

# 2022 Community Development Division Preliminary Operating Budget

June 21, 2021

Community Development Committee



# 2022 Budget Development Schedule

Anticipated Date	Community Development Committee Topic
On-going	Staff Budget Development Activities
May 17	Initial 2022 Operating Budget Conversation
<b>June 21</b>	<b>Preliminary 2022 Operating Budget Targeted Topics: Regional Snapshot &amp; Advancing Thrive MSP 2040</b>
July	Targeted Topics (TBD)
August	2022-2027 Capital Program Conversation Targeted Topics (TBD)
Q4	HRA Rent Standards & Utility Allowance Start Annual Division Workplan Targeted Topics (TBD)
Q1, 2021	Finalize Annual Division Workplan



# Budget Development Feedback

## Framing

- Council's Regional Role
- Data Analysis and Research
  - Disaggregated data when available
- Equity Impacts
- General Economic Conditions
- Leverage Funds
- Timely Financial Impacts
- Supporting Council Initiatives - NEW

## Looking Ahead

- Forecasting 2021 Revenues and Expenses
- Forecasting 2022 and Beyond
- Special Session
- State Forecasts
- 2022 Council Targeted Initiatives

# For Today

## Targeted Topics

- Regional Snapshot
- Division Performance: Advancing Thrive MSP 2040

## 2022 Preliminary Budget

- Proposed Budget & Revenue Sources
- Proposed Uses by Category
- 2022 Council Strategic Initiatives

# Budget Objectives

## Support Implementation Of

- Thrive MSP 2040
- Housing and Regional Parks Policy Plans

## Financial Stewardship

- Construct a balanced budget
- Prioritize structural solutions – mitigate structural gaps over time
- Maintain reserve balances at Council policy levels

# Regional Snapshot



# Economic Conditions

- 2020
  - Over 40% MN households experience earning loss in 2020\*. Losses were higher in households of color (52%).
  - 3.5% State GDP loss is similar to national average.
  - Twin Cities metro area fully recovered its high-wage employment level in 4<sup>th</sup> quarter 2020. Low-wage employment remained 38% below pre-pandemic levels at the end of the year.
- 2021
  - Only 57% of jobs lost to recession have been recovered.
  - For state fiscal year 2021, year-to-date receipts are now \$23.113 billion, \$2.170 billion (10.4 percent) more than projected.

\*Between March and December 2020

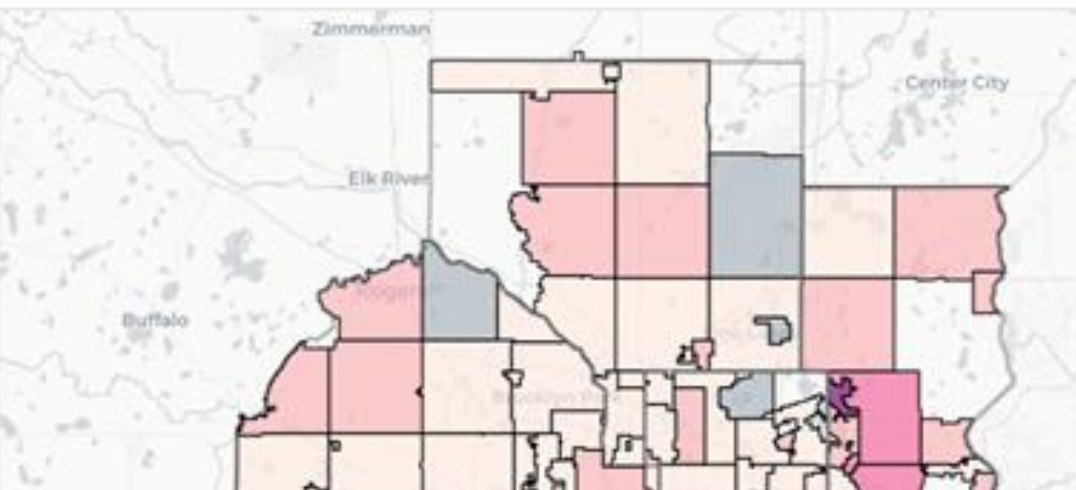
# Housing

- 2019 and 2020 housing production numbers were the first and second highest annual totals in the past decade.
- Apartment building boom has bolstered supply, leading to stabilized rent levels.

**Twin Cities Rent Trends—Interactive**

The **Twin Cities Rent Trends interactive** presents rent and vacancy trends for the Twin Cities region by jurisdiction or neighborhood, where available.

Timely data on rents can be difficult and costly to obtain, and different data sources can yield significantly different values. This interactive tool allows users to:



**Housing Policy Plan**



The Council's **2040 Housing Policy Plan** was amended in July 2015 and is part of the regional development guide, **Thrive MSP 2040**. The plan

- Sets the Council's housing policy direction
- Identifies regional needs and priorities

**Comprehensive planning**

The Council guides and reviews **housing elements within communities' comprehensive plans** based on the requirements of the **Metropolitan Land Planning Act**, including

- Identifying existing housing needs
- **Promoting land for the development of affordable housing**
- An implementation program that considers what tools a community will use to address its housing needs

**Learn more about housing element requirements in the Local Planning Handbook.**

**AFFORDABLE HOUSING MEASURES: NEED, GOALS, AND SCORES**

Three measures that inform regional and local housing policy

While the Council provides a variety of demographic research and analysis useful for understanding the regional landscape, the future affordable housing need, Livable Communities Act (LCA) goals, and Housing Performance are the main measures used by the Council to work with communities to address affordable housing.


[Read more about affordable housing in the Twin Cities region in this one-page summary \(pdf\).](#)

**Understanding *NEED, GOALS, and SCORES***

These three critical measures of regional housing policy are distinct but sometimes confused—check out the tutorial series to learn more about *NEED, GOALS, and SCORES*.


