



**Making Minneapolis Neighborhoods
Better Places to Live, Work, Learn and Play**

Memorandum

To: Policy Board Members and Alternates
From: Joe Mullery, Board Chair
Date: April 13, 2004
Subject: Proposed Legislative Changes to NRP

In September, as part of the Board packet, all Board members and alternates received copies of an August 11 memorandum from NRP Director Bob Miller to CPED Director Lee Sheehy, which proposed that NRP provide the service for more of its contract administration activities. The proposal was made to try and correct contract management and monitoring performance, cost and timeliness issues that have been concerns for many Board members for many years.

The memorandum suggested formally recognizing the city initiated change in contract administration that had occurred when the city voluntarily indicated that it could not, and did not want to manage NRP contracts with neighborhoods. Unfortunately, the end result of this effort to improve our contract administration activities was the involvement of the City Attorney and an October 22 opinion that has resulted in two attorneys reviewing even the most routine contracts, more than twice as many contracts being needed to expend the same amount of dollars, and projected hourly contract management rates for city personnel that are 40% higher than the rates that would have applied if the original proposal had been implemented. Who suffers for this? The neighborhoods and residents of the city, because more of our fewer NRP dollars have to be spent supporting administrative costs, more hoops need to be jumped through by neighborhoods to get contracts signed, and the people with the most knowledge of the neighborhood action plans are the farthest removed from administering the contracts that implement the plan.

We need a more rational system that costs less and can be more responsive. Putting such a system in place is not brain surgery, but it can be implemented best by clarifying the statute governing NRP. This amendment is intended to provide a better, more efficient and effective government procedure, that all of the jurisdictions participating in NRP should wholeheartedly support and embrace. It is time to do what is necessary to improve NRP procedures so that our neighborhoods and city can reap the benefits from their efforts.

I have attached a legislative amendment to Minnesota Statutes 469.1831 (the NRP law) that I propose to introduce this session to correct the problem. This eleven-word amendment clarifies that NRP has the option of managing the contracts for its own funded activities.

The second legislative amendment that I am proposing clarifies the point at which Common Project revenues become the revenues of NRP. Debate has arisen on this point, even though I think the meaning of the law is clear. The other legislators I have talked to, and the attorney who drafted the original statute, agree with my interpretation of the intent of the legislation when the law was passed. To make it clear when the transfer of ownership of revenue occurs, I recommend a wording change (attachment 2), which sets forth the legislature's intent that these funds be conveyed to NRP within a month after the end of the year for which the revenues are to go to NRP. The remaining changes to this statutory section clean up some old language and reaffirm NRP's commitment to meeting the obligations contained in the original legislation.

I bring these two legislative actions to the Board for your support and endorsement. These amendments remove ambiguity and help clarify the existing statutes so that NRP will be easier to administer and more focused on improving neighborhoods. Action is needed because the interpretations that have been and are being made of the statute are changing its intent and effectiveness. We need to return to the original purposes of NRP and reaffirm our commitment to supporting the neighborhoods.

I propose the following motion:

RESOLVED: That the NRP Policy Board endorses the amendments to the NRP statute and Section 604 of Laws of 1990, which are attached to this memorandum.

ATTACHMENT #1

1 moves to amend H. F. No. as follows:

2 Page ..., after line ..., insert:

3 "Sec. ... Minnesota Statutes 2002, section 469.1831,
4 subdivision 6, is amended to read:

5 Subd. 6. [CITIZEN PARTICIPATION REQUIRED.] (a) The
6 neighborhood revitalization program must be developed with the
7 process outlined in this subdivision.

8 (b) The program must include the preparation and
9 implementation of neighborhood action plans. The city must
10 organize neighborhoods to prepare and implement the neighborhood
11 action plans. The neighborhoods must include the participation
12 of, whenever possible, all populations and interests in each
13 neighborhood including renters, homeowners, people of color,
14 business owners, representatives of neighborhood institutions,
15 youth, and the elderly. The neighborhood action plan must be
16 submitted to the policy board established under paragraph (c).
17 The city must provide available resources, information, and
18 technical assistance to prepare the neighborhood action plans.

19 (c) Each city that develops a program must establish a
20 policy board whose membership includes members of the city
21 council, county board, school board, and citywide library and
22 park board where they exist appointed by the respective
23 governing bodies; the mayor or designee of the mayor; and a
24 representative from the city's house of representatives

1 delegation and a representative from the city's state senate
2 delegation appointed by the respective delegation. The policy
3 board may also include representatives of citywide community
4 organizations, neighborhood organizations, business owners,
5 labor, and neighborhood residents. The elected officials and
6 appointed members of the library board who are members of the
7 policy board may appoint the other members of the board.

