



# Board Workshop / Discussion Agenda

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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December 15, 2020 - 1:30 p.m.

Virtual Meeting

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## WORKSHOP

### 1. Economic Competitiveness and Inclusion Vision Plan

[2020-617](#)

Sponsors: Community & Economic Development



# Board Workshop / Discussion

## Request for Board Action

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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**Item Number:** 2020-617

**Meeting Date:** 12/15/2020

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**Sponsor:** Community & Economic Development

**Title**

Economic Competitiveness and Inclusion Vision Plan

**Attachment**

1. Presentation

# Economic Competitiveness & Inclusion Vision Plan

Ramsey County, MN

Strategy Overview | December 15, 2020



# Workshop Agenda and Speakers

Welcome & Introduction

*Ryan O'Connor*

Why Center Equity?/Engagement

*Tawanna Black, CEI*

Overview of Vision Plan Strategies

*Josh Devine, Fourth Economy*

Vision Plan Next Steps & Timeline

*Kari Collins, CED*

# Ramsey County: Economic Competitiveness and Inclusion Plan



Cultivate economic prosperity and invest in neighborhoods with concentrated financial poverty



Enhance access to opportunity and mobility for all residents and businesses

## Ensure Place-Based Inclusion, Create Resilient and Equitable Communities



Preserve and Increase supply of rental housing units for lowest-income residents



Foster inclusive development within County transit corridors



Expand affordable home ownership opportunities and improve housing stability for communities that have experienced historic wealth extraction



Support communities in equitable site development (e.g. procurement, contracting, site prep, etc.)

## Foster Economic Competitiveness, Innovation, and Transformation



Sustain and accelerate workforce recovery programs



Develop pathways to entrepreneurship and Black, Indigenous, and People of Color business ownership



Attract and Grow high-wage industry and innovation: tech, advanced manufacturing and life sciences



Strengthen business retention and expansion infrastructure to support communities

When we are successful, Ramsey County will experience...



Fiscal Health



Inclusive Wealth Building



Economic Resilience

# Why center equity?

Achieving *income parity adds \$32.1B to our region's economy by 2040* and creates thriving cities, diverse leadership, and innovation, where everyone enjoys prosperity. - Center for Economic Inclusion

## Equity as a Regional Competitiveness Imperative



### **Addressing racial disparity:**

Eliminates 70% of all opportunities we have to address talent gap

Creates 87K new jobs w/ investment in BIPOC businesses

Racially inclusive executive teams are 33% more likely to perform better than racially exclusive ones.

## Diversity as the driver for the County's future Prosperity



### **County's Unique Diversity Allows:**

Vibrant neighborhoods of choice for families

Growth in cultural business and economic tourism

Increased productivity in workforce and in leadership

## Racial Disparities as a Significant Barrier to Economic Growth



### **Analysis Shows:**

Majority of cost-burdened households are BIPOC renters and owners

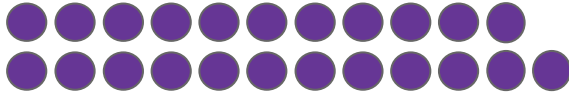
Rondo Intergenerational Wealth Gap - \$90M - loss of home equity

Significant investment gap for BIPOC business owners

African Americans hit the hardest with wage disparities

# A Year of Engagement

Thousands of participants were involved...



## 23 Community Meetings held

- Public Community Meetings
- Working Group Meetings
- Strategy Build Sessions
- Steering Committee Meetings
- Community Action Team Meetings
- Ramsey Board Meetings
- Housing Town Hall



## More than 26 Interviews conducted

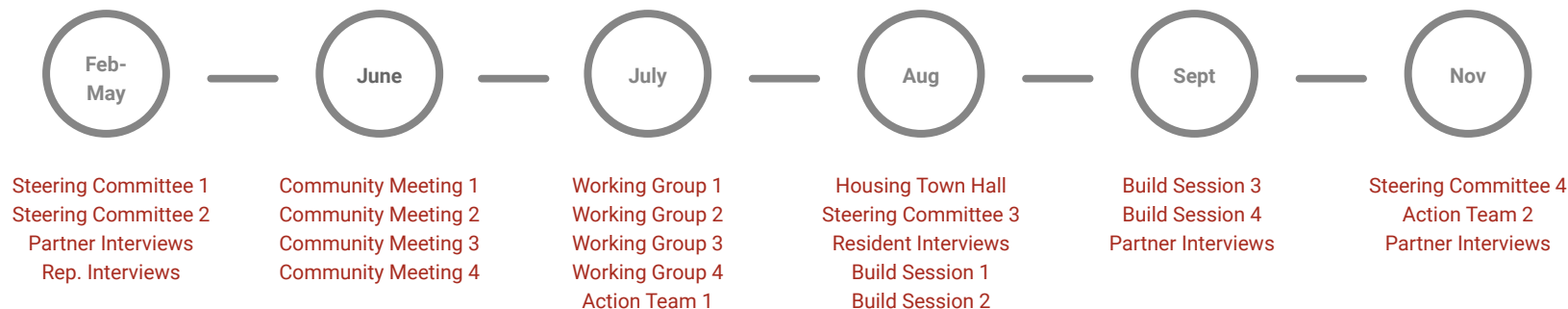
- Community Partners
- Elected Representatives
- Community members

