

Framework for the Future

Options for the focus, funding and governance of
NRP Program and Action Plan activities after 2009

Report to the City Council Committee of the Whole
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Report of the NRP Work Group:

Council President Barbara Johnson

Council Vice-President Robert Lilligren

Council Member Paul Ostrow, Chair, Ways & Means/Budget
Committee

Council Member Betsy Hodges, Chair, Inter-Governmental
Relations Committee

Robert Miller, Director, Neighborhood Revitalization Program

Cara Letofsky, Policy Aide, Office of Mayor R.T. Rybak

On November 2, 2007, the City Council created an NRP Work Group to “facilitate decision-making relative to Tracks 2 and 3 of the work plan for Community Engagement System Improvements and Related Neighborhood Revitalization Program (NRP) Decisions.” The NRP Work Group was charged with establishing a City position on:

1. a proposed administrative structure to support community engagement activities;
2. expectations of services community or neighborhood organizations would provide through citizen participation contracts; and
3. extending or not a formal program of using discretionary funds for community-initiated projects.

The NRP Work Group met nine times over the course of eight weeks. The Work Group began by identifying each member’s interests related to the continuation of the Neighborhood Revitalization Program (NRP) and outlining a program to address those interests. The framework presented here represents broad agreement on the outlines of a structure for the continuation of the NRP beyond 2009 and its connection to the broader community participation work of the City.

The NRP Work Group’s interests created a focus on five broad themes:

- A. Support the Administrative Needs of Neighborhood Organizations and Help to Build the Capacity of Neighborhood Organizations
- B. Strengthen the Relationship between City and Neighborhood Activities
- C. Create a Neighborhood Investment Fund
- D. Identify and Commit Sources of Funding
- E. Update the NRP Governance Structure

The Work Group’s shared interests for each of these themes are detailed at the end of this report. The Work Group found broad agreement around these themes. The members of the Work Group agreed that:

- the City must provide enhanced administrative funding to neighborhood groups;
- neighborhoods need access to and control over some amount of discretionary funds through a new Neighborhood Investment Fund; and
- the City must reorganize its own administrative structure to provide better support to community participation efforts.

Taken together, the NRP Work Group’s recommendations will preserve neighborhood groups’ autonomy, provide additional resources to support the administrative needs of neighborhood groups, provide for discretionary funding for neighborhood groups, restructure the City’s organizational structure to create a greater focus on community participation, create more resident oversight of the City’s community participation efforts, and provide for a greater alignment of neighborhoods’ visions and City goals and processes.

** Neighborhood autonomy is not the issue. Neighborhood organizations are independently incorporated, autonomous entities. What is at stake is the neighborhood organizations ability to effectively meet the expectations placed on them by the City and the needs of its residents. Secure long-term discretionary funding is the mechanism for accomplishing neighborhood improvement. Funding through the City and its annual budget processes means that the amount of the neighborhood support allocations would be a subject of annual debate and will be in competition with basic City services such as fire, police and public works. The framework creates more City “oversight of the City’s community participation efforts” but makes resident oversight only advisory.*

The terms "neighborhood," "neighborhood organizations" and "neighborhood groups" seem to be used without definition and/or interchangeably. There needs to be a precise explanation of exactly who is eligible for the programs being discussed in Framework. Is any nonprofit eligible? Or are you referring to the existing neighborhood organizations as currently defined in Minneapolis? The current Minneapolis neighborhood organizations are already carrying out citizen participation/community engagement work. They are the best prepared to continue this role.

The report's overall theme indicates a desire to, in essence, treat neighborhood organizations as de facto city departments. (See pages 6 and 7.) Please refer back to research done nationally on public engagement. The most effective engagement models do not put neighborhoods under the arm of city staff. Instead, they foster the system of collaborative independence that now exists in Minneapolis. The current system has been well-researched and held up as a model nationally and internationally.

Administrative Funding to Neighborhood Groups

The NRP Work Group unanimously agreed that regular, committed funding is essential to sustain capacity at the neighborhood level. This is a basic city service for which the City will provide funding of at least \$2,000,000 per year.

The amount of funding to support the administrative needs of neighborhood organizations stated in this document provides \$2,000,000, which translates to approximately \$24,700 per neighborhood 81 neighborhoods and just under \$27,000 per neighborhood when considering the 72 current neighborhood organizations. That will not come close to covering the cost of a part-time staff person and a newsletter in a neighborhood! How will needier neighborhoods get additional staffing for the outreach that is a requirement from the City?

