

# Department of Community and Economic Development Budget Presentation

Budget & Finance Committee

April 10, 2023

# Agenda

- Mission and Primary Services of Department
- Service Delivery Challenges
- Key Performance Indicator (KPI) Review – FY24 Goals

# Mission Statement and Services

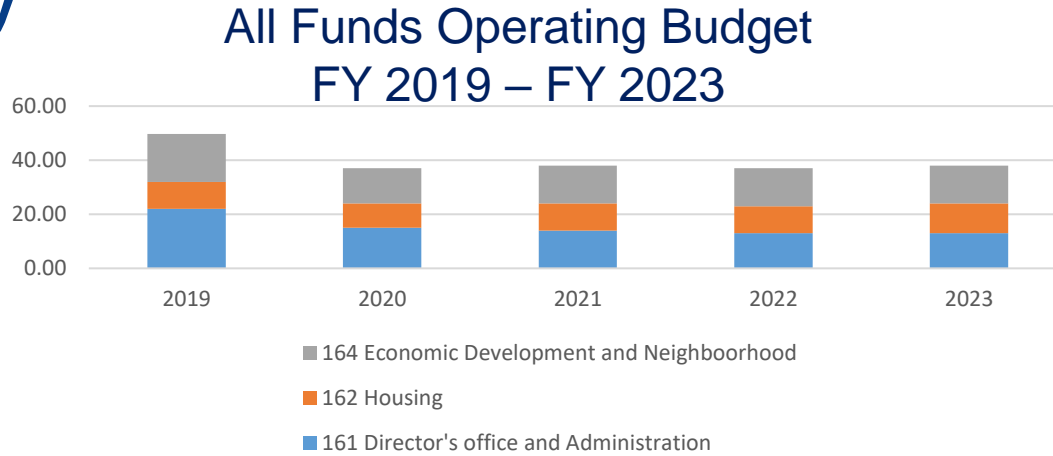
The Department of Community and Economic Development improves the lives of residents, increases business investment, and revitalizes City Neighborhoods through providing financial and technical resources, facilitating strategic partnerships, and promoting efficient use of the City's on and off street parking assets through parking management .

Divisions: Fiscal, Neighborhoods, Economic Development, Housing, & Parking

## Primary Services:

	Neighborhoods	Economic Development	Housing	Parking
Federal Entitlement Programs - Neighborhood & Jobs		Commercial Tax Abatements (Industrial, Commercial or Mixed Use)	Commercial Tax Abatements (Multi-Family)	On-Street Technology
Neighborhood Programs (NBDIP, TIF Districts)		Job Retention/Attraction Program (REDI)	Notice of Funding Availability (NOFA)	On-Street Enforcement
Community Development Corporation support		Property Sale Requests: Industrial, Commercial or Mixed Use	Property Sale Requests: Housing/Residential	Off-Street Assets
Neighborhoods Job Retention/Attraction Program		Tax Increment Financing: Project based	Homeownership Development Programs (CRA, ADDI)	
Neighborhood Non-Profit Org Liaisons		Commercial Real Property Incentives - Mixed Use Development, Industrial	Federal Entitlement Programs - Housing	
			Affordable Housing Trust Fund	

# Community and Economic Development Department FTE History



	2019	2020	2021	2022	2023
161 Director's office and Administration	22.00	15.00	13.00	12.00	13.00
162 Housing	10.00	9.00	10.00	10.00	11.00
164 Economic Development and Neighborhood	17.73	13.00	14.00	14.00	14.00
<b>Total</b>	<b>49.73</b>	<b>37.00</b>	<b>37.00</b>	<b>36.00</b>	<b>38.00</b>

# Budget and FTE History

<b>Community &amp; Economic Development - General Fund</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personnel Compensation	1,137,890	907,940	767,580	1,016,260	1,476,620
Fringe Benefits	361,140	387,500	257,420	341,450	377,530
Non-Personnel Expenses	6,818,690	8,722,343	2,333,570	2,963,520	2,842,750
<b>Total</b>	<b>8,317,720</b>	<b>10,017,783</b>	<b>3,358,570</b>	<b>4,321,230</b>	<b>4,696,900</b>