[NEED, GOALS, SCORES in one-page \(pdf\)](#)

[Watch this 5-minute tutorial about NEED, GOAL, SCORES](#)



**EXPLORE HOUSING DATA**

Trends and charts in our Community Profile app



Existing Housing Assessment for counties, cities and townships (excel file)

Download housing data for the region's communities and transit station areas



# Federal COVID Relief

- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARP)



# More Information

- State of Minnesota forecasts, data, economic indicators, and monthly/quarterly updates
  - <https://mn.gov/mmb/forecast/forecast/>
- Place-Based Equity Research
  - <https://metro council.org/Data-and-Maps/Research-and-Data/Place-based-Equity-Research.aspx>
- Housing
  - <https://metro council.org/Housing.aspx>
- Parks Research and Data
  - <https://metro council.org/Parks/Research.aspx>

# **Advancing Thrive MSP 2040**

**Recent Initiatives (2020 / 2021)**

**2022 Initiatives**



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COUNCIL**

# Thrive in Motion: Division

## Recent Initiatives

- Climate Action Plan
- 2050 Development Plan
- Design Thinking Cohort
- Equity Change Team
- COVID Response
- Addressing Homelessness



## MET COUNCIL RECOGNIZED FOR CLIMATE WORK

Date: Sunday, May 23, 2021

The **Global Covenant of Mayors for Climate and Energy** announced that the Met Council has earned two of nine "badges" for the climate work we've done so far.



In 2020, the Met Council was invited to participate in the Global Covenant of Mayors as a regional agency. Our participation commits us to a variety of actions within a three-year time frame, many of which we were already taking. For example, we:

- Created an assessment of regional climate hazards and vulnerabilities
- Are completing a greenhouse gas inventory and climate scenario planning tool for local governments and our own use
- Are creating an internal Climate Action Plan with ambitious goals and strategies to further reduce our greenhouse gas emissions and adapt to climate changes.

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

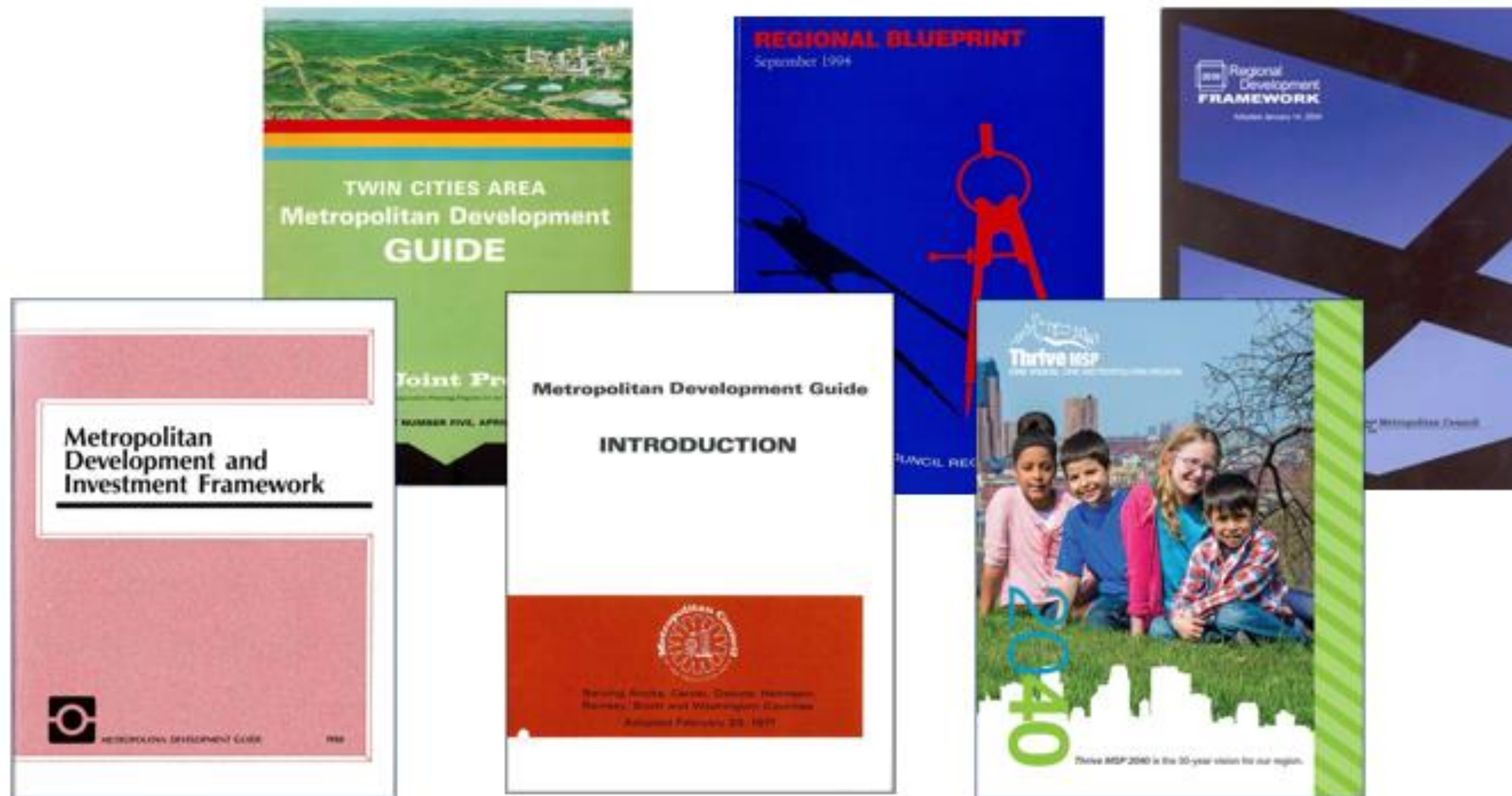
Accountability



# Thrive in Motion: Division

## 2022 Initiatives

- 2050 Development Plan
- Equity Change Team
- Equity Design Team



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



# Thrive in Motion: Livable Communities

- Recent Initiatives

- Awarded \$23.5M in grants projected to add \$4.6M in annual net tax capacity to region and assist adding nearly 2,450 more affordable housing units and 900 permanent jobs to region.
- Program Evaluation
- Housing Performance Survey Improvements

*‘Affordable Housing Investment Nearly Doubles’*

*‘Met Council Funding Leverages Significant Additional Investment’*

- 2022 Initiatives

- LHIA Pilot
- Program Evaluation
- 2050 Development Guide
- Pre-development Initiatives



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# Thrive in Motion: Local Planning

- 2022 Initiatives
  - Systems Statements
  - Analysis and reporting on land use and comprehensive planning
  - 2050 Development Guide

## REGIONAL ECONOMIC FRAMEWORK



## SOLAR-FOR-VOUCHERS PROGRAM EXPANDED TO MINNEAPOLIS AND SAINT PAUL

Date: Thursday, May 6, 2021

A Metropolitan Council pilot program to offer technical assistance to residential property owners who want to install solar panels on their buildings and reduce their energy costs has been expanded. In addition to properties in the Metro HRA service area, properties in Minneapolis and Saint Paul are now eligible. Service by Xcel Energy is no longer required for participation.

