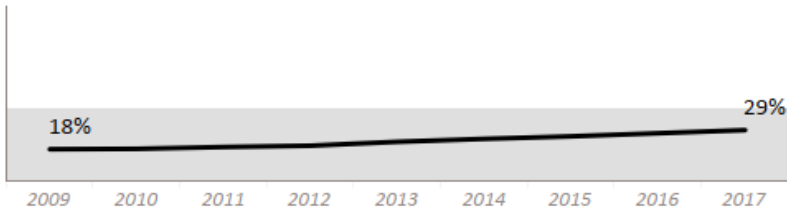
Narrative section

CPED continues to expand its recruitment efforts through the use of social media and targeted recruitment to attract a diverse pool.

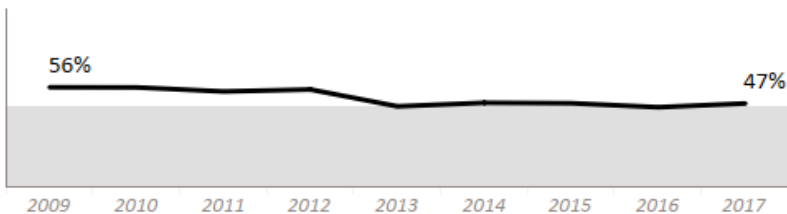
There have been a lot of retirements in the inspection services and hiring female inspectors will continue to be our challenge in the future.

Workforce diversity (2009-2017)

People of color



Women



Notes:

(1) Grey shading indicates enterprise goals (41% people of color and 45% women).

Spending with diverse suppliers

Lower than Citywide percent diverse spending

Lower than Citywide percent spending with minority-owned suppliers

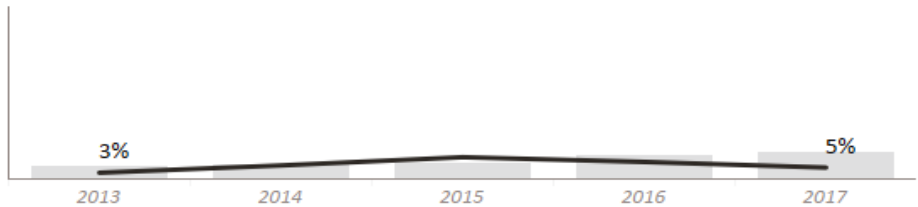
Similar to Citywide percent spending with non-minority women-owned suppliers

Narrative section

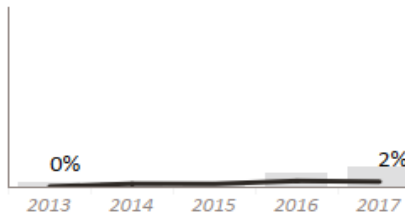
CPED continues to increase its participation in the City's Target Market Program to expand and diversify its vendor base. It is also increasing its outreach efforts through various housing and business development programs to attract diverse suppliers. CPED is also working with the Coordinator's Office and Finance to continue cleaning the data as a part of a broader City effort.

Spending with diverse suppliers (2013-2017)

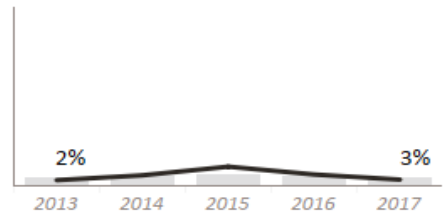
Overall



Minority (all genders)



Non-minority women



Notes:

(1) Grey shading indicates Citywide percent for each year.

(2) Data does not reflect the entire budget. Data reflects discretionary spending with for-profit primary suppliers.

Department Priorities

Priority 1: Produce and preserve more affordable housing units

- Several proposed affordable housing projects have received an award from the Affordable Housing Trust Fund, but cannot move forward to closing and construction start due to remaining funding gaps
- Staff will work with policymakers and other funders to develop and recommend strategies to close funding gaps

Performance measure:

- There were four Affordable Housing Trust Fund closings in 2017.
- Increase the number of affordable rental housing projects that close on financing in 2018 by 50% from 2017, from four to six

Priority 2: Minneapolis 2040

- The City will consider adoption of an updated comprehensive plan: Minneapolis 2040
- Key to achieving housing goals of Minneapolis 2040 will be identifying strategies to promote mixed income housing development throughout the City, focusing on how to incorporate housing into high amenity areas that build access to equity and wealth.
- The City engaged a consultant to help identify options for policymaker consideration

Performance measures:

- Adoption of the Minneapolis 2040 Plan
- Approval of policy/strategy to promote mixed income housing development throughout the City

Actions identified in 2017 Results memo

- City Coordinator's Office and elected officials advised CPED to consider hiring policy staff in the future. More broadly, CPED was advised to think outside of normal business lines when it comes to the competencies they are staffed for - **In progress**
- CPED is faced regularly with a new and evolving set of priorities. City leadership and CPED could work together to manage prioritization by being more strategic about work to let go of to make room for new policy-focused work - **In progress**

