



Community Planning & Economic Development Budget Overview

Presentation of the 2027 Mayor's Recommended
Budget for the Community Planning & Economic
Development Department to the City of
Minneapolis Budget Committee,
September 29, 2026

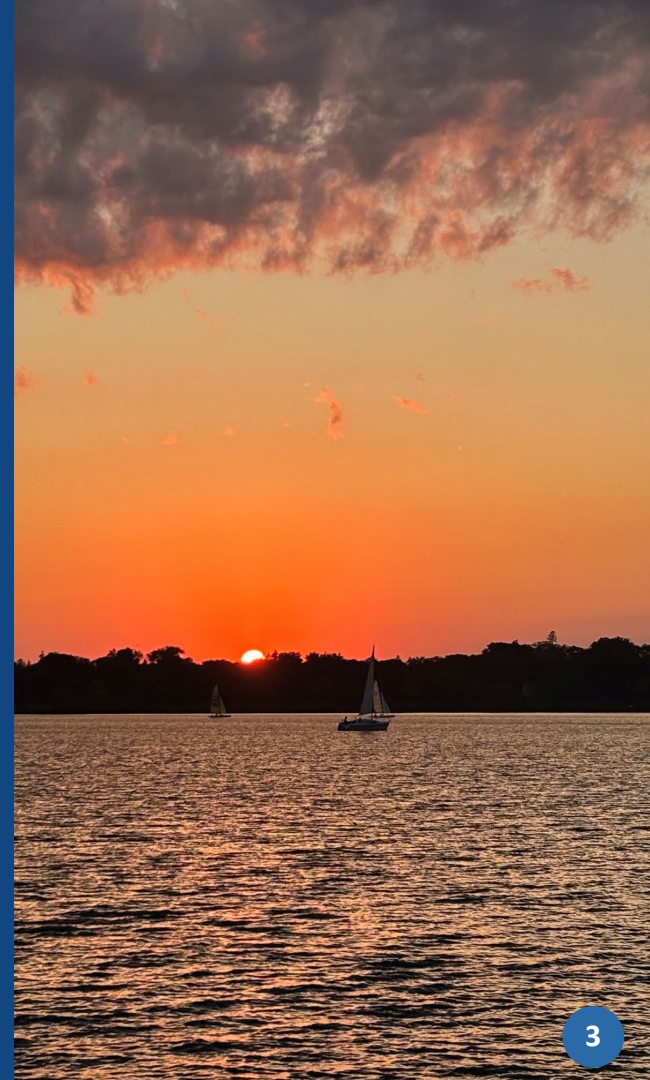




Agenda

1. Department and budget overview
2. Program and division updates
3. Special topics
 - Emergency Housing Vouchers (EHV)
 - Stable Homes Stable Schools (SHSS)