Nearly **2,000 visitors on the website** eliciting 124 responses.

# Engagement

Over the past **ten months**...

subject matter experts, elected officials, educators, neighborhood representatives, retirees, realtors, organizational leadership, parents, employers, faith leaders donated time, thoughts, and wisdom.



## Ensure Place-Based *Inclusion*, Create Resilient + Equitable Communities

Revitalize our corridors and neighborhoods, with community needs in mind through investment in housing, transit and jobs.

## *Economic Competitiveness*, Innovation & Transformation

Be responsive to our changing economy, carving out for the County the advantages that position us above our peers.

# Ramsey County Economic Competitiveness and Inclusion Plan

## *Place-Based Inclusion Strategies*



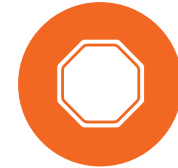
Community  
Insight



Economic  
Trends



Opportunities  
and Assets



Issues and  
Challenges

## Economic Trends



Home and rental values are **increasing as population grows**, mostly in suburbs, but lower than the rest of the MSA

**48% of renters are cost-burdened, 65,000** pay more than 30% of income on housing

Need is greater than current affordable housing supply. **33,395 people in subsidized housing compared to 77,330 people in poverty**



## Opportunities and Assets

Historical readiness to address housing instability, good record with supportive services and very responsive and inclusive COVID-19 response

COVID-19 relief efforts have provided valuable lessons learned to build on

Significant **naturally occurring affordable housing (NOAH)** remain across the County.

## Community Insight



*“We have aging infrastructure and declining spaces that can be reimagined”*

*“Development should happen with the community in mind (anti-displacement)”*



## Issues and Challenges

**Affordable production** is **not keeping pace with need**; new construction is not enough

**Limited land availability and declining markets** for commercial, retail and office space

There is an existing **need for at least 15,000 additional affordable units for households at or below 30% AMI**

**3,205 LIHTC units expiring in xx** which will have significant consequences.

## Ensure Place-Based Inclusion, Create Resilient + Equitable Communities

Revitalize our corridors and neighborhoods, with community needs in mind through investment in housing, transit and jobs.

## STRATEGIES

1. Preserve and Increase supply of rental housing units for lowest-income residents
2. Expand affordable home ownership opportunities and improve housing stability for communities that have experienced historic wealth extraction
3. Foster inclusive economic development within County transit corridors
4. Support communities in equitable site development (e.g. procurement/contracting, site preparation, etc.)

# Preserve and Increase supply of rental housing units for lowest-income residents



- Increase County participation in efforts to preserve existing affordable housing stock
- Pass and allocate Levy Funds to support new affordable housing development including offering gap financing and land acquisition funds
- Encourage and incentivize innovation in housing construction techniques to bring down the cost of housing construction.



**20,590**  
**renters spend >**  
**50% of their**  
**income on housing**



“We have to proactively work to preserve these units. Funding sources for NOAH preservation have short timelines/not nimble enough to be leveraged quickly.”



- There is a steep price for inaction. In a normal year, there are +/- 500 evictions costing \$13M. During the great recession evictions rose to nearly 3,300 costing nearly **\$28M.**

## Expand affordable home ownership opportunities and improve housing stability for communities that have experienced historic wealth extraction



- Create a funding or tax waiver program to address historic redlining and housing reparations to BIPOC families displaced or denied homeownership through government policies, including the destruction of the Rondo Community.
- Provide grants, rebates or no-cost loans to low-income homeowners, owner-occupied housing and other small-multi-family housing landlords to make energy efficiency, climate resiliency, weatherization and emergency home safety repairs.



**\$2.3B**  
**Annual wage gap for BIPOC workers**



“I live in White Bear Lake and work in St. Paul. I’d really like to see public transportation expanded and to make sure there are truly affordable housing options, both rental and ownership.”



- There are less than 22,000 owner units affordable below 50% AMI. If these units are lost, the cost to replace them would be 3X to 12X the cost of preservation.