There are no secured funds for neighborhood organization dollars beyond ONE YEAR. These funds may be subject to reduction or elimination with any City budget, and unlike current NRP funds, may now be competing against police and fire.

Level of Admin funding should be at least \$2,000,000 restricted to Neighborhood Organizations.

Need stable funding with identified source so that neighborhood groups can plan and implement without fear that the money will be snatched away just as implementation is about to begin. (Midtown Greenway in LCC is prime example). CBDG, Legacy fund interest, LGA forgiveness if TIFF is decertified. If neighborhoods are put in the same playing field as police the funding will go away and crime will indeed increase. The neighborhood administration fund should have a 5 year budget.

How did the task force identify the 'Administrative Needs of Neighborhood Organizations'? These needs vary greatly and a one-size-fits-all approach will not work.

Discretionary Funding for Neighborhood Groups

The NRP Work Group unanimously agreed that a Neighborhood Investment Fund (NIF) should be established to provide dedicated funds to neighborhood organizations (over and above administrative support). There should be flexibility in the use of these funds to allow neighborhoods to address unforeseen needs and to meet the specific needs of each neighborhood.

Funding of NIF should be stable and not at the mercy of the city's budgeting priorities a funding floor needs to written into any agreement.

Without a dedicated dollar amount, the City Council has only identified a "Neighborhood Investment Fund CONCEPT". The Framework set up a fund with NO FUNDS IN THE FUND! REALITY: THERE ARE NO DISCRETIONARY FUNDS.

The NIF would have two components:

- Funding allocated by neighborhoods to help address neighborhood-identified priorities
 - ◆ Funds would be available to all neighborhoods

There is nothing stated as to the level of funding that the City will seek and/or commit to. There is nothing stated as to the long-term security of any funding. How can neighborhoods plan, organize and implement given this degree of uncertainty?

- ♦ Allocations would be made to all participating neighborhoods based on an allocation formula

Who will determine the allocation formulas? How will the neighborhoods be involved?

- ♦ Each neighborhood would determine the use of its funds based on plans that they produce and are approved by the neighborhood, the Community Participation Governance Board (see page 3) and the City

Without defining the amount of dollars available to each neighborhood and any restrictions that may apply, how can neighborhoods be expected to develop a plan for their use, and why would they? Developing annual plans will be expensive and minimize the capacity for accomplishing long-term improvements in neighborhoods.

- Funding allocated competitively for specific projects
 - ♦ Funding would be provided annually based on the City's annual budget and other funds raised
 - ♦ Funds would be available to any neighborhood
 - ♦ Neighborhoods that apply to receive funds from the pool would compete with each other through an RFP process
 - ♦ The City and the Community Participation Governance Board would establish the project areas to be funded and the amounts available
 - ♦ The Community Participation Governance Board would make the grant awards

The vast majority of discretionary funds should be allocated non-competitively to neighborhood organizations. This provides neighborhood organizations the time and resources to plan for their neighborhood accordingly. They need multi-year discretionary funding for long-term planning and implementation efforts.

Who will decide the percentage of the NIF that is allocated vs. competitive?

Who will determine the type of projects, programs, services or activities that will be funded competitively and who will select the winning responses?

How will this process account for the differing capabilities of neighborhoods to respond to RFPs?

Funding for the Neighborhood Investment Fund may be expanded or reduced based on the availability of funds. The City's ability to provide funding for the Neighborhood Investment Fund, to a great degree, depends on the actions of others (primarily the State Legislature and other taxing jurisdictions). Other funding sources potentially include grant funds and participation by state, county, and federal governments.

With the vast majority of the City Council Members stating that they believe that there should be significant discretionary funding, why has there been no effort to date or in the recommendations included in this report, to secure those funds?

The draft document does not make it clear whether the priority will be given to allocated or competitive funds in the NIF. What percentage of available funds will be allocated to neighborhoods on a non-competitive basis and how much will be dedicated to a competitive pool?

Proposed Organizational Structure

The NRP Work Group also agreed on the broad outline of an organizational structure for the management and oversight of the Neighborhood Revitalization Program and the City's other community participation activities.

The structure proposes to create a new resident-controlled Community Participation Governance Board to oversee both the NRP and the City's community participation efforts, which are combined into a new Community Participation Division under the City Coordinator.