In exchange for the technical

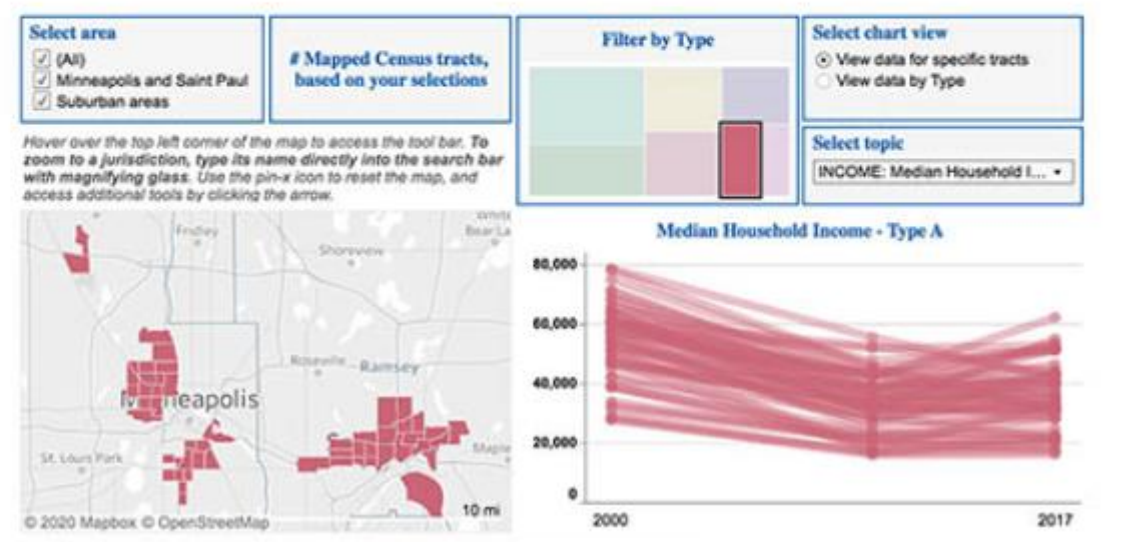


## COUNCIL OFFERS NEW RESOURCES FOR CHANGING SUBURBS

Date: Monday, June 22, 2020

Suburban local governments in the Twin Cities metro have new resources to help them plan and program more effectively for the way their communities are changing.

The Met Council has analyzed in detail the kinds of changes that suburban communities experienced between 2000 and 2017 in their demographics (age,

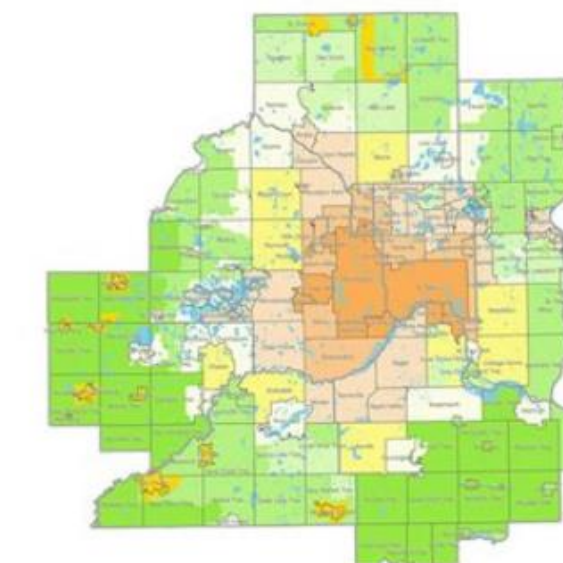


## WHAT LOCAL COMPREHENSIVE PLANS TELL US ABOUT FUTURE GROWTH AND DEVELOPMENT

Date: Friday, April 9, 2021

A look at a composite of the 2040 local comprehensive plans submitted to the Met Council shows how local governments in the Twin Cities metro area are planning for shifts in market demand and growth, as well as issues like climate change.

- Local comprehensive plans support projected growth in the metro area and provide flexibility on where growth may occur. While growth has occurred more slowly than previously forecasted in many cities, some cities have experienced more growth, notably Minneapolis and Edina.
- Local plans reflect a shift in market demand and increasingly rely on "mixed-use" districts to guide future growth at higher densities than in the past. This trend is occurring at varying degrees in all types of communities. Plans also emphasize affordable housing.
- City plans emphasize natural resource conservation, environmental sustainability, and addressing the challenges of climate change.



Map shows cities and townships in the seven-county region according to their "community designation" in the Met Council's regional development guide, Thrive MSP 2040. More than half (55%) of the region's land area is designated either agricultural or rural. Click to see a larger version with a graph of land use share by designation.



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# Thrive in Motion: Metro HRA

- Recent Initiatives

- Serve 7,200 low-income households
- Issued \$70M in direct payments to 1,800 private landlords
- Reviewed twice the annual average income changes (4,500)
- Referred nearly 800 housing units to program participants
- Housed 97 families experiencing homelessness
- Moved to virtual inspections

## NEW EMERGENCY VOUCHERS MEAN “HOME” TO MORE PEOPLE AND FAMILIES

Date: Wednesday, May 19, 2021

Under the American Rescue Plan of 2021, the Metropolitan Council's Housing and Redevelopment Authority, Metro HRA, will receive 218 new emergency vouchers. The vouchers will help connect people



## HOUSING/TRANSIT COLLABORATION WINS NATIONAL AWARD

Date: Tuesday, February 18, 2020

Metro HRA has won the Resident Service Award from a leading national housing



Metro HRA Senior Outreach Coordinator Ryane Leifheit (center) accepts award at the 2020 Housing Conference.

## MET COUNCIL AND EDINA PARTNER ON AFFORDABLE HOUSING

Date: Monday, February 8, 2021

Many and high are the hurdles that must be overcome to create housing that's affordable to lower-income working families. So when the City of Edina approached the Metropolitan Council with resources more than



Edina is known for its excellent schools, valued home to highway to its geographic and its many dining opportunities has also d

## PLACE MATTERS: FEDERAL FUNDS HELP LOW-INCOME FAMILIES MOVE TO AREAS OF THEIR CHOICE

Date: Wednesday, May 5, 2021

HUD Grants \$5.2 Million to Minneapolis and Met Council housing authorities to offer opportunity for upward mobility through federal demonstration program





# Thrive in Motion: Metro HRA

- 2022 Initiatives
  - Small Area Fair Market Rent Analysis
  - Mobility Demonstration Program

**Who is eligible?**  
 Eligible families must be a new or current participant of the Housing Choice Voucher program.  
 In addition, families must:

- be committed to job training, furthering education, and securing employment
- have a minor child or children in the household, and
- have the desire to move to an area that provides more opportunity.