- Prioritize redevelopment of underutilized public lands near transit and key commercial corridors for affordable housing and community-serving needs
- Provide flexible capital to support the acquisition, development and rehabilitation of naturally-occurring affordable housing with resources targeted to transit corridors and economic corridors with NOAH inventory



**\$217M**  
**Saved by reducing**  
**daily commutes 10**  
**minutes**



“...Ramsey County should invest in public transportation or affordable housing near job centers.”



- Many BIPOC workers earn 55% to 73% of what White workers earn AND face higher transportation costs in time and money.

## Support communities in equitable site development (e.g. procurement/contracting, site preparation, etc.)



- **Encourage and incentivize innovation in housing construction techniques to bring down the cost of housing construction and overall maintenance.**

This should include supporting regional efforts to pilot modular and alternative construction pilots in Ramsey County, including multigenerational housing



**Modular construction can cut schedule by 20–50 percent and costs by 20 percent**



“Work with the city to clean up areas that are less ideal, improving infrastructure, street lights, City owned land to make areas where real estate is more desirable”



- Continuing the status quo of housing development will not be enough, new partnerships and innovative practices are needed to create a more accessible housing portfolio.

# Ramsey County Economic Competitiveness and Inclusion Plan

## *Economic Competitiveness Strategies*



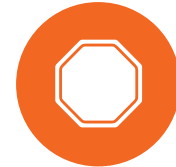
Community  
Insight



Economic  
Trends



Opportunities  
and Assets



Issues and  
Challenges

## Economic Trends



**Steady and slow** industry growth (8.3%)  
but growth, driven by small firms

Wages are low across industries compared  
to peers, with BIPOC **wage disparities**

Increased unemployment in low-wage  
sectors due to COVID-19

Projected employment growth in suburban  
Ramsey County, driven by **emerging medical  
manufacturing and tech clusters**.



## Opportunities and Assets

Adv. Manuf and Life Science **cluster growth**  
(pre and anticipated post-COVID)

Significant **redevelopment opportunities** for  
industry and commercial growth

Regional strength in **immigrant  
entrepreneurship** (Ramsey County diversity)

## Community Insight



*“We need more patient capital (grants, forgivable loans) for small businesses”*

*“Site development and prep is often a complicated process due to financing.”*

*“We need to broaden our workforce leadership to manage COVID uncertainty”*



## Issues and Challenges

Low levels of **business starts and small business lending** compared to peers

BIPOC resident **barriers to employment** (pre and more significantly post-COVID)

**Limited capacity in suburban communities** to engage and respond to business needs

**Wages are low across most industries**, with disparities existing across racial groups

## Economic Competitiveness, Innovation and Transformation

Be responsive to our changing economy, carving out for the County advantages that position us above our peers.

## STRATEGIES

5. Sustain and accelerate Covid-19 workforce recovery programs
6. Develop pathways to entrepreneurship and BIPOC business ownership
7. Attract and Grow high-wage industry and innovation: technology, advanced manufacturing, and life sciences
8. Strengthen Business Retention and Expansion infrastructure to support communities



- Provide additional non-grant funding to Workforce Solutions Department to fund and partner with community-based organizations. Leverage existing organizations that offer industry trainings and workshops in communities, particularly suburban Ramsey County.

**+3,300****Annual job growth****+2,000****Annual Labor Force growth**

“How do we get space for industries that are here so they don't leave... How do we retain them? What are we doing from an Economic Development standpoint to ensure they aren't motivated to go elsewhere?”



12,815 continued Unemployment Insurance claims in October 2020 remained 3x the number for January 2020.

The Future of Work is changing and Ramsey residents need resources to prepare themselves for what's now and next.



- Create a cohort of business lenders to discuss and respond to historic underinvestment in BIPOC entrepreneurs and communities
- COVID-19 Recovery: Establish a Revolving Loan, business relief fund, in support of high-priority businesses most in need.



**County has 500 fewer BIPOC owned firms than US rate**



**"I would love to see more economic development opportunities for African Americans especially in entrepreneurship."**



- Continued lack of BIPOC owned businesses limit wealth building in the community.
- BIPOC firm birth rate and survival rate must improve to foster opportunity and economic competitiveness.

## Attract and Grow high-wage industry and innovation: technology, advanced manufacturing and life sciences



- Expand technical assistance programs to advance entrepreneurship for immigrants
- Create a cohort of business lenders to discuss and respond to historic underinvestment in BIPOC entrepreneurs and communities



**+ 21,500 with  
a BA+ by closing  
the education gap  
for BIPOC  
residents**



“We have to make sure that the types of businesses being grown are ones that [residents] can work in.”