8 (d) The policy board shall review, modify where
9 appropriate, and approve, in whole or in part, the neighborhood
10 action plans and forward its recommendations for final action to
11 the governing bodies represented on the policy board and shall
12 administer and implement the program as required by paragraph

13 (b). The governing bodies shall review, modify where
14 appropriate, and give final approval, in whole or in part, to
15 those actions over which they have programmatic jurisdiction.

16 (e) Except for the legislative appointees, each of the
17 governmental units and groups named in paragraph (c) may, by
18 resolution or agreement of its governing body, become a member
19 of the policy board. The nongovernmental organizations and
20 persons named in paragraph (c) shall provide members of the
21 policy board upon invitation by the governmental members of the
22 policy board. The member to represent a nongovernmental
23 organization shall be a member of the policy board only upon
24 resolution or agreement of the governing body of the member's
25 organization. Upon the resolution or agreement of two or more
26 governmental bodies or governmental boards, the policy board
27 shall be a joint powers board under section 471.59, except that
28 no power may be exercised under section 471.59, subdivision 11.
29 The policy board may:

30 (1) sue and be sued. All defenses and limitations
31 available to municipalities under chapter 466 and other laws,
32 shall apply to the policy board, its members, director, and
33 other staff members;

34 (2) hire, retain, discipline, and terminate a director to
35 direct its activities and accomplish its program. The director
36 may hire necessary staff subject to authorization by the board;

1 (3) enter into contracts, leases, purchases, or other
 2 documents evidencing its undertakings. No contract, lease, or
 3 purchase or other document may be entered into unless funds have
 4 been appropriated or otherwise made available to the policy
 5 board;

6 (4) adopt bylaws for its own governance;

7 (5) enter into agreements with governmental units and
 8 governing boards, and nongovernmental organizations represented
 9 on the policy board for services required to fulfill the policy
 10 boards' purposes;

11 (6) accept gifts, donations, and appropriations from
 12 governmental or nongovernmental sources and apply for grants
 13 from them;

14 (7) review activities to determine whether the expenditure
 15 of program money and other money is in compliance with the
 16 neighborhood plans adopted by the policy board and approved by
 17 the governing bodies having jurisdiction over the program, and
 18 report its findings prior to October 1 of each year to all of
 19 the governmental units, agencies, and nongovernmental
 20 organizations represented on the policy board; and

21 (8) prepare annually an administrative budget for the
 22 ensuing year, estimating its expenditures and estimated
 23 revenues, and forward its proposed budget to the governmental
 24 units and agencies and nongovernmental organizations for
 25 appropriate action."

26 Page ..., after line ..., insert:

27 "Sec. ... Laws 1990, chapter 604, article 7, section 29,
 28 subdivision 1, as amended by Laws 1991, chapter 291, article 10,
 29 section 20, is amended to read:

30 Subdivision 1. [EXPENDITURE.] The city of Minneapolis and
 31 the Minneapolis community development agency shall reserve
 32 convey, within 31 days after the end of the calendar year for
 33 which the conveyance is made, \$10,000,000 in for 1990 and
 34 \$20,000,000 for each year from 1991 to 2009 from tax increment
 35 and other revenues generated from the Minneapolis community
 36 development agency common project, adopted December 30, 1989, to

ATTACHMENT
 # 2

- 1 the policy board established under Minnesota Statutes, section
- 2 469.1831, subdivision 6, to be expended in neighborhood
- 3 revitalization anywhere within the city of Minneapolis by the
- 4 Minneapolis community development agency for any purpose
- 5 permitted by Minnesota Statutes, section 469.1831, for any
- 6 political subdivision, except that at least 52.5 percent of the
- 7 money must be expended on housing programs and related
- 8 purposes. None of these revenues shall be expended in
- 9 1990. Conveyance of money under this subdivision, as amended by
- 10 this act for 2004 and later years, does not change any
- 11 obligation of the city and the Minneapolis community development
- 12 agency that was still owing for 2003 and earlier years on the
- 13 day before the effective date of the amendments made by this
- 14 act."
- 15 Renumber the sections in sequence and correct the internal
- 16 references
- 17 Amend the title accordingly