Department and budget overview





Office of Public Service: Community Planning & Economic Development

Deputy COO: Brette Hjelle

Director: Erik Hansen

Divisions: 5

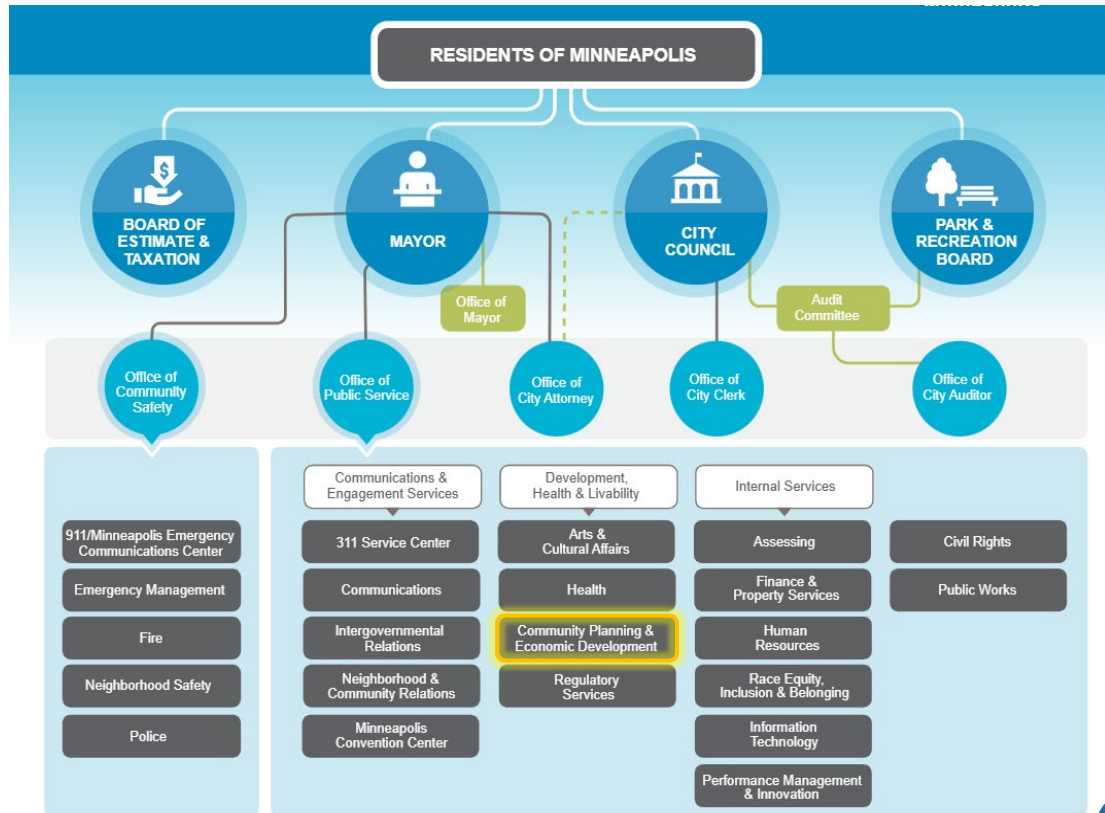
Current 2026 FTE count: 238

Portfolio: Development, Health & Livability

2026 Adopted Budget: \$124.8M

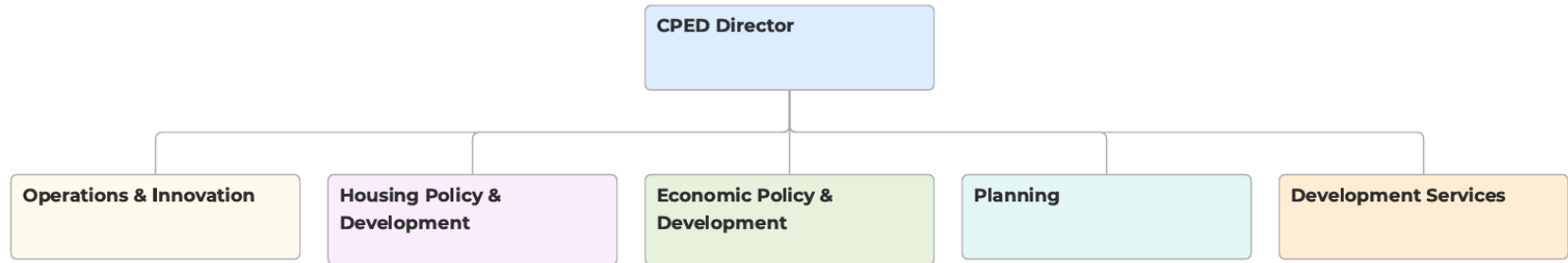
2027 Proposed Budget: \$123.3M

Mission statement: *Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone*





Community Planning & Economic Development: Organization



Activities and service delivery overview

Department objectives

- Foster an inclusive culture and support internal processes and systems
- Build a modern and customer-centered permit process
- Advance equitable outcomes in programs and systems
- Maximize the impact of Minneapolis 2050
- Assure safe and affordable housing for all
- Establish an equitable and resilient real estate strategy