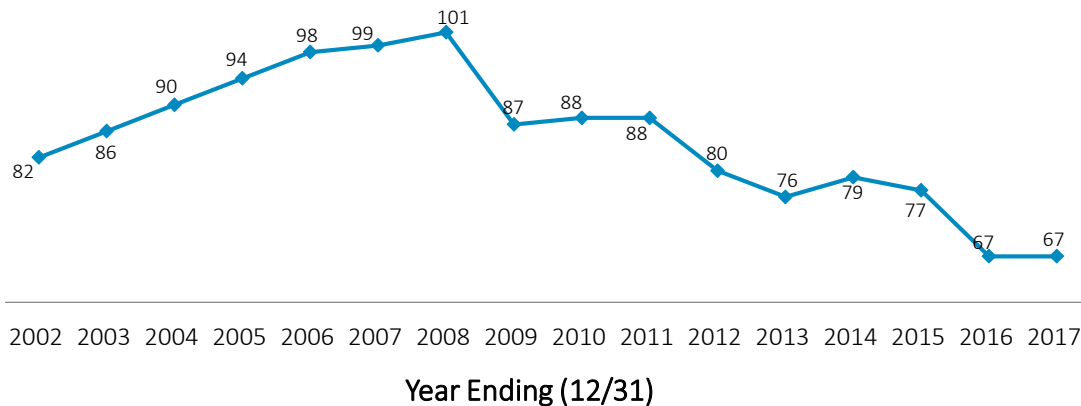
CPED Debt Service & Transfers

Program description: This program relates to the administration and management of CPED financial resources, with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations, as well as the internal transfer of revenues to finance CPED development activities.

Analysis

- Funding for this \$36 million program came from tax increment (95%) and discretionary development funds (5%). These funds were expended in the following five categories:
 - 1) Payments on TIF notes (28%)
 - 2) Tax increment returned to Hennepin County (24%)
 - 3) Payments on TIF bonds (22%)
 - 4) Funding for the Neighborhood & Community Relations Department (18%)
 - 5) Overhead & administrative costs (8%)
- As of December 31, 2017 there were 67 active tax increment financing (TIF) districts in the City. This number has stabilized in the last two years, since all of the oldest TIF districts have now been decertified. The City has been establishing 1-2 new TIF districts per year over the last 10 years.

Number of Active TIF Districts in Minneapolis



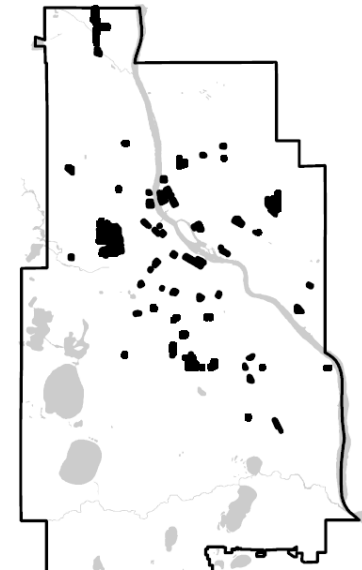
Action planned for 2018

- CPED and FPS staff will undertake an analysis of available tax increment from a small number of existing TIF districts to determine if these resources should be used to prepay TIF bonds or used for affordable housing purposes. A recommendation will be made to the City Council in the 2nd-half of 2018.

Actions identified in 2017 Results memo

- N/A

Active TIF District locations



Note: This map omits the Consolidated Redevelopment TIF District and Housing Replacement Districts.

Affordable Housing Development

Program description: This program provides financing for quality, affordable housing production and preservation of affordable with focus on eco-friendly housing and creating significant construction and property management industry jobs.

Analysis

For a growing number of low income residents, especially people of color, incomes are not keeping pace with housing costs. We are losing units at or below 50% of AMI faster than we can produce it; the Metropolitan Council estimates that we had about 15,000 fewer housing units affordable at or below 50% of AMI in 2015 than we did in 2000. We are addressing this by deploying all available resources to equitably produce new units and preserve existing units, both subsidized and naturally occurring, in all areas of the City. We are also developing and implementing innovative programs to reduce tenant displacement.

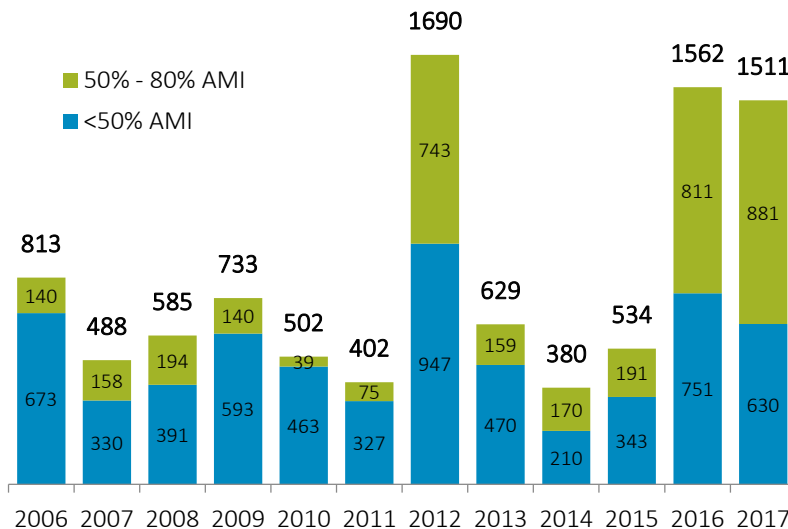
Action planned for 2018

- Continued production through Affordable Housing Trust Fund, Housing Revenue Bonds, Tax Credits
- Family Housing Initiative to close on 26 units for large families with extremely low incomes that are experiencing or at-risk of homelessness.
- Naturally Occurring Affordable Housing (NOAH) preservation of 50-100 units; expand legal services for 50-100 low income tenants

