



**Request for City Council Committee Action
from the Neighborhood and Community Relations Department**

Date: November 17, 2014
To: Council Member Cam Gordon, Chair, Health, Environment and Community Engagement Committee
Referral to: None
Subject: Report on History of the Neighborhood Revitalization Program, the Community Participation Program and the Neighborhood and Community Relations Department.
Recommendation: Receive and File
Previous Directives: None

Department Information

Prepared by: Robert Thompson, Neighborhood Support Manager
Approved by:
David Rubedor, Neighborhood and Community Relations Director _____
Spencer Cronk, City Coordinator _____
Presenters in Committee: Robert Thompson, Neighborhood Program Manager, NCR

Financial Impact

No financial impact. For informational purposes only.

Background

This report provides background history on the Neighborhood Revitalization Program (NRP) and the Community Participation Program (CPP), including use of Tax Increment Financing districts as a funding tool, and development of the Neighborhood and Community Relations Department that supports this work. The scope of this report does not include the history and background for the NCR department’s enterprise or cultural engagement work. For more detailed information on NRP and the work leading to creation of the NCR and NCEC, please follow this link: http://www.minneapolismn.gov/ncr/ncr_about-us.

The Neighborhood and Community Relations department (NCR) was created by the Minneapolis City Council in 2010 to serve as a resource department supporting the City’s community engagement efforts. In anticipation of the end of a 20-year Joint Powers Agreement through which the City governed the NRP in partnership with Hennepin County, the Minneapolis School Board, the Minneapolis Park Board, the Minneapolis Library Board, neighborhood organizations and other partners, the City established NCR to continue supporting the work of neighborhood organizations and to support a broader vision of community engagement. One of the initial charges of NCR was to work with the newly formed Neighborhood and Community Engagement Commission (NCEC) to create guidelines and an allocation formula for the CPP.

At the beginning of 2012, NCR assumed responsibility for administration of the Neighborhood Revitalization Program, a program established in 1991 with the goal of reversing the decay and increasing blight of the City's neighborhoods and loss of population.

Origins of the Neighborhood Revitalization Program

The NRP was created in response to an increasing concern about neighborhood decline, falling population, and decaying housing stock. Between 1987 and 1990, the City Council appointed several task forces and work groups to study the problem of decline and urban decay in Minneapolis. A City of Minneapolis Task Force reported in 1988 that:

A complex set of demographic, social and economic factors have contributed to growing neighborhood decline. For example, the number of boarded houses on the City's vacant and boarded list has increased by 50 percent. The federal government has virtually abandoned urban revitalization. The City must take the initiative to preserve and revitalize its physical structures and stabilize its tax base. ([Neighborhood Revitalization Program Chronology Of Key Events](#), undated)

The Task Force recommended a 20-Year Neighborhood Revitalization Plan, and extending the tenure of the Task Force by six months to develop an implementation strategy for the Plan.

The City Council established a 15-member Twenty-Year Revitalization Program Implementation Advisory Committee, and in 1989, Minneapolis Community Development Agency Director James Heltzer reported to the City Council that:

Minneapolis is today on the threshold of losing its position as one of the most livable cities in the United States. Along with physical problems are the increased social ills that are slowly but surely hurting Minneapolis' chances of maintaining a climate of livability. If unabated, these trends mean Minneapolis will crash and burn as a decent livable city over the next 20 years. The elected officials twenty years from now cannot prevent this... We must have our neighborhoods effectively function as the basic building blocks of this revitalization plan. It is their planning, their priorities, their needs that are the driving force—the engine—that will make revitalization a reality. (ibid)

In 1990, the Minnesota State Legislature and the City of Minneapolis passed the laws and ordinances that establish the "Neighborhood Revitalization Program" – linking financial resources from Minneapolis tax increment finance districts (called "the Common Project") to implementation of the Twenty-Year Neighborhood Revitalization Plan.

The basic framework of the NRP program included the following requirements:

- An NRP Policy Board representing major jurisdictional agencies, neighborhood organizations and others, would govern the program.
- \$20 million annually would be dedicated over twenty years.
- NRP allocations and planning would be carried out in two ten-year phases. Residents in each neighborhood would be directly involved in planning, implementing, and reviewing their plans.
- Eligible expenses must be supported by "bottom up" planning efforts approved by the neighborhoods.

For details on the structure and governance of the NRP, please follow this link:

http://www.minneapolismn.gov/ncr/ncr_nrpbackground_ce.

Phase I of NRP

At a public drawing in February 1991, the first 6 Minneapolis neighborhoods (Jordan, Whittier, East Harriet-Farmstead, Phillips, Bryant and Windom) are selected from 35 applying neighborhoods to begin their NRP planning. By the end of 1991, two more drawings are held, selecting six additional neighborhoods for NRP planning (Stevens Square, Bancroft and Lowry Hill (Cedar-Isles-Dean, Central, Hale-Page-Diamond Lake, Loring Park, Near North-Willard-Hay, Powderhorn Park).

In July 1992 The Whittier Neighborhood Action Plan was the first Plan approved by the NRP Policy Board. Between 1992 and 2007, all seventy neighborhoods had approved NRP Phase I neighborhood action plans.

Neighborhood organizations took on average took three years for developing their neighborhood plans ([Neighborhood Revitalization Program Evaluation Report Phase One: 1990-1999](#)). Neighborhood organizations that hired professional paid staff got through planning and implementation quicker ([The Minneapolis Neighborhood Revitalization Program: An Experiment in Empowered Participatory Governance](#)).