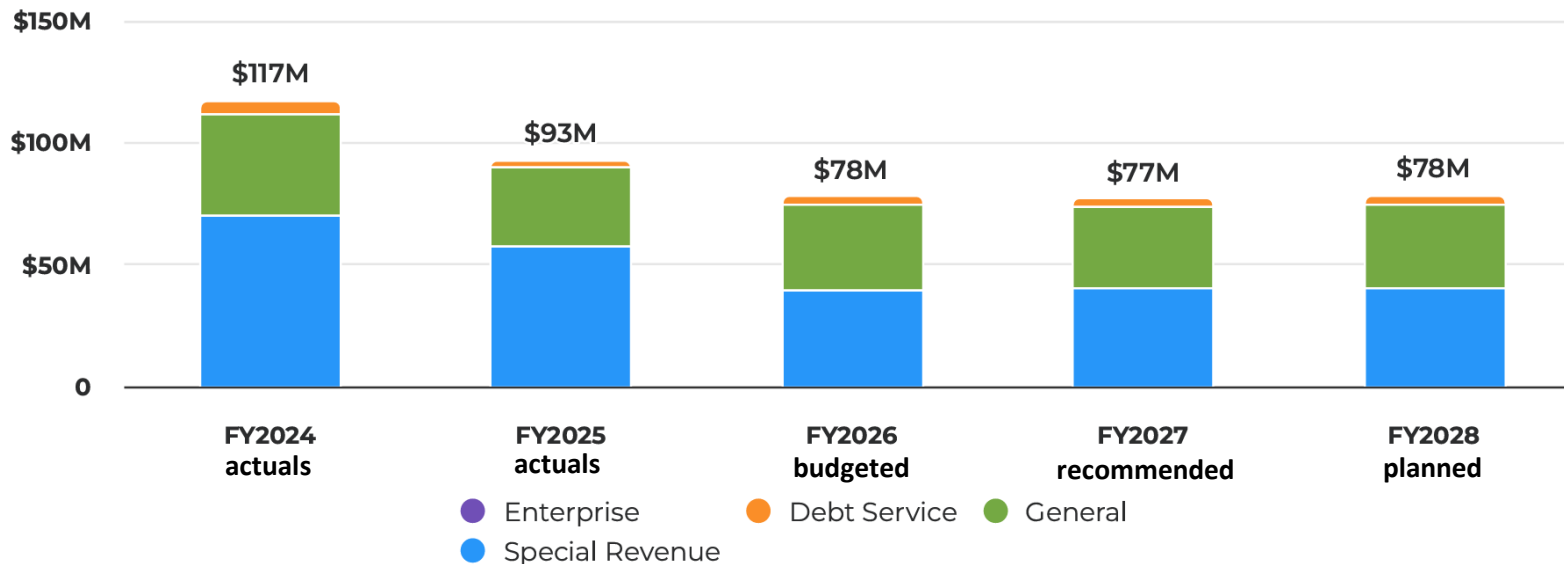
Key services and activities

- Reduce or eliminate red-tape and get to “yes” quicker
- Accelerate downtown and uptown economic activity
- Provide housing options in all neighborhoods regardless of income
- Activate vacant CPED land
- Complete OMS supports
- Restore Heritage Park
- Set Minneapolis 2050 goals and develop plan
- Support CPED staff





2027-28 Mayor's Recommended Budget revenue forecast, all funds



2026 to 2027 Forecasted Change

-\$870k



Increase Drivers

- +\$725k intergovernmental revenues (grants)

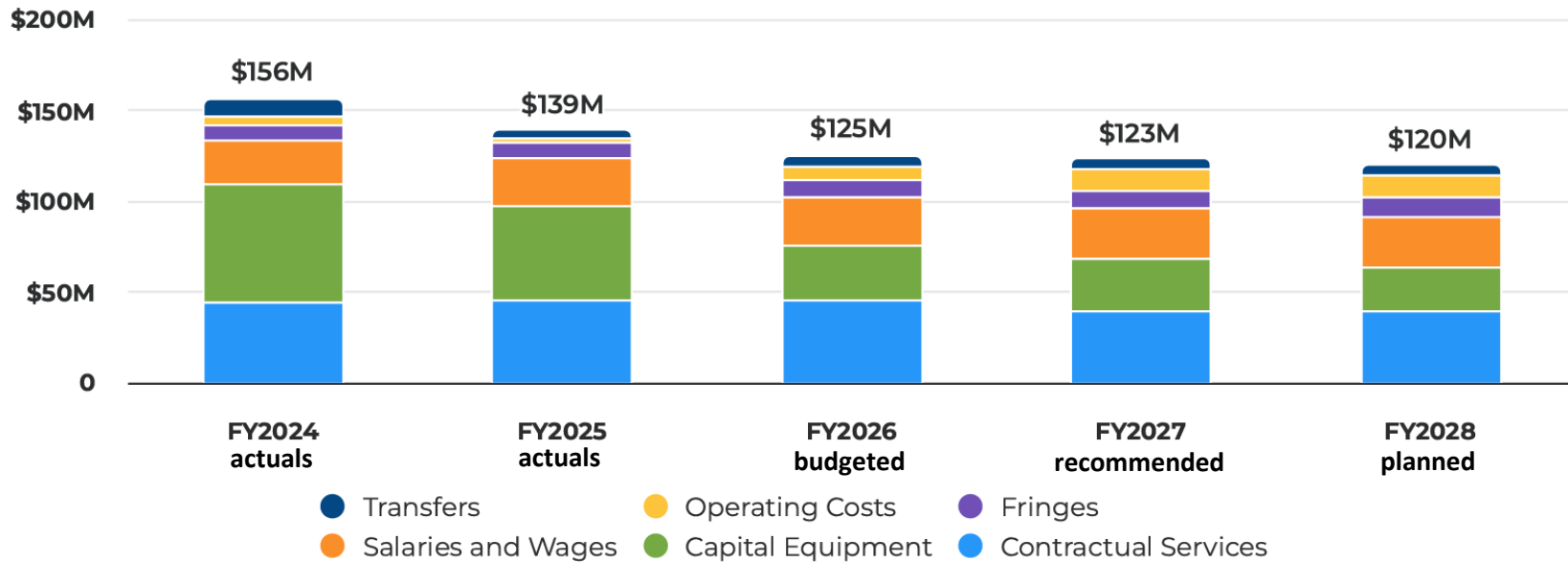


Decrease Drivers

- -\$1.4M Development Services licenses and permits



2027-28 Mayor's Recommended Budget expenses, all funds



2026 to 2027 Proposed Change

-\$1.4M



Increase Drivers

- +\$4.4M Liability allocation
- +\$8.3M Affordable Housing Trust Fund (AHTF)