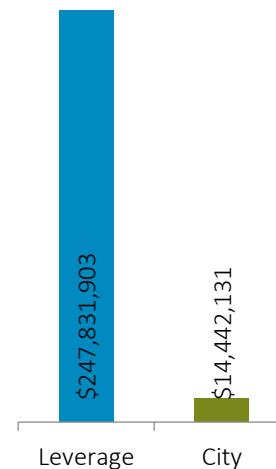
Actions identified in 2017 Results memo

- CPED should consider and report what impact housing activity is having on overall housing affordability (**in progress**)
- Consider ways that the City can leverage its strengths (i.e. desirable place to live/do business) to advance City priorities. An example is to identify opportunities to negotiate for more affordable housing in downtown market rate projects (**In progress**)
- Work with the City Attorney's Office to ensure or work toward this being allowed under state statute (**not in legislative agenda**)

CPED Affordable Housing Production and Preservation (number of units)



Investment Sources for CPED Affordable Housing Projects, 2017



Construction Code Services

Program description: Construction Code Services (CCS) ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances. CCS consists of the three business lines of construction plan review, construction inspections, and programs. Programs include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, fire escrow, and competency cards.

Analysis

In 2012, Minneapolis crossed over the \$1 billion mark for construction value for the first time, and has exceeded that threshold every year since. The number of active projects over \$1 million in value has also increased. Both of these are a direct indicator of workload for Construction Code Services. It is worth noting that while the permit revenue for many of these large projects was collected in a given year, construction and the need for inspections and review will extend into the next year, sometimes up to three years out. The graph on the right indicates that the number of inspections has increased in order to maintain the same service level despite a higher work load.

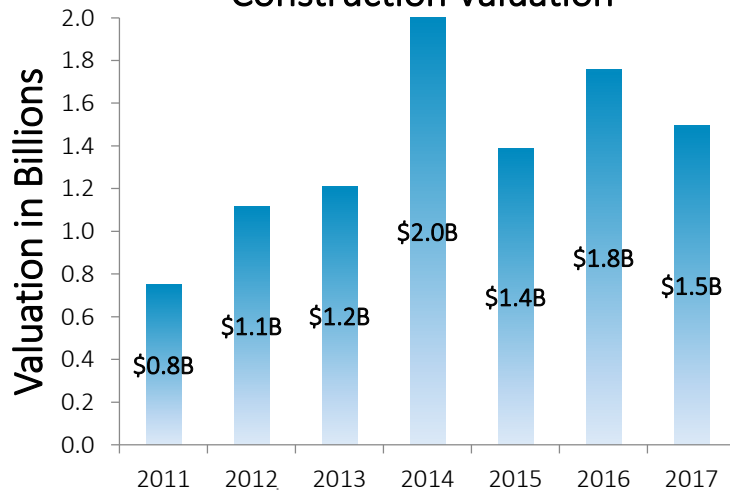
Action planned for 2018

- **Timely Responses to Customers** – CCS strives to contribute to the pace of progress, with a response time of 48 hours or less from initial inspection request. CCS will maintain this response time in 2018 even with a larger workload than in past years.
- **Comprehensive and Thorough Plan Review and Inspections** - CCS is committed to having the most qualified inspections and plan review staff possible. For 2018 CCS will ensure that each staff person receives at least 24 contact hours of accredited professional training in their specialty.

Actions identified in 2017 Results memo

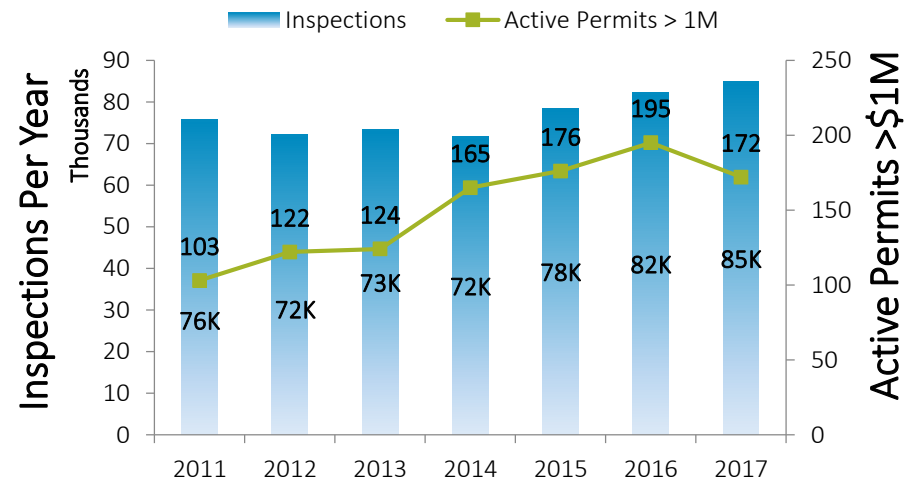
- N/A

Construction Valuation



2018 Department Results: CPED

Inspections per year has risen with number of active permits > \$1M



Business Development

Program description: Help businesses to start, stay and grow in Minneapolis to expand job growth, business ownership, tax base and commercial vitality. Business Development has an array of programs and projects including small business loans and facade grants, business technical assistance, site search assistance, and commercial real estate development.