“Oversight” implies that some method is in place, structurally, for holding those responsible for administering the proposed program accountable. The CPGB is only advisory and has no control over the staffing or budget for the Community Participation Division. The only “accountability” and “oversight” in this model is to the City Coordinator, City Council and Mayor. The residents have no role.

Additional middle management appears to be created under this new program. This seems not only duplicative but cost-ineffective, especially when the city claims it is having difficulty finding any funding to allocate to neighborhoods to actually carry out the essence of community engagement/community participation. This additional staffing seems like a misplaced priority.

The City will provide funding of up to \$1,000,000 per year for Community Participation Division staffing (both community participation and NRP) to support these activities, after 2009.

It must be noted that NRP Director Miller disagreed with the majority of the NRP Work Group on the hiring and supervision of the Community Participation Division Director. Mr. Miller argued that the director should be hired and supervised by the Governance Board, rather than by the City Coordinator.

How can a governance board govern when they are not responsible for the budget or the hiring or supervision of their director? What will happen if a conflict occurs between the interests of the CPGB and the Mayor/City Council?

Community Participation Governance Board

A newly-created Community Participation Governance Board (CPGB) would comprise representatives directly elected by neighborhood groups, representatives appointed by the City Council and Mayor, and representatives appointed by the other members.

The number of board members comprising each of the following categories is as important as the categories themselves, i.e. “elected by neighborhood organizations,” “appointed by the City Council and the Mayor,” and “representatives appointed by the other members.” Does the Work Group want a board comprised of three members elected from neighborhood organizations and five members appointed by the Council and Mayor? If so, the “representatives appointed by other members” is moot. Unless the neighborhood organization representatives have equal representative to those appointed by the Council and Mayor, this will be a board controlled by the ELECTED OFFICIALS OF THE CITY.

The Governance Board would:

- ♦ oversee how the City is working with neighborhoods, including implementation and integration of NRP Neighborhood Action Plans;
- ♦ hold the City’s administrative structure accountable;
- ♦ recommend improvements to City’s community participation policies, delivery of services and decision-making processes
- ♦ help to design an enhanced community participation program;
- ♦ implement meaningful reform that systematizes community input into City processes;
- ♦ implement the recommendations of the Community Engagement Task Force;
- ♦ provide feedback to City departments on their community participation work
- ♦ oversee administration and implementation of NRP, including administration of Neighborhood Investment Fund (ensure funds are allocated properly and decide on competitive allocations)
- ♦ oversee distribution and use of administrative funds

What is the mechanism by which this advisory board will “hold the City’s administrative structure accountable”? Will the Governing Board have any staff resources of its own to pursue research on issues that it sees as important but which the City does not? How will the CPGB form and educated opinion on the issues with which it is dealing if the only perspective staffed is that of the City’s?

What is the role and make-up of the Community Participation Governance Board? Who do they report to/who are they accountable to, and how is that visible/accessible to the public? Who appoints them? What budgetary influence do they have? What happens to the NRP Policy Board? Does it cease to exist, since it appears the NRP as we know it will cease to

exist? Why would you need both programs and both governing boards? Whatever board governs community engagement, it must be an independent body. Putting the CPGB under the city coordinator fails to provide this independence. What will be done to ensure credibility for a CPGB?

Community Participation Division

The Director and Program Staff (including City community participation staff and NRP staff) below would comprise a new Community Participation Division within the City Coordinator's office. The Division would focus on:

- ♦ community participation within the City—help to redesign City processes to more directly incorporate community input earlier;
- ♦ implementation of a new, enhanced Citizen Participation Program to include neighborhood group administrative funding contracts; technical support to neighborhood organizations (networking, web, grant-making); and assistance to neighborhood groups in navigating through City departments;
- ♦ NRP staff support to neighborhoods;
- ♦ accessibility to the City— including Limited English Proficiency (LEP) issues and Americans with Disabilities Act (ADA) compliance

Neighborhoods should not be penalized or rewarded for formally joining with another neighborhood. Partnerships make sense in certain cases and not in others. It is kind of like saying that the City of Minneapolis should formally join with Robbinsdale. Maybe they should partner from time to time but I don't think that it makes sense to formally join.

Funding Options

Administrative Funding

The NRP Work Group agreed that the administrative funding for neighborhoods (at least \$2,000,000) and the City's administrative costs to support this new structure (up to \$1,000,000) is a basic City service for which it is the City's responsibility to provide the necessary funding.

