

Economic Competitiveness & Inclusion Vision Plan

Ramsey County, MN

Strategy Overview | December 15, 2020



 RAMSEY COUNTY



 **FOURTH**
ECONOMY

Workshop Agenda and Speakers

Welcome

Commissioner MatasCastillo

Introduction

Ryan O'Connor, County Manager

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

COUNTY GOALS



Cultivate economic prosperity and invest in neighborhoods with concentrated financial poverty



Enhance access to opportunity and mobility for all residents and businesses

STRATEGIES

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.)



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

OUTCOMES

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

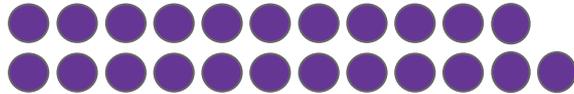
Rondo Intergenerational Wealth Gap - \$90M - loss of home equity

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

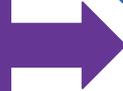
Over the past **ten months**...

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 economic advantages that position us above our peers.

Ramsey County Economic Competitiveness and Inclusion Plan

Place-Based Inclusion Strategies



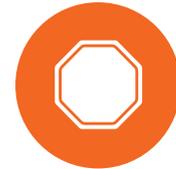
Community
Insight



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 by 2030 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.)

1

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 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.

2

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 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.**

3

Foster inclusive economic development within County transit corridors



- 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.

4

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



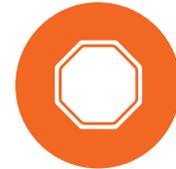
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Economic Trends



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

5

Sustain and accelerate Covid-19 workforce recovery programs



- 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



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



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.

6

Develop pathways to entrepreneurship and BIPOC business ownership



- 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



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



- 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



"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?"



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.**

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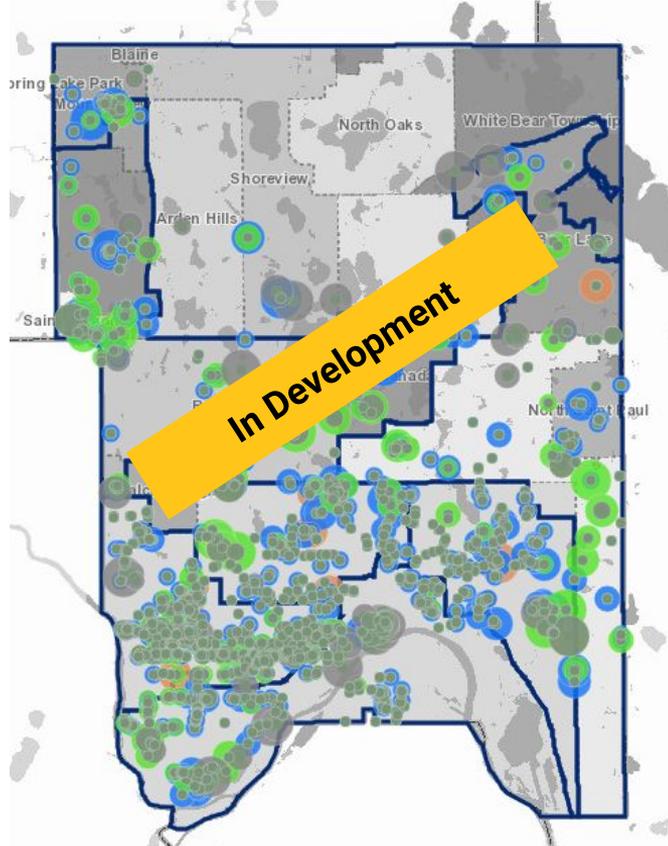


Economic Resilience

Next Steps & Timeline



NOAH Unit Analysis



“The cost of inaction is too great. If we wish to chart a path toward recovery and create a more resilient future, then we must ensure our commitment to our most vulnerable residents. ***When our most vulnerable residents thrive, we all thrive.”***

- Build Session participant

Thank You and Questions