Analysis

Business Development accomplishes much of its work through community partners such as local business associations, nonprofit community development organizations, and community banks. These partners allow us to reach more small businesses and those in particular geographic and cultural communities. For example our Business Technical Assistance Program (BTAP) reaches a greater proportion of entrepreneurs of color because of the partners we choose to work with and fund. Working through partners and changes in market demand contribute to variations over time in program spending and outcomes.

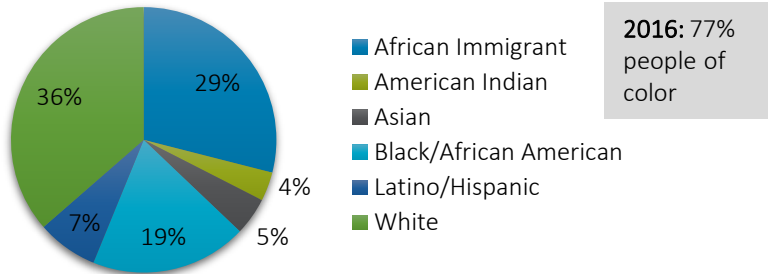
Action planned for 2018

- Reach more small businesses with technical assistance through specialized offerings by business type such as creative entrepreneurs and greening businesses.
- Innovate existing and pursue new business lending programs to provide greater access to capital to small businesses.

Actions identified in 2017 Results memo

- N/A

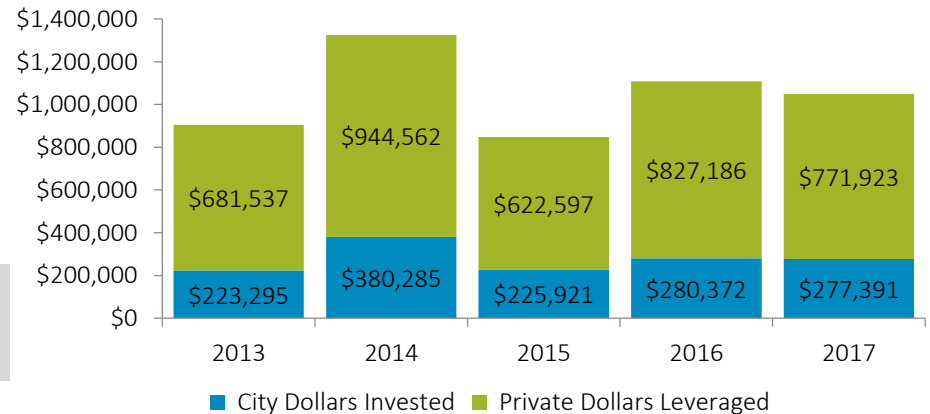
B-TAP 2017 Participant Demographics



2017 Borrower Demographics



Great Streets Facade Grants: City Dollars Invested, Private Dollars Leveraged



Homeownership Support & Development

Program description: Assists with the development and support of ownership housing. Major sub programs include Minneapolis Homes, Home Ownership Works, Homeownership Opportunity Minneapolis (HOM), Home Improvement Program and Homeownership Capacity and Counseling.

Analysis

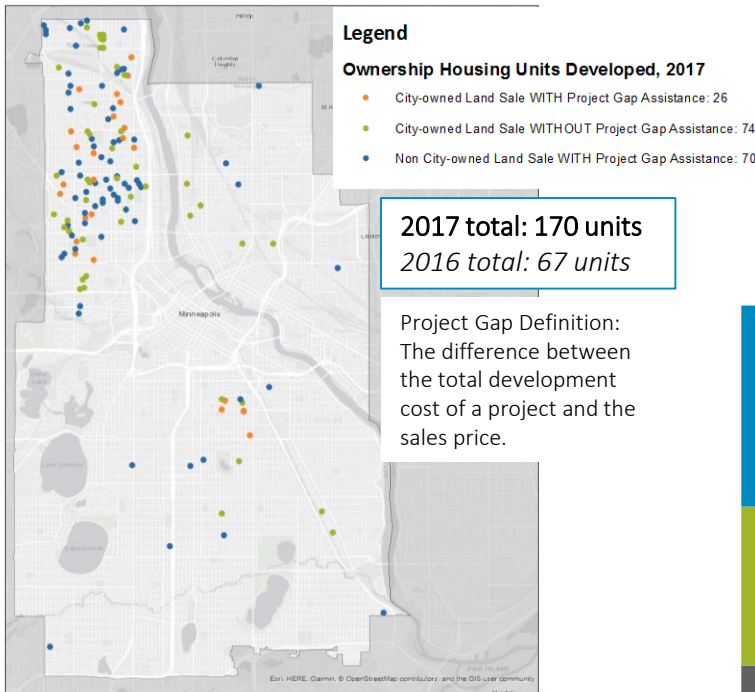
- The City of Minneapolis has one of the highest homeownership disparity gaps in the country. The homeownership disparity gap is defined as the difference between the percentage of white households and households of color who own their homes.
- To increase the opportunity for sustainable homeownership for low- to moderate-income households and communities of color in Minneapolis, the City began to contract with the Minnesota Homeownership Center (HOC) to offer financial wellness services in 2016. HOC has a network of culturally-specific service providers that assist households in becoming mortgage-ready. Depending on the household's current condition, this process could last up to two years. In 2016, 97 households were counseled and in 2017, the households served quadrupled to 407.
- The City provides \$5,000 for down payment and closing cost assistance to households that have completed the financial wellness counseling. This programmatic change, made in 2016, increased the rate of service to households of color by 53.3% from 2015 to 2017. The number of households served each year reflects the variance in budget authority.