Funding options within the City's control that should be explored to fund these costs include, but are not limited to:

1. Allocate a larger portion of the City's annual CDBG revenues to neighborhood funding
2. Reallocation of City's current community engagement costs
3. Use interest earnings from Legacy Fund

These funding sources are all subject to the annual budget and appropriation process of the City. There is no stability or predictability. Neighborhood organizations may find themselves out of funds at the end of the year before any appropriations are available from the next City budget. They may also be unable to access any current year's funding until well into the calendar year. Most neighborhoods are unable to fund activities, projects and programs on a reimbursement basis.

Neighborhood Investment Fund

The NRP Work Group recognized that the City's ability to provide funding for the Neighborhood Investment Fund (NIF) is not fully within the control of the City. Rather, the City's ability to provide adequate funding to the NIF will depend on the actions of others (primarily the State Legislature and other taxing jurisdictions). Other funding sources potentially include grant funds and participation by state, county, and federal governments.

While providing funds for the NIF is "not fully within the control of the City," it does not appear that funding it is a City priority. Unless the City Council and the Mayor strongly support this funding, long-term, secure funding for neighborhoods will not exist. Without these funds the roles and impact of neighborhood organizations will be severely affected.

The NRP Work Group discussed a variety of funding options for the NIF. The following is not a comprehensive list of options, and those options on the list may not be feasible. The NRP Work Group is not endorsing any of these options, but it does recommend that they be explored. All of these options are not fully within the City's control.

While the following funding options "are not fully within the City's control," they certainly have not been strongly supported by the Council or the Mayor.

1. Extension of pre-1979 TIF Districts
2. Request that the State remove the LGA reduction related to the decertification of tax increment districts
3. Target Center debt relief
4. Extend the current Real Estate Transaction Fees and dedicate a portion of those fees to neighborhood funding
5. Increase the current Mortgage and Deed registration fees and dedicate a portion of those fees to neighborhood funding
6. Establish a County-wide tax for neighborhood and community revitalization
7. Secure grants and long-term funding commitments and relationships with major local or national companies and foundations
8. Seek participation from other units of government (county, state and federal)

Next Steps

This report will be distributed to neighborhood groups and other key stakeholders in early January 2008. Input will be gathered during the first quarter of the year through a variety of methods. City officials also will brief the City's legislative delegation and other jurisdictions during this time. The NRP Work Group will continue to meet to review the input received and to refine the proposal based on this input.

Neighborhoods need to move forward on their own in deciding how to respond and not wait for the City. Moreover, neighborhoods in coalition need to also brief the City's legislative delegation and other jurisdictions during this time by designating their own inter-governmental point person.

Themes and Shared Interests

As stated above, the NRP Work Group began its discussions by identifying each member's interests related to the continuation of the Neighborhood Revitalization Program. These interests focused on five broad themes. These themes and the Work Groups' shared interests are presented below.

A. Support the Administrative Needs of Neighborhood Organizations and Help to Build the Capacity of Neighborhood Organizations

Shared Interests:

1. Neighborhood groups are autonomous organizations.
2. Ongoing support is necessary to maintain capacity.
3. We need to help build the capacity and leadership development of neighborhood groups through training and educational opportunities.
4. We need to encourage and support the involvement of diverse populations in neighborhood organizations.
5. Create, support and maximize opportunities for the empowerment of residents. (More people will be involved if they feel they have some control.)
6. The City should enhance its professional support to neighborhoods from City staff (i.e., area planners, Public Works/Traffic, Police, Inspections, etc.). Teams of City staff should be explored.
7. Alternative methods and models for involvement should be encouraged and taught.

B. Strengthen the Relationship between City and Neighborhood Activities

- Improve the Integration of City and Neighborhood Activities
- Create a Structure within the City to Support Neighborhoods

Shared Interests:

1. Increase efforts to integrate neighborhood priorities and plans into City plans, goals, programs, projects, and activities. Priorities or programs supported by many neighborhoods should be considered for adoption as citywide goals, guidelines, principles, programs or activities.
2. Increase efforts to integrate City plans, goals, programs, projects, and activities that impact neighborhoods into the priorities and plans of neighborhoods.
3. Expand efforts to inform neighborhoods and residents about current City goals, processes, policies and services.
4. Increase efforts to expand collaboration and coordination between neighborhoods and between neighborhoods and local government jurisdictions, departments of the City, non-