Equity in Action - Community Choice program  
 MetroHRA's Community Choice program

## LANDLORD INSPECTION GUIDE

**Specifics:**  
 Each dwelling unit must have a minimum of a living room, kitchen area, bathroom, and

**METRO HRA**  
 Metro HRA conducts inspections to ensure that assisted units meet federal Housing Quality Standards (HQS) and are "decent, safe and sanitary".

The HQS specify that each unit meet basic performance requirements relating to:



## FAIR HOUSING

The federal Fair Housing Act makes it illegal to consider race, color, religion, national origin, sex, disability, or family status in rental, sales, or lending decisions.

The Minnesota Human Rights Law also makes it illegal to discriminate based on creed, sexual or affectional orientation, marital status or receipt of public assistance.

[Learn more about fair housing.](#)

### Fair Housing: Tenant and landlord rights and responsibilities videos

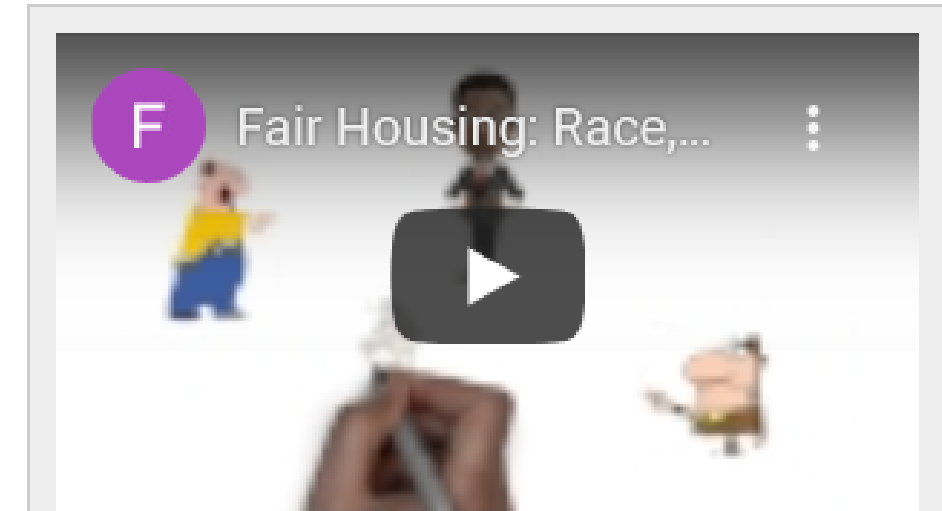
See videos in several languages that clearly describe the rights and responsibilities of both tenants and landlords.

### Questions?

If you have questions about fair housing, or suspect unfair housing practices, please contact:

US Department of Housing and Urban Development (HUD)

Fair Housing Hotline  
 1-800-669-9777



### MORE FAIR HOUSING VIDEOS

- English videos
- Viv dis aus Hmoob
- Muuqaal af Somali ah
- Videos en español

# Thrive in Motion: Regional Parks

## COMMENT ON THE DRAFT PARKS PLAN VIA VIDEO

Date: Tuesday, September 22, 2020

Get out your phone camera and talk to the Metropolitan Council about the draft parks plan in the seven-county metro area.



## ENGAGING COMMUNITY IS FOCUS OF PARKS EQUITY PLANNING

Date: Thursday, March 12, 2020

When Anoka County started planning a new segment of the Rum River Regional Trail and exploring alternatives to an existing trail crossing on a busy county road, parks planners asked important questions:

- Who is or will be living near this trail and crossing, and how can we engage them to plan for facilities they will want to use?
- Are there voices we don't typically hear?



## • 2022 Initiatives

- Regional Parks System Historical Cultural Study
- Regional Parks System Visitor Study
- Regional Parks System Communications and Marketing Study

## GRANTS HELP GROW METRO PARKS AND TRAILS

Date: Thursday, August 13, 2020

The Metropolitan Council has awarded nearly \$900,000 to Washington and Ramsey counties and the Three Rivers Park District to buy property for regional parks and open space.

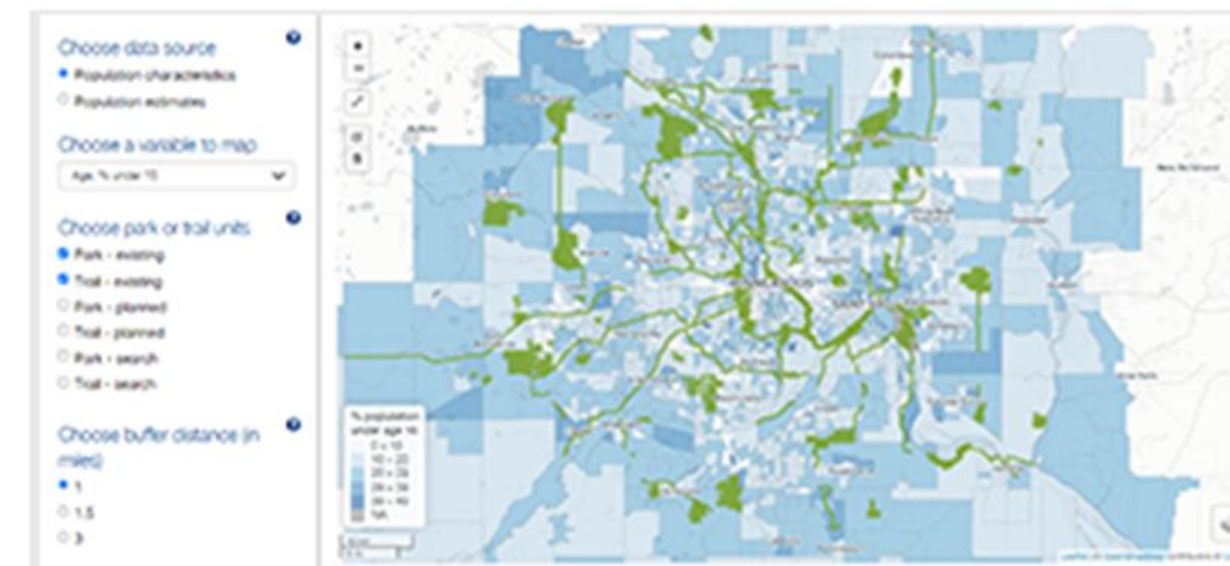
Council officials say the investment reflects the region's commitment to grow the region's network of parks and trails, preserve natural resources, and encourage the use of regional parks among all residents.