Action planned for 2018

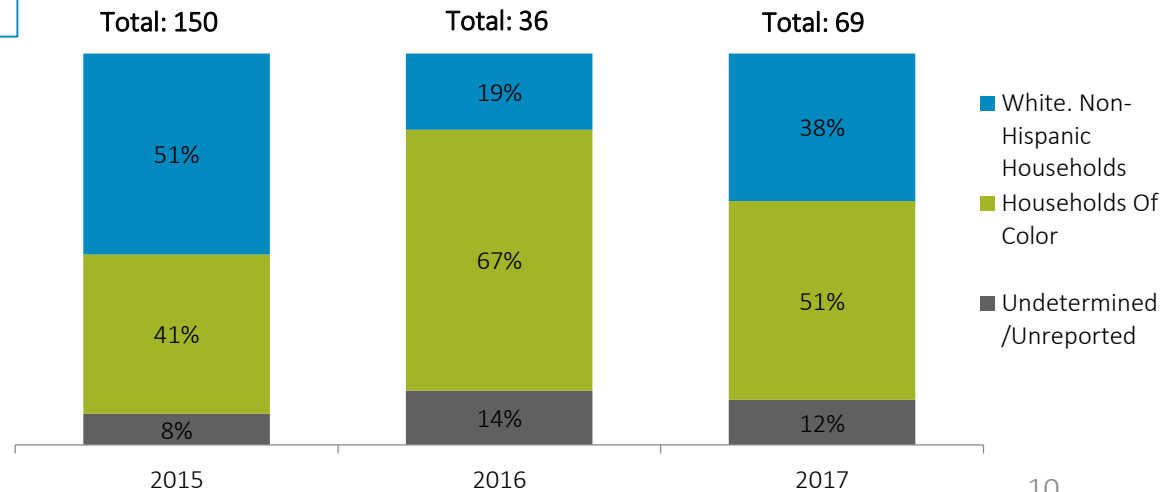
- Development of ownership housing opportunities with focus on closing the racial homeownership disparity gap
 - Continue to target 50% or more of homeownership services to households of color
 - Reduce the number of City-owned infill vacant lots, with emphasis on creating long term affordable ownership housing units

Actions identified in 2017 Results memo

- N/A



Homebuyers Assisted: 2015 to 2017 (White Households and Households of Color)



Adult Workforce Development

Program description : Adult Workforce Development partners with community-based employment service providers to help low-income workers pursue training to progress along in-demand career pathways. Many participants experience barriers to employment, including ex-offender status, unstable housing, low educational attainment, and chemical dependency. Programs include: Workforce Innovation and Opportunity Act (WIOA) Adult, Minneapolis Works, Train to Career, and MSP TechHire.

Analysis:

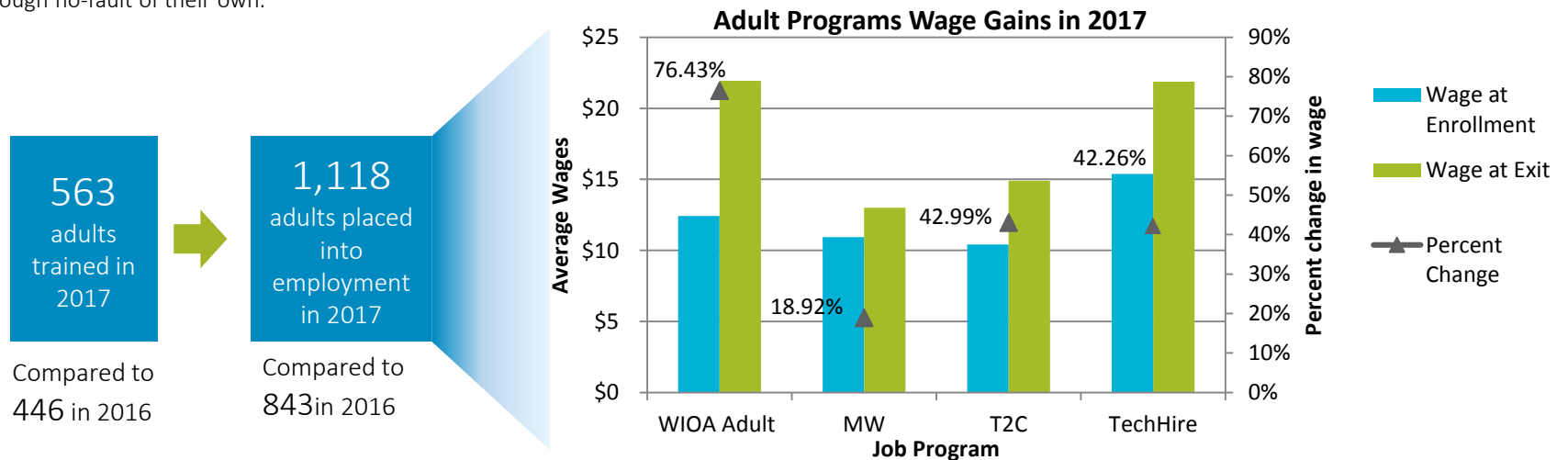
- In 2017, the labor market and hiring demand continued to be strong. The result of this strong economy drove many unemployed to reenter the labor market, seeking programs designed to assist in that reentry. With a combination of one-on-one career counseling, work-readiness training, and short-term skills training, provided by our partner network, program participants moved quickly and effectively through programming and into jobs.
- Participants’ wages increased after exiting Adult programs, with a strong wage gain correlation between programs designed with intense skills training (WIOA Adult, T2C, and TechHire) and those focused on rapid job placement (MW).
- Note: not all job seekers are ready or able to take part in skills training and opt for direct job placement support, therefore we design programs to offer a continuum of services, from rapid reemployment, to short term skills training, to longer term training at community and technical colleges, to retraining and re-employment programs for those dislocated from their employer through no-fault of their own.

Action planned for 2018

- Continued investment in existing career pathways initiatives and expansion into career pathways for in-demand occupations in sectors showing great growth. Sector priorities include: Health Care, Information Technology, and occupations in Public Sector employment.

Actions identified in 2017 Results memo

- N/A

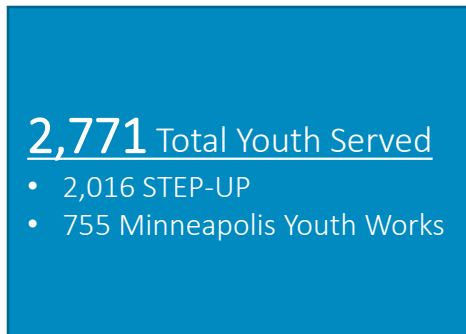


Youth Training and Development

Program description: The Youth Training and Development Programs aim to create a strong future workforce by reducing youth unemployment and racial employment disparities. The STEP-UP program and the Minneapolis Youth Works program help low-income youth (ages 14-21) learn academic, life and work skills; identify career paths; and achieve meaningful employment.

Analysis

- As labor market conditions continued to show strengths, youth both benefit from hiring/employment opportunities but also face challenges from increased competition from low-skill adult job seekers entering the labor force, especially in the service economy. Many occupations of the service economy offer low-barrier to employment, desirable to youth looking to build their work resume. However, with the strong economy and raising wages, many adults, who may have been out of the labor market, rejoin and can crowd out youth applicants.
- Minneapolis Youth Works and STEP-UP aim to give our Minneapolis youth access and opportunity to the labor market no matter the economic conditions. Nationally, youth labor force participation rate and youth employment have been declining since 1990, therefore programming aimed at engaging youth through summer internships and year round programming for high-barrier youth are always in demand.
- While program demand is high, program participation in both STEP-UP and Minneapolis Youth Works remains consistent with past years, as funding for youth programs remains fairly flat while cost of programming, especially wages, increases. We continue to create program invocations to adjust and bring programming to as many youth as possible.



2016: 2,745 youth served

2017 STEP-UP Youth Employment Program

- 2,016 Youth Served
- 1,653 Youth placed in summer internships
- 226 Employer partners

2017 Minneapolis Youth Works Program

- 755 Total Youth Served
- 271 Youth participated in training
- Youth completed 424 training activities
- Youth obtained 230 credentials
- 135 Youth were placed into either full-time or part-time employment depending on whether youth are pursuing education or not

Action planned for 2018

- In 2018 we plan to expand our supervisor trainings, giving supervisors more tools to successfully work with and mentor high school students.
- Create a new, more responsive work readiness training for our youth and align our curriculum with the credit-bearing Minneapolis Public School Career Readiness Seminar. This will allow youth to earn academic credit for their STEP-UP training and put greater focus on the direct connection between a young person's professional and academic life.