<b>Community &amp; Economic Development - Restricted Funds</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Parking System Facilities Fund 102	220,300	-	-	-	-
Urban Development - Property Operations Fund 317	377,650	352,640	355,920	363,490	369,450
Bond Hill-Roselawn Development Fund 358	200,000	200,000	200,000	250,000	-
<b>Total</b>	<b>797,950</b>	<b>552,640</b>	<b>555,920</b>	<b>613,490</b>	<b>369,450</b>

<b>Community &amp; Economic Development - FTE</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
General Fund	31.73	23.00	22.00	22.00	24.00
Restricted Funds*	18.00	14.00	15.00	14.00	14.00
<b>Total</b>	<b>49.73</b>	<b>37.00</b>	<b>37.00</b>	<b>36.00</b>	<b>38.00</b>

# Service Delivery Challenges

## Housing Gap Financing Limitations

- Demand of gap financing for multi-family housing unit production outstrips supply at all income levels
- Property tax incentives (CRA & TIF) alone are not enough for many proposed market rate projects and the gap requested on affordable developments is increasing. AHTF has helped fill in many gaps on affordable developments to allow them to proceed.

## Development Pipeline Capacity

- Pipeline of projects outstrips City staffing resources
- Prior year efforts to streamline processes internal to administration have helped but more staffing required for faster delivery timelines.

# KPI Review: Increase New Housing Units

**FY 24 Goal: Increase number of all housing units created by 30 units per month across all DCED programs.**

- Historically DCED has tracked housing units created, but limited that collection of data to the NOFA program and affordable housing units
  - Allow to further build out of the affordable housing dashboard
  - Across all DCED programming
  - Allow us to set better benchmarking and goals based
  - Require streamline systems in place across divisions to capture relevant and consistent information.



**THRIVING  
NEIGHBORHOODS**

# KPI Review: Contracting Efficiency

**FY 24 Goal: 90% of NOFA and NBDIP contracts are executed within 5 months from date of application closure**

- NOFA and NBDIP are DCED's largest program that provide direct funding to housing and neighborhood development initiatives.
- These programs are highly competitive and require the City to deliver funding commitments in a timely manner.
- We have never measured this indicator previously due to the complicating nature and various touch points to move a project to contract to implementation.
- This metric will allow us to better communicate the timeline to our development partners.



**THRIVING  
NEIGHBORHOODS**



# KPI Review: Leveraged Funding

**FY 24 Goal: Measure and increase private investment dollars per dollar of city funds in development projects by \$2 per quarter.**

- DCED makes strategic investments that regularly leverage private investment to support our development efforts.
- This KPI will allow DCED to place targets each year on just how far each dollar of public investment leverages private equity and other resources.
  - Actively tracking this KPI allows us to establish a benchmark that we can use to inform future funding and leveraging decisions.
  - DCED already collects project funding details that will allow us to capture this information without administrative adjustments to our process



**THRIVING  
NEIGHBORHOODS**

# City Funded Competitive Grant Programs

## Neighborhood Business District Improvement Program FY23

- # of Applications Received: 24
- # of Awards Made: 14 (58% of total)
- Total Funding Available: \$2,200,000
- Total Funding Requested: \$3,658,220 (166% of available)
- One or Two Key Program Metrics
  - Business Assisted

# City Funded Competitive Grant Programs

## Notice of Funding Availability

- # of Applications Received: 22
- # of Awards Made: 9 (41% of Total)
- Total Funding Available: \$7,141,500
- Total Funding Requested: \$18,000,000 (250% of Available)
- One or Two Key Program Metrics
  - New Housing Units Created
  - New Affordable Units Created

# City Funded Competitive Grant Programs

## Neighborhood Catalytic Capital Investment Program

- # of Applications Received: 27
- # of Awards Made: 13 (48% of total)
- Total Funding Available: \$1,994,178.00
- Total Funding Requested: \$8,869,240.00 (440% of available)
- One or Two Key Program Metrics

# Questions?