Monarch butterflies visit rough blazing star on the restored prairie at Crow Regional Park Reserve. (Photo courtesy Three Rivers Park District)

## Regional Parks and Trails Equity Tool—Interactive

The **Regional Parks and Trails Equity Tool** provides an interactive interface to explore demographic data to help make choices on regional park agency planning, outreach, programming, and research. It is available for anyone who wants detailed information about demographic and housing data surrounding existing and future regional parks and trails. We encourage its use in completion of the **Equity Analysis Requirement for park and trail master plans (PDF, Question 1 Project Data)**.



# Thrive in Motion: Research

## COUNCIL RELEASES GREENHOUSE GAS EMISSIONS TOOL

Date: Wednesday, April 22, 2020

The Metropolitan Council is developing two online tools to help local governments quantify their greenhouse gas emissions and choose strategies to reduce those emissions.

The first is a **greenhouse gas inventory**, which will provide local governments with high-quality data about greenhouse gas emissions from several key sectors. In celebration of Earth Day, the Council released an early version of the inventory, which includes transportation and energy emissions data for cities and townships in the seven-



### Explore the Twin Cities Greenhouse Gas Inventory



Climate change is occurring all around the world, including right here in the Twin Cities metropolitan region. Minnesota has already experienced more extreme rainfall and warmer winters due to climate change, and additional changes are on the way. The good news is that many solutions that help solve the climate problem are actions we can take right here in our communities.

**Community Overview**  
The estimated population of Forest Lake as of April 1, 2016, is 20,497. Forest Lake is designated a Emerging Suburban Edge community in Thrive MSP 2040, the Met Council's regional development framework.

## NEW REGIONAL DATASET HAS EQUITY FOCUS

Date: Thursday, May 20, 2021

The Met Council has released an updated and expanded **Equity Considerations dataset** that provides equity-relevant characteristics for each of the 704 census tracts in the Twin Cities region.

The dataset contains disaggregated data (broken down by detailed subcategories) on a full range of topics that would otherwise be difficult to access in one place. Broad topic areas include demographics, migration, historic discrimination, housing, environment and climate, amenities, and many more. The dataset includes 300 distinct data fields.

## PlanIt

Researchers Matt Schroeder and Krysten Ryba-Tures talk about the Equity Considerations dataset and its applications for local planning in the latest PlanIt podcast.

## COVID-19 ECONOMIC IMPACTS IN THE TWIN CITIES

How the pandemic is affecting the region's workers and households

In recent months, business, households, and governments have rapidly curtailed economic activities, in response to the COVID-19 pandemic. Data from surveys and unemployment insurance claims paint a picture of economic collapse: nearly 50 million people have filed for unemployment benefits since March, including 495,000 in the Twin Cities region (March through June).

Initial findings include:

- Poverty rate changes and housing cost burden changes will depend on the duration of business closures and reduced economic activity.
- People of color have experienced a disproportionately large share of job losses since the beginning of the pandemic. The benefits provided by the federal relief package will temporarily reduce disparities by race and ethnicity, though disparities will remain quite large.
- Relief from the federal relief package (the CARES Act) mostly mitigate earnings losses, provided that industries re-open and deferred economic activities resume in mid-2020.

To put the economic dynamic in context, and to promote understanding of the social and economic impacts, the Community Development research team is analyzing the likely effects of the employment and income losses. Key measures include unemployment, poverty, and housing cost burden rates, as well as disparities by race and ethnicity in these measures. Staff will continue updating this analysis as new questions and data sources emerge in the coming weeks and months.

INTERACTIVES

REPORTS & SLIDES

METHODS & SOURCES

LINKS

## Visualizing Regional Inequities—Interactive

Explore three decades of metro-level quality of life indicators disaggregated by race and ethnicity in the **Visualizing Regional Inequities** interactive.

The 16-county Twin Cities metro area continues to rank highly among other U.S. metros for our impressive economic performance and relative housing affordability. However, underlying these high-level measures reveals that not all residents experience the overall successes of our metro area. Disparities in employment, poverty, income, and homeownership by race and ethnicity persist in the Twin Cities and—in some cases—are the largest nationwide.



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# Thrive in Motion: Research

- 2022 Initiatives
  - 2050 Development guide support
  - Land use model
  - Community Profiles redesign
  - Launch economic values atlas
  - Residential preferences of voucher holders
  - Development trends, population estimates
  - Joint Parks Streetlight research

## COMMUNITY PROFILES

Community Profile for White Bear Lake

Each chart in the Community Profiles can be saved in JPEG, PNG or PDF formats or printed as a standalone page. To save as an image, right-click on the chart and select a format option. Once the "capturing data" process is over, review the saved charts on the CHART EXPORTS tab. Click the "save" button for any chart export listing you wish to save. Please note that the data source is not included in the saved images.

[Please Contact Us by Clicking Here](#)