Actions identified in 2017 Results memo

- N/A



2016: \$3.1 Million

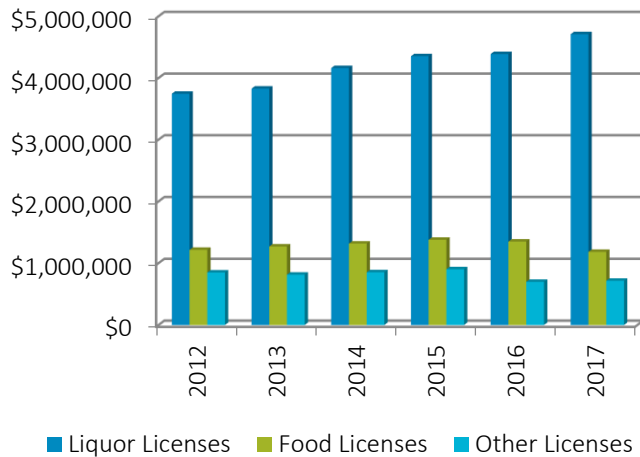
Business Licensing

Program description: This program regulates business licensing for liquor establishments and over 200 other types of businesses and annually licenses 11,000 businesses and individuals. The service includes assisting business owners through various regulatory processes, license application review, background checks, on-site facility inspections, and the collection of license fees with an annual renewal billing system.

Analysis

- Policy has been adopted since 2016 that significantly allows alcohol license holders to grow their businesses by providing more opportunities to sell alcohol for events. This activity supports events like the Super Bowl, Zombie Pub Crawl, and Open Streets. **There has been a 180% growth of these applications since 2001. These means that our licensed businesses are generating more income for themselves and collecting more taxes for the City.**

Licensing Fees Collected



2017 total: \$8.22 Million
 2016 total: \$7.9 Million

Liquor License Applications



2017 total: 850
 2016 total: 800

Action planned for 2018

- “EApps” will allow food license applications to be submitted electronically. Requested information on this application are used to review requirements like zoning. The effort will eliminate the need for businesses to have to come to the City to get basic answers regarding food license requirements. After the “Eapp” is reviewed a follow up email will be sent with an explanation of any additional paperwork required and who their primary point of contact will be.
- “Sign and Pay” allows customers to renew without submitting redundant application materials and utilizes an automated system through our banking provider to accept payment. Less work for our customer, less work for us.
- Paperless Application Storage** initiative will increase the number of electronic applications storage and eliminate paper storage of application materials.
- Customer Service Satisfaction** is an expectation of our program. Our employee identified this priority in the 2017 employee engagement survey. In 2018 we will begin collecting customer feedback.
- Employee Engagement Plan** is a detailed plan of 35 items that our division employees have committed to completing in an effort to respond to opportunities identified in the 2017 employee engagement survey.
- Business Licensing implemented a new software program that maintains all license data. Business Licensing met their revenue expectations and did not experience a loss in data.

Land Use, Design and Preservation/Zoning Administration

Program description: These two sections help residents and property owners invest in the City in a way that aligns with the City's Comprehensive Plan and development regulations. The two sections manage, review, and enforce land use, zoning, preservation, and environmental review applications. The sections also staff and administer public meetings of the City Planning Commission, Heritage Preservation Commission, and Zoning Board of Adjustment.

Analysis

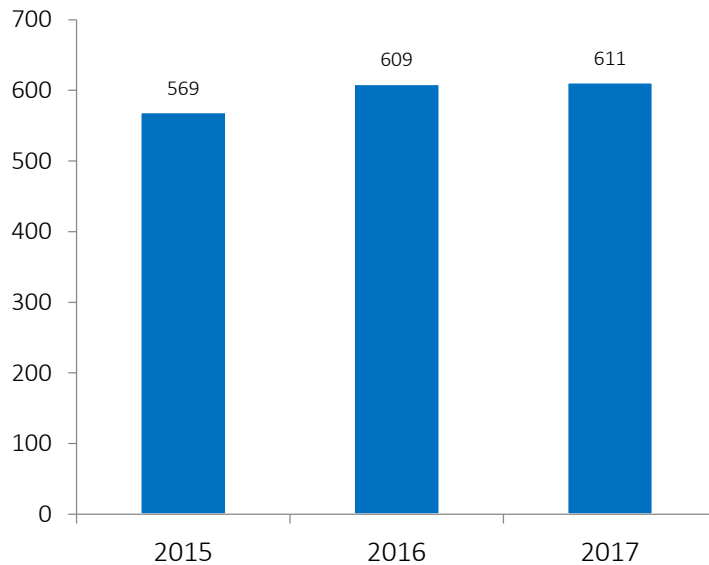
The high volume of development activity, combined with the City's public method for considering development proposals, has resulted in a substantial staff workload. The City Planning Commission approved the highest number of major development projects (43) in the post-recession era. Major development projects include those with at 10 or more residential units and/or at least 10,000 square feet of new commercial, industrial, or institutional space.

Action planned for 2018

- Ongoing regulatory review and implementation of the new comprehensive plan.
- Minneapolis music history context study - CPED has received a grant to complete a context study to evaluate sites that have been important to Minneapolis music.