Decrease Drivers

- -\$15.2M one-time 2026 investments falling off in 2027
- -\$785k (7.0 FTE) Reduction



2027-28 Mayor's Recommended Budget expenses, all funds details

Expense Category	FY2024 actuals	FY2025 actuals	FY2026 budgeted	FY2027 recommended	FY26 to FY27 change
Salaries and Wages	\$24,803,855	\$26,195,514	\$26,962,565	\$27,547,240	+\$584,676 / +2%
Fringes	\$8,491,736	\$8,814,076	\$9,245,057	\$9,860,191	+\$615,134 / +7%
Contractual Services	\$43,436,364	\$44,733,647	\$45,229,853	\$39,222,530	-\$6,007,323 / -13%
Operating Costs	\$4,133,962	\$2,187,855	\$7,508,432	\$11,624,334	+\$4,115,902 / +55%
Capital Equipment	\$65,026,233	\$52,615,098	\$30,029,301	\$29,019,267	-\$1,010,034 / -3%
Transfers	\$10,523,332	\$4,308,056	\$5,780,817	\$6,062,154	+\$281,337 / +5%
TOTAL	\$156,415,483	\$138,854,245	\$124,756,024	\$123,335,716	- \$1,420,308 / -1%



2027-28 Mayor's Recommended Budget overview (continued)

Recommended expenditures, all funds

Category	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	FY 2027 Recommended Budget	FY 2028 Planned Budget
Governmental					
General	\$46,980,741	\$46,826,432	\$54,838,060	\$54,861,878	\$56,459,798
Special Revenue	\$101,859,378	\$89,063,641	\$65,079,991	\$63,510,499	\$58,406,061
Debt Service	\$7,153,318	\$2,510,156	\$3,428,246	\$3,546,352	\$3,546,352
Total Governmental	\$155,993,438	\$138,400,229	\$123,346,298	\$121,918,729	\$118,412,210
Proprietary					
Enterprise	\$422,045	\$454,016	\$1,409,727	\$1,416,987	\$1,422,732
Total Proprietary	\$422,045	\$454,016	\$1,409,727	\$1,416,987	\$1,422,732
Total Expenditures	\$156,415,483	\$138,854,245	\$124,756,024	\$123,335,716	\$119,834,943

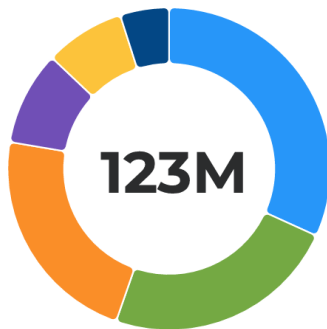
Recommended positions, all funds

Category	FY 2025 Budgeted	FY 2026 Budgeted	FY 2027 Budgeted	FY 2028 Budgeted
Community Planning & Economic Development	243.0	238.0	231.0	231.0
General	197.2	191.6	188.0	188.0
Special Revenue	44.8	45.4	42.0	42.0
Enterprise	1.0	1.0	1.0	1.0
Total Authorized FTEs	243.0	238.0	231.0	231.0



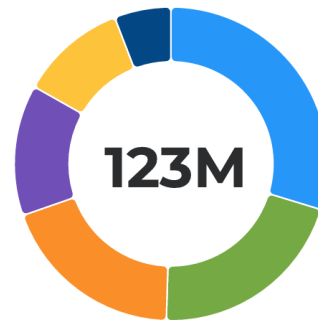
2027 Mayor's Recommended Budget breakdown, all funds

2027 budget by expense category



Contractual Services	\$39,222,530	31.80%
Capital Equipment	\$29,019,267	23.53%
Salaries and Wages	\$27,547,240	22.34%
Operating Costs	\$11,624,334	9.42%
Fringes	\$9,860,191	7.99%
Transfers	\$6,062,154	4.92%

2027 budget by division



Housing Policy & Development	\$36,642,718	29.71%
Economic Policy & Development	\$25,617,508	20.77%
Transfers & Debt Service	\$23,677,448	19.20%
Operations & Innovation	\$16,636,277	13.49%
Development Services	\$13,541,954	10.98%
Planning	\$7,219,811	5.85%