Select another area:  
White Bear Lake

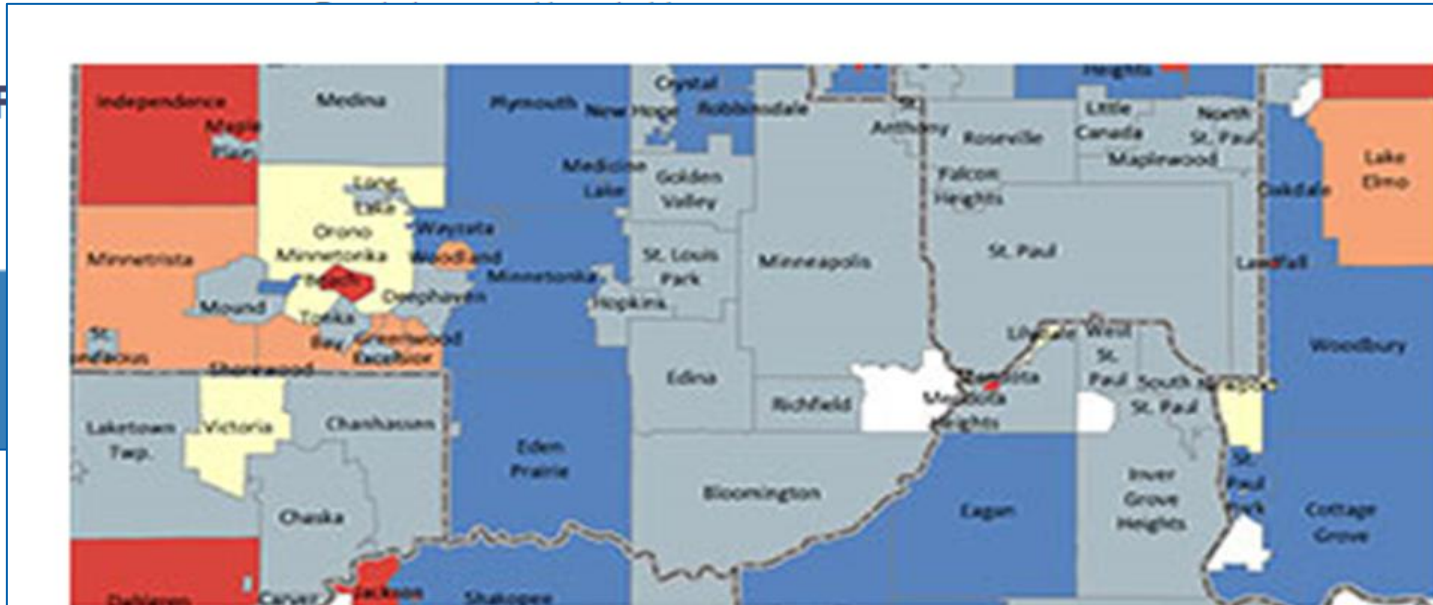
<https://stats.metc.state.mn.us/profile/detail.aspx?c=02397299>

**COPY PROFILE URL TO CLIPBOARD**

OVERVIEW **PEOPLE** ECONOMY AND JOBS INCOME AND POVERTY HOUSING COMMUTING LAND USE AND DEVELOPMENT CHART EXPORTS

Population/Households (Historic, Current, and Forecasts)  
Population by Age and Gender  
Highest Level of Education  
Household Type  
Average Household Size  
Population by Race and Ethnicity

Select data to chart:

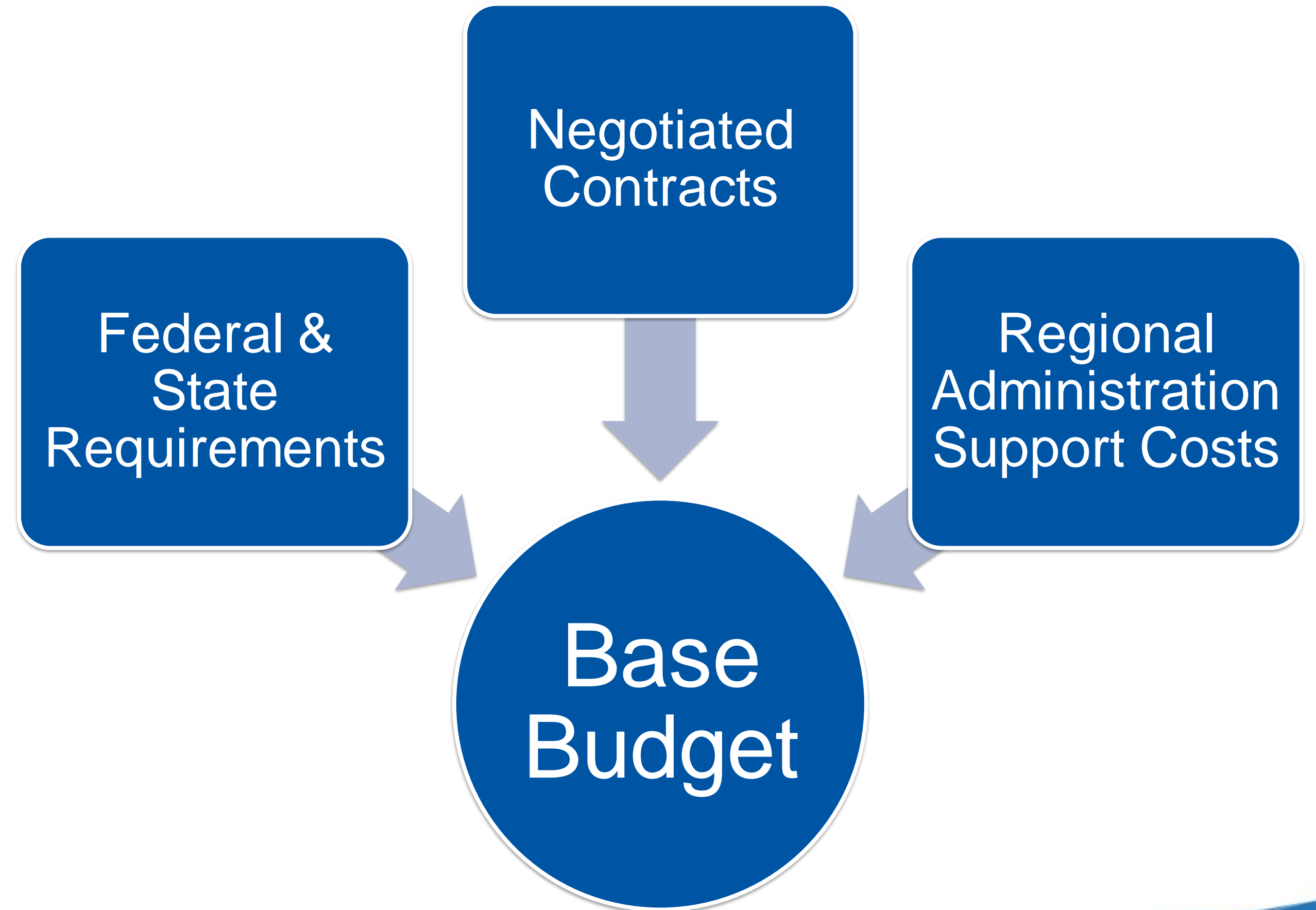


### RESEARCH & DATA

Access key information about the Twin Cities region or any city, county or township. Interact with data or browse research products on regional trends. Explore and download Council data and selected U.S. Census data.