- Closing the education gap between white and BIPOC residents would mean an additional 21,518 workers with a BA+, earning an additional **\$124.5 M** per year.

## Strengthen Business Retention and Expansion infrastructure to support communities



- Create pre-development fund to help communities meet eligibility requirements for MN DEED's Shovel Ready Site Certification program
- Partner with existing organizations to create or expand capacity of existing Business Advisors to serve smaller geographies that have little capacity to engage local businesses



**\$180 M**  
**gap in business**  
**financing**

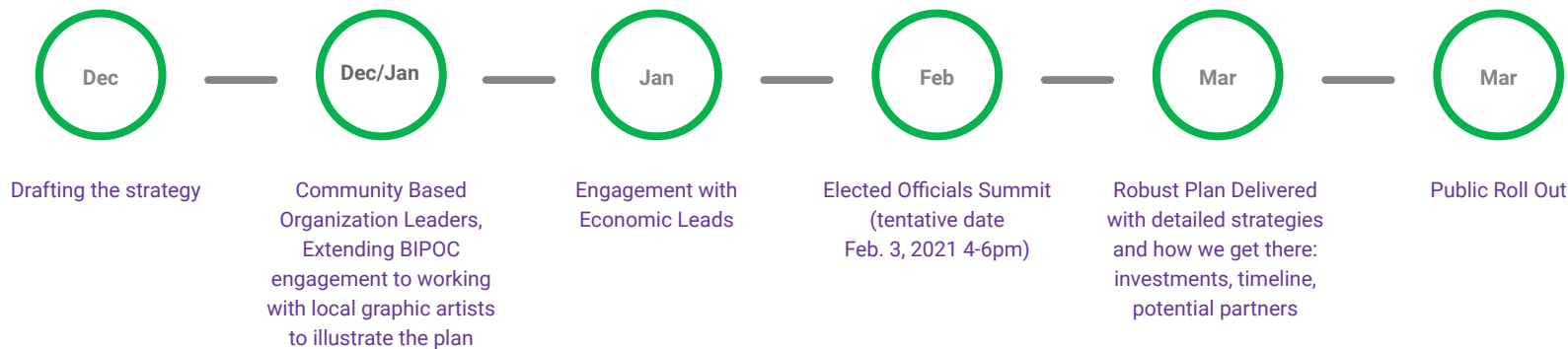


"Become a model county for new enterprises and the infrastructure needed to scale these enterprises and make lasting, regional impact. "

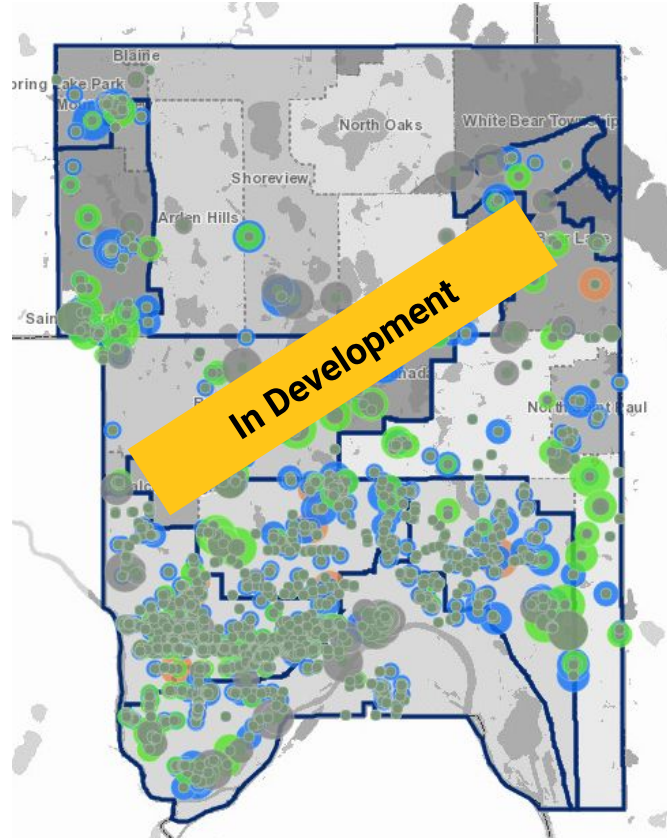


Ramsey County's rate of business creation is 89% of the US, but for BIPOC businesses, it is 63%. The lack of entrepreneurial infrastructure and equitable access is part of the reason that ***Ramsey County has \$180M less in business financing compared to Hennepin county.***

# Next Steps & Timeline



# NOAH Unit Analysis



# Thank You and Questions