Phase I funding occurred at the original \$20,000,000 per year commitment from the Common Project.

Phase II of NRP

In 1999, the NRP Policy board and the City of Minneapolis began [planning for Phase II of NRP](#), developing a new set of goals for NRP and establishing a new allocation formula. This process included a series of community meetings to gather input on the new goals of NRP and the process for Phase II planning.

Original Phase II allocations were proposed to be \$180 million. However, tax reform enacted by the State Legislature in 2001 significantly reduced available TIF revenues. Non-plan "set-asides" totaled \$43,740,449 (e.g., the Affordable Housing Reserve Fund), further reducing [NRP Phase II neighborhood allocations to \\$41,808,610](#). Revised Phase II revenue projections also showed that almost 50% of the Phase II revenues for neighborhoods would not be received until after the end of Phase II (December 2009). This is because the Phase II revenues that were to be available for neighborhood groups were reliant on the repayment of the Brookfield Gaviidae Commons loan. For further information, see the December 3, 2007 Request for Council Action "[NRP Phase II Minimum Funding Level Guarantee](#)."

In response, the NRP Policy Board took action to slow the rate of neighborhood NRP expenditures in response to volatile TIF revenue projections, including capping the amount of funds that neighborhoods could expend in the first three years following Phase II plan approval.

Planning for Post-NRP and the Future of Community Engagement

As the City began to look at support for neighborhoods post-NRP, at least [six reports on the City's community engagement process](#) were developed by City work groups, the Minneapolis NRP, and neighborhood organizations between 2002 and 2006.

In 2006, the City Council formed a staff work group to review and summarize previously documented feedback, reports and recommendations on the City's community engagement activities. The work group [provided a report to the City Council](#) in November 2006 that described the existing community engagement system, introduced the Community Engagement Process Model, documented past community input on the community

engagement practices, and provided recommendations for improving the City's community engagement practices.

In May 2007, the City Council approved a three-track [work plan](#) to address the multiple facets of the City's community engagement system. In addition to identifying immediate improvements to the City's existing community engagement efforts, the City Council established a Community Engagement Task Force in June 2007 and an NRP Work Group in November 2007 to explore improvements to the City's community engagement system, define the roles and funding of neighborhood, community and cultural organizations, and to determine the focus, funding, and governance of NRP programming after 2009.

The Community Engagement Task Force developed [recommendations](#) structured on the [Core Principles of Community Engagement](#), and the City Council adopted the Core Principles in December of 2007.

Framework for the Future

In July 2008, the NRP Work Group presented their final report to the City Council Committee of the Whole. The [Framework for the Future](#) recommended:

- Establishing the Neighborhood and Community Relations Department;
- Establishing the Neighborhood and Community Engagement Commission
- Continued funding to support the work of neighborhood organizations through development of the Community Participation Program, a Neighborhood Investment Fund, and a Community Innovation Fund.
- Expanding the City's community engagement efforts to support participation outreach where cultural norms, practices, language and disabilities create barriers to participation.

The Neighborhood and Community Relations Department and the Neighborhood and Community Engagement Commission

The development of the NCR department and the funding programs for the neighborhood organizations closely followed the recommendations from the Framework for the Future.

In the last four months of 2008, the Minneapolis City Council and Mayor R.T. Rybak [approved establishing a Neighborhood and Community Engagement Commission and a Neighborhood and Community Relations Department](#). David Rubedor was named as the senior project manager for the City's newly created Department in December 2008.

The State Legislature also approved the special law (Minn. Laws, chapter 366, art. 5, section 37) allowing the establishment of a new [consolidated tax increment financing district](#) (ConTIF) for the purposes of funding Target Center debt relief and neighborhood revitalization purposes.

In February 2009, The Minneapolis Park Board appointed 1 member and the Mayor and City Council appointed seven members to be a part of the new Neighborhood and Community Engagement Commission. Neighborhood organizations elected eight members to the NCEC in June 2009. In October 2009, David Rubedor was hired as the NCR department director.

In 2010, NCR staff worked with the newly established NCEC to develop guidelines for the Community Participation Program. NCR and NCEC met with more than 60 neighborhood organizations in a two-month period to gather input prior to development of the guidelines.

Draft guidelines were sent to all 70 neighborhood organizations for feedback before review by the NCEC and approval by the City Council. The [2011 Community Participation Program Guidelines](#) were approved by the City Council in December 2010.

Funding for the new Community Participation program came from the newly established ConTIF district. However, in an effort to provide property tax relief, the City reprogrammed \$10 million of Phase II funds to the Community Participation Program in late 2010. This was intended to fund the program and the NCR department for the years 2012 and 2013.

In late 2010, the City Council charged NCR staff and the NCEC to develop recommendations to address inequities in neighborhood funding resulting from the re-programming of NRP funds to support the Community Participation Program. NCR staff developed revisions to the Guidelines based on feedback from neighborhood organizations at a series of focus groups in mid-2011, and also in response to constraints imposed by the use of NRP program funds. The [revised CPP Guidelines](#) were approved in 2012.

On Friday, December 16, 2011, the City Council approved a [revised NRP ordinance](#), and adopted resolutions to [establish a new NRP Policy Board](#) and [revise the purposes of the Neighborhood and Community Engagement Commission](#). On Monday, December 19, 2011 the former NRP Policy Board approved the transfer of NRP assets to the City of Minneapolis, other than some computers and equipment that were donated to neighborhood and community organizations.