# 2022 Overview

- 2021 Adopted Budget: \$148.1M
- 2022 Preliminary Budget \$131.2M
  - Division (-11%)
  - HRA Program (+3%)
  - Non-HRA Programs (-32%)
  - Regional Administration Support (+5%)



# 2022 Initiatives In Development

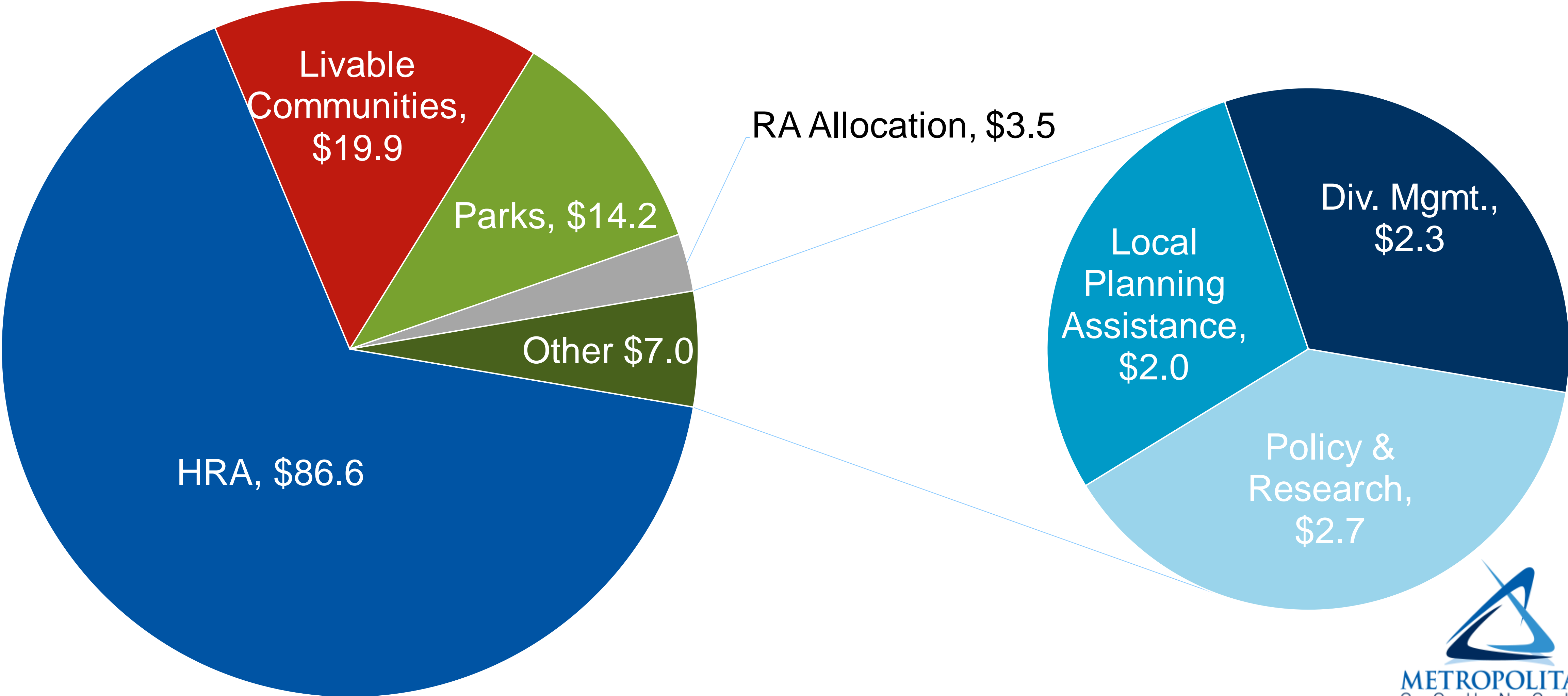
## Initiatives

- METRO HRA
  - Operating & Passthrough Budget
- 2050 Development Guide
  - Operating Budget
- Livable Communities
  - Pilot
  - Passthrough Budget
- Parks
  - Parks Future Reimbursement Program Reimagined
  - Passthrough & Capital