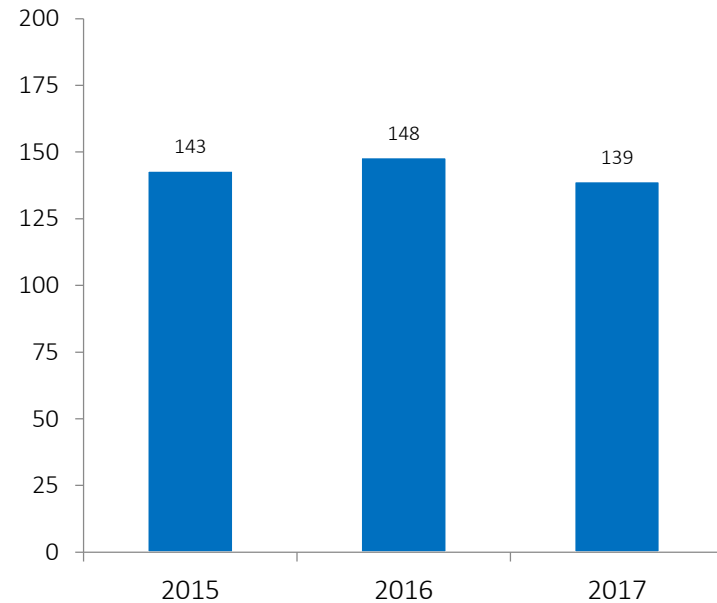
Actions identified in 2017 Results memo
N/A

Land Use and Preservation Applications for
CPC, BOA, and HPC



CPC – City Planning Commission, BOA – Board of Adjustment, and
HPC – Heritage Preservation Commission

New buildings with 1-4 dwelling units



Development Services - Customer Service Center

Program description: The Customer Service Center is the front door for the City's consolidated development activities and focuses on consistent, streamlined customer service. It ensures high-quality development while requiring building construction and rehabilitation projects to meet the City's safety, livability, health and environmental standards. The center also issues business licenses, pet licenses and critical parking permits.

Analysis

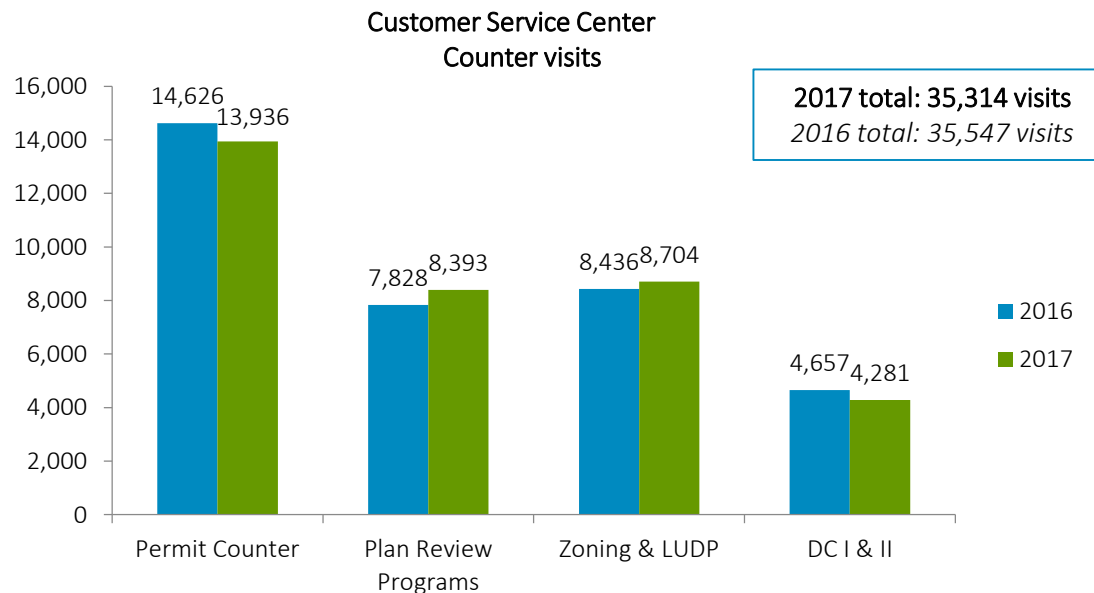
We will continue to perform Business Process Improvements as we implement the Enterprise Land Management System (ELMS). Staff began to accept electronic plan submittal on a limited basis for single family dwellings and projects related to Preliminary Development Review (PDR) resulting in a significant learning curve for both customers and staff. Other eligible permits were also made available for the customer. Management and staff were able to balance the increase or decrease in counter visits as they learned the new system. Staff reviewing construction plans also began to enter quantitative data for long term analysis of building types, occupancy types, and other data for future reporting. Efforts are on to expand the availability of online plan submission and permitting which will impact the number of visits to our service counters and improve customer service.

Action planned for 2018

- We will continue further implementation of the ELMS and Project Docs. In addition, we will look for opportunities to integrate with Small Business Office, Business Technical Assistance Programs (B-TAP) and Developer Technical Assistance Program (D-TAP).

Actions identified in 2017 Results memo

- N/A



* Permit counter – issue permits including Public Works Critical Parking permits

* Plan Review Program – provide assistance with construction code (i.e. building code) review including Truth in Sale of Housing and Code Compliance

* Zoning & LUPD – provide assistance with planning and zoning code review including land use application and heritage preservation

* Development Coordinator (DC I & II) – provide assistance with new single-family construction, preliminary development review, wrecking applications and food-related establishments