2026 to 2027 Mayor's Recommended investments overview

Investment Title	Fund	2027 Investment		Impacted division(s)	Investment rationale/service impact
		FTE	Amount		
Hawthorne Facility – Parking and Janitorial Services	General Fund	0	\$113,000	Development Services	Costs associated with new leasehold space for the Development Services division
Peoples' Way property management	General Fund	0	\$50,000	Economic Policy & Development	Holding costs to the City for property maintenance and other expenses for this property
Affordable Housing Trust Fund (AHTF)	Special Revenue	0	\$8,289,279	Housing Policy & Development	Annual investment to support rental housing production in Minneapolis
Minneapolis Homes	Special Revenue	0	\$1,600,000	Housing Policy & Development	Annual investment to support ownership housing production in Minneapolis
Vacant & Boarded Building Program	Special Revenue	0	\$325,000	Housing Policy & Development	Annual investment to support vacant and boarding program in Minneapolis
Cowles Center property management	Special Revenue	0	\$240,000	Economic Policy & Development	Holding costs to the City for property maintenance and other expenses for the Cowles Center property
+ Total Recommended Investments		0	\$10,617,279		



2026 to 2027 Mayor's Recommended divestments overview

Divestment Title	Fund	2027 Divestment		Impacted division(s)	Anticipated service impacts
		Est. FTE	Amount		
Budgeted position adjustment (GF)	General Fund	-6.1	\$677,472	All	Review of positions and impacts ongoing
Non-personnel reduction	General Fund	0	\$80,670	All	Proposed reduction to the non-personnel budget for travel, memberships & dues, and non-profit professional contractual services
Budgeted position adjustment (SR)	Special Revenue	-0.9	\$107,274	All	Review of positions and impacts ongoing
Total Recommended Divestments		-7	\$865,416		

Program and division updates





Development Services Division

2027 proposed budget: \$13.5M, 100% General Fund

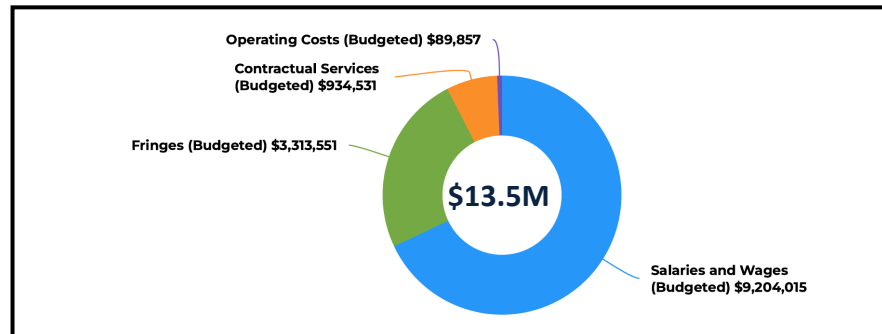
2027 planned FTEs: 79

Current vacancies: 6

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Review construction permit applications and building plans; conduct building, plumbing, and mechanical inspections.
- Issue permits, certificates of occupancy, and other required documents.
- Help applicants understand project requirements and local building codes.
- Support safe housing by inspecting condemned and fire-damaged properties.
- Issue competency cards, manage licensing records, and ensure quality housing through the Truth in Sale of Housing program.
- Improve and streamline permitting processes by reducing unnecessary steps.



2026 to 2027 budget change: +\$1.0M

Change drivers based on budget book:

- +\$300k for various allocation charges
- +\$113k for Hawthorne parking and janitorial services
- +\$501k for personnel budget



Economic Policy & Development Division

2027 proposed budget: \$25.6M, 52% General Fund

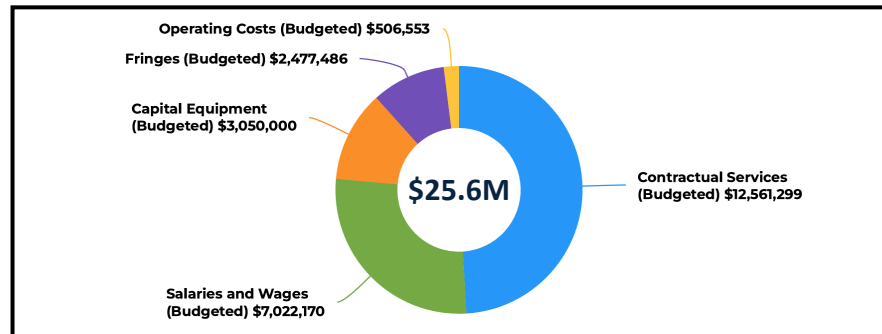
2027 planned FTEs: 61

Current vacancies: 2

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Support small businesses through direct help, outreach, and access to training and consulting.
- Grow and strengthen neighborhoods through development tools such as loans, grants, and site search assistance.
- Help people build workforce skills and find job training and employment.
- Guide business owners through licensing requirements and provide education to support safe and successful operations



2026 to 2027 budget change: -\$3.2M

Change drivers based on budget book:

- \$4.5M 2026 one-time funding ending
- +\$217k for various allocation charges



Housing Policy & Development Division

2027 proposed budget: \$36.6M, 14% General Fund

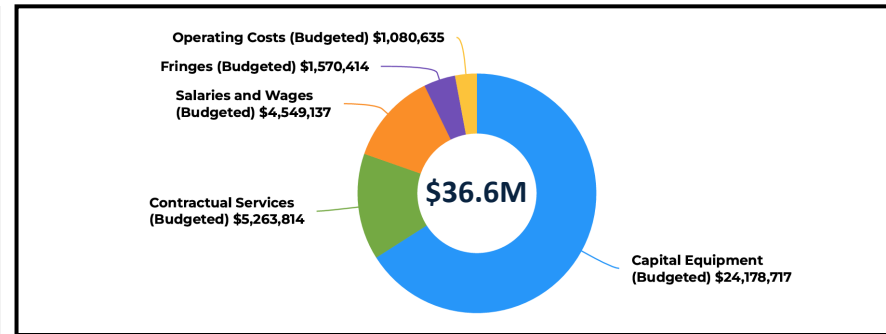
2027 planned FTEs: 36

Current vacancies: 1

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Develop strategies to provide housing options in all neighborhoods regardless of income
- Work with public funders to restore Heritage Park
- Activate vacant CPED land
- Evaluate program processes and eliminate steps that may be impacting development
- Collaborate with Hennepin County on homelessness response



2026 to 2027 budget change: -\$1.3M

Change drivers based on budget book:

- 2026 one-time funding ending
- 2027 new investments
- Increase in LAHA funding
- Decrease in funding to the AHTF program



Operations & Innovation Division

2027 proposed budget: \$16.6M, 99% General Fund

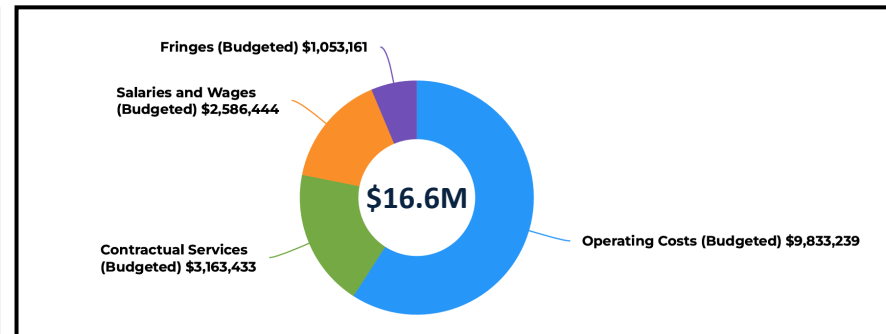
2027 planned FTEs: 20

Current vacancies: 0

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Coordinate core CPED operations including budgeting, finance, technology, administrative services, communications, interagency coordination, fleet, records, and workforce planning.
- Lead cross-department and cross-jurisdictional work on housing, anti-displacement, equitable development, and policy advancement.
- Provide data analytics, research, and policy support to inform City and CPED decision-making.
- Advance race equity in workplace culture.



2026 to 2027 budget change: +\$4.5M

Change drivers based on budget book:

- +\$4.4M for liability premium self-insurance charge
- -\$1.2M in remaining allocation charges



Planning Division

2027 proposed budget: \$7.2M, 84% General Fund

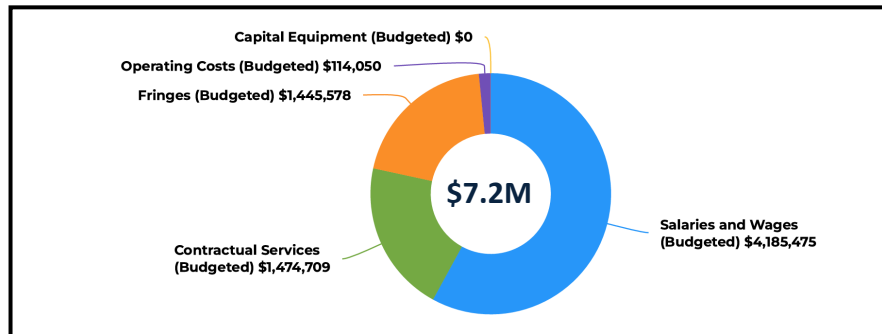
2027 planned FTEs: 35

Current vacancies: 0

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Minneapolis 2050 Comp Plan Update
- Blue Line LRT Station Area Planning
- Olson Memorial Highway Reconstruction
- Zoning Code text amendment projects
- Review and process land use and preservation applications
- Review and process permit applications for zoning compliance
- Site plan inspections and zoning enforcement



2026 to 2027 budget change: -\$960K

Change drivers based on budget book:

- 2026 one-time funding ending



Transfers & Debt Service

2027 proposed budget: \$17.6M, 0% General Fund

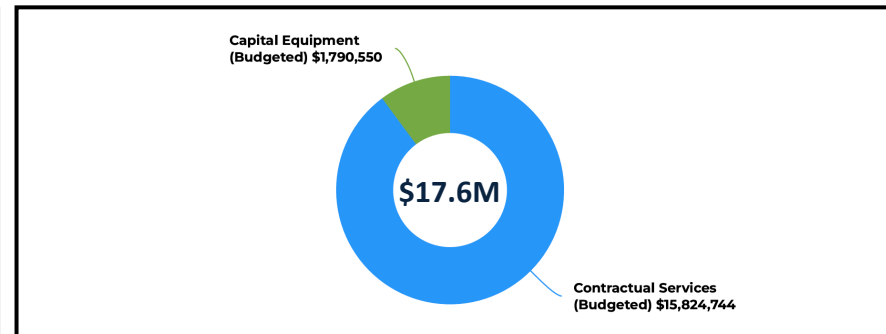
2027 planned FTEs: 0

Current vacancies: 0

Mission: Growing a vibrant, livable, equitable, sustainable, and safely built city for everyone.

Planned 2027 programs and activities:

- Pay debt service on bonds that support CPED projects.
- Pay internal loans and pay-go tax increment financing notes.
- Transfer eligible funds to help pay for CPED development activities.
- Pay other contractual obligations linked to CPED development work.



2026 to 2027 budget change: -\$1.5M

Change drivers based on budget book:

- -\$2.0M contractual services



Major Development Services Division contracts (\$935K FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Allocation Costs	City	00100	\$589,625	City Allocations	Cost allocations for rent and fleet services costs.
Hawthorne Parking and Janitorial Services	ABM Parking	00100	\$118,000	Parking and Janitorial Services	Parking charges and janitorial services cost at Hawthorne facility.
Miscellaneous Contractual Expenses	Multiple	00100	\$226,906	Multiple	Miscellaneous operating expenses, such as printing, copying, postage, cellphones, demolition, and advertising.
Total Contracts			\$934,531		



Major Economic Policy & Development Division contracts (\$12.6M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Adult Workforce Programs & Support	Multiple	00100, 01300, 01400, 01600	\$4,715,845	Employment Services; software	Provides funding and services to help low-income job seekers, adults, and displaced workers find employment, including career pathways and reemployment programs.
Allocation Costs	City	00100	\$351,240	City	Cost allocations for rent and fleet services costs.
Black Business Week	Multiple	00100	\$100,000	Professional Services	Supports Black-owned businesses by connecting entrepreneurs to resources, networks, and opportunities to strengthen business success.
Business Technical Assistance Program (BTAP)	Multiple	00100	\$200,000	Professional Services	Provides free consulting and support to small businesses and entrepreneurs through community partnerships.
Climate Legacy Initiative Pathways	Building Strong Communities	00100	\$224,609	Employment Services; software	Supports efforts to increase awareness of apprenticeship opportunities across the city and metro area.
Property Management	Multiple	00100, 01730, 01SDA	\$410,000	Property Management	Supports maintenance of City-owned development properties, including monitoring, mowing, snow removal, waste disposal, repairs, utilities, insurance, repairs, and special assessments. This includes Peoples' Way and Cowles Center property management.
Great Streets Program	Multiple	00100	\$850,000	Grant agreements	Supports business districts and facade improvements, strengthening local commercial areas and economic vitality.



Major Economic Policy & Development Division contracts (\$12.6M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Green Jobs & Training	Multiple	00100	\$146,445	Employment Services; software	Supports career pathways that provide training in energy efficiency skills.
Miscellaneous Contractual Expenses	Multiple	00100	\$292,120	Multiple	Covers miscellaneous operating and contractual expenses, such as printing, copying, postage, cellphones, and advertising.
River Terminal	Network for Better Futures	07ERT	\$1,193,007	Property Management	Owens and manages parts of the Upper Harbor area. Property management includes site monitoring, garbage removal, and paying utilities and special assessments.
Tech Hire	Multiple	00100	\$20,000	Employment Services; software	Supports career pathways into technology careers.
Upper Harbor	Consultants	01SDA	\$155,155	Professional Services	Predevelopment and planning costs of City-owned development properties.
Youth Workforce Programs & Support	Multiple	00100, 01300, 01400, 01600	\$3,902,878	Employment Services; software	Supports youth employment through funding and services for the federal WIOA youth program and the City of Minneapolis' Step-Up summer jobs program, including wages for young people.
Total Contracts			\$12,561,299		



Major Housing Policy & Development Division contracts (\$5.3M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Allocation Costs	City	00100	\$150,284	City	Covers rent costs for City-owned or leased property.
ESG Prog, Admin and Outreach	Hennepin County	ESG, 00100	\$1,091,405	Governmental Contract Services	Supports homelessness services for Minneapolis residents, including street outreach, rapid rehousing, and essential services. Also provides the required match to county services that supports street outreach services.
Homeowner Counseling & Outreach Program	MN Homeownership Center	00100	\$175,000	Non-Profit Contracted Services	Provides homebuyer counseling and outreach to help residents buy a home.
Homeownership Support & Development	Multiple	01400	\$896,535	Multiple	Program administration costs for the HOM Program (Down Payment Assistance) and software for the Home Improvement Program.
Miscellaneous contractual services	Multiple	00100	\$54,000	Multiple	Miscellaneous operating expenses, such as printing, copying, postage, cellphones, and advertising.