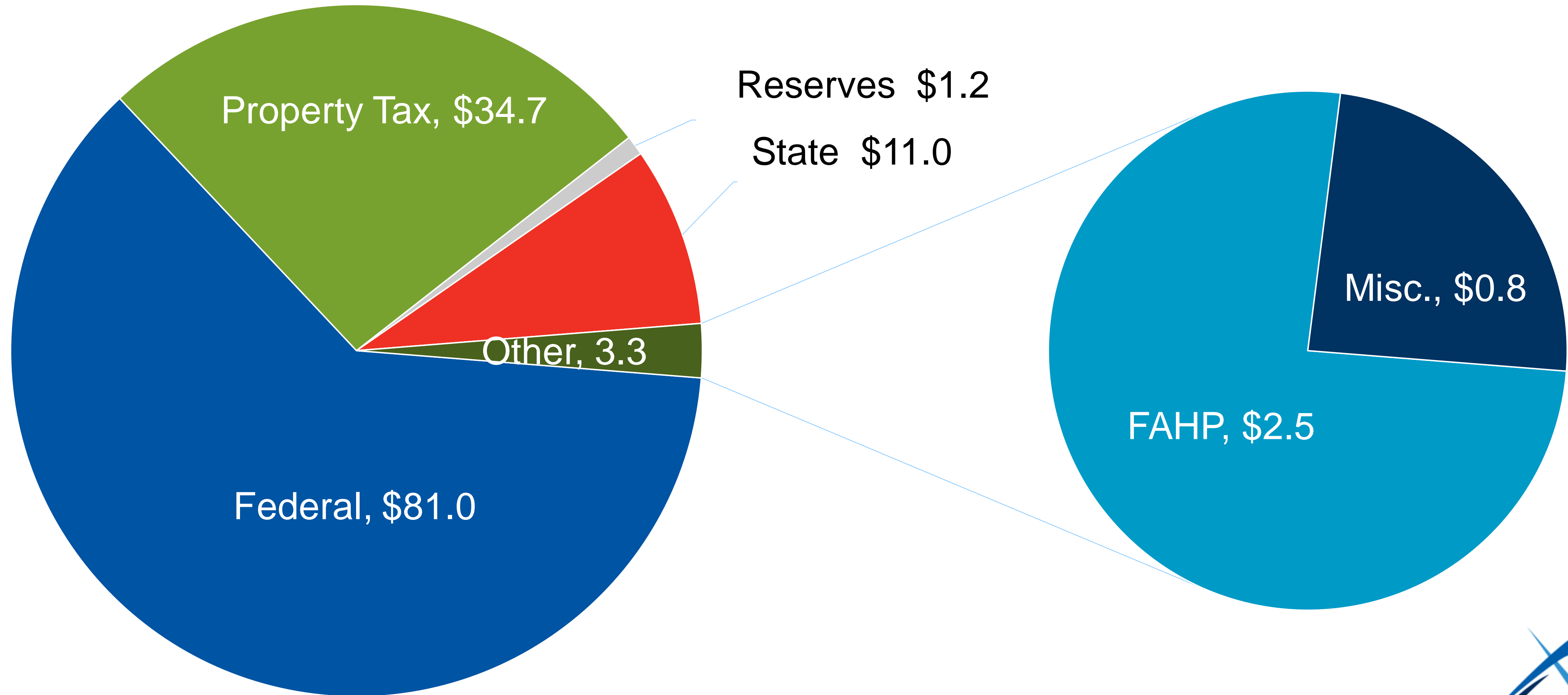
## Next Steps

- Project refinement
- Stakeholder conversations
- Adjustments to 2022 budgets

# 2022 Proposed Budget - \$131.2M

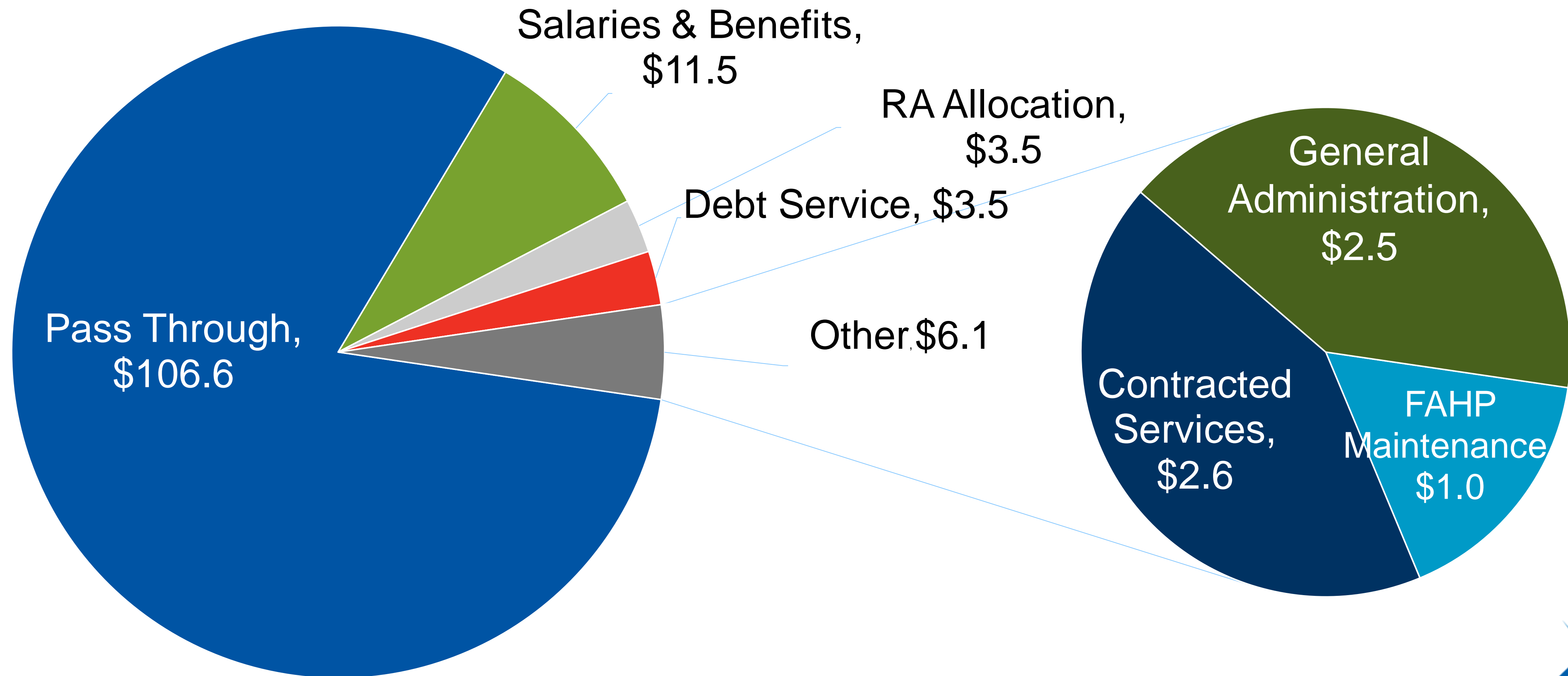


# 2022 Proposed Revenue Sources - \$131.2M





# 2022 Proposed Uses by Category - \$131.2M



# 2022 Equity in Action (Operating & Capital)

## HRA Passthrough

\$~78M

Policy & Admin  
Plans

Community  
Choice Program

Mainstream  
Voucher

Project Based  
Vouchers

## Grant Programs

\$~77M

Housing & Parks  
Policy Plans

Investment  
Strategies

Scoring Criteria

Outreach &  
Engagement

## Annual Workplan

~\$7M

Strategic  
Initiatives

Investment in  
Place Strategies

Equity Change  
Team

Outreach &  
Engagement

## Contracts & Consulting

~\$2M

Strategic  
Initiatives

MCUB

Council Actions

# Looking Ahead

- Targeted 2022 Budget Conversations
  - Livable Communities Pilot Program
  - Metro HRA Mobility Demonstration Program (late summer/fall 2021)
  - Metro HRA Home Purchase and Disposition Policy (2021)
  - Metro HRA and City of Edina Housing Partnership (future budget amendment)
  - Metro HRA Rent Limits / Small Area Fair Market Rent Analysis (Fall)
  - Metro HRA Moving to Work designation (date TBD)
  - Parks Capital Funding / Future Reimbursement Consideration Program (Note: late summer)
  - 2050 Regional Development Guide (note: flexible timing)
  - CD role in supporting MCUB program

*Are there other topics you'd like us to add to upcoming budget conversations?*

# Additional Questions and Discussion

Heather Aagesen-Huebner

Finance Director

[heather.aagesen-huebner@metc.state.mn.us](mailto:heather.aagesen-huebner@metc.state.mn.us)

651-602-1728