Major Housing Policy & Development Division contracts (\$5.3M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
MPHA Program	Multiple	00100	\$125,000	Multiple	\$75K for MPHA security and \$50K for Minneapolis Highrise Council tenant organizing.
Multi-Family Affordable Housing	Multiple	01400	\$980,162	Multiple	Property management of City-owned land and real estate transactions, including acquisition and disposition of land.
Right to Counsel/Eviction Representation	Mid-Minnesota Legal Aid	00100	\$650,000	Non-Profit Contracted Services	Provides free legal help to low-income residents facing eviction under the Right to Counsel Ordinance and legal and housing support.
Tenant Stability Hotline/Tenant Hotline	HOMELine, NorthPoint Health & Wellness	00100	\$150,000	Non-Profit Contracted Services	Contract with HOME Line and NorthPoint to provide renters with free legal help and resources to prevent evictions and homelessness.
Vacant Housing Recycling Program	Multiple	01400	\$675,680	Multiple	Property management of City-owned land and real estate transactions, including acquisition and disposition of land.
Various Housing Programs	Multiple	00100, 01400, 01SCI, 01SDA	\$315,749	Multiple	Covers administrative and legal costs for City affordable housing programs, including 4D, the Affordable Housing Trust Fund, and mortgage revenue bond projects. This includes title, recording, relocation, participant, and legal services.
Total Contracts			\$5,263,814		



Major Operations & Innovation Division contracts (\$3.2M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Allocation Costs	City	00100	\$3,061,023	City	Cost allocations for rent, information technology, self insurance, and fleet services costs.
Miscellaneous Contractual Services	Multiple	00100	\$102,410	Multiple	Miscellaneous operating expenses, such as printing, copying, postage, cellphones, and advertising.
Total Contracts			\$3,163,433		



Major Planning Division contracts (\$1.5M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
2050 Comprehensive Plan	Multiple Vendors	00100	\$300,000	Professional Services	A master consulting pool contract to support the 2050 Comprehensive Plan.
Allocation Costs	City	00100	\$182,630	City	Cost allocations for rent and fleet services costs.
Miscellaneous Contractual Services	Multiple	00100	\$192,079	Multiple	Miscellaneous operating expenses, such as printing, copying, postage, cellphones and advertising.
Nicollet Programming	CCS Collaborative Consulting	00100	\$400,000	Professional Services	Contract for ideas to pedestrianizing the Nicollet Mall.
Vibrant Downtown Storefronts and Cultural Districts	Minneapolis Downtown Council/DID	00100	\$400,000	Professional Services	Support downtown economic development and vibrancy with a focus on Nicollet Mall.
Total Contracts			\$1,474,709		

Major Transfers & Debt Service Division contracts (\$15.8M FY27 budget)

Contract Requirement	Vendor	Fund	2027 Budget	Contract Type	Overview
Tax Increment Financing	Multiple	Multiple	\$15,824,744	Multiple	Covers Tax Increment Financing (TIF) note payments and City and Hennepin County administrative fees.
Total Contracts			\$15,824,744		

Special Topics





Emergency Housing Vouchers (EHV) program

PROGRAM	2026	2027	2028	COMMENTS
EHV	\$254,107	\$254,107	\$254,107	2026 ongoing allocation transferred from City Attorney's Office to reinstate EHV program
EHV	\$437,679	0	0	One-time: Council approved 2025 to 2026 rollover allocation from Legislative Dept
EHV	\$400,000	0	0	Onetime: 2025 to 2026 rollover
EHV	\$1,000,000	0	0	One-time: 2026 allocation
TOTAL	\$2,091,786	\$254,107	\$254,107	



Stable Homes Stable Schools (SHSS) program

PROGRAM	2026	2027	2028	COMMENTS
SHSS	\$2,200,000	\$2,200,000	\$2,200,000	Ongoing: base
SHSS	\$1,400,000	\$1,400,000	\$1,400,000	Ongoing: redirected from Emergency Housing Vouchers to SHSS program as part of 2026 budget process
SHSS	\$1,400,000	0	0	One-time: redirected from 2025 Emergency Housing Vouchers program to SHSS program as part of the 2026 budget process
TOTAL	\$5,000,000	\$3,600,000	\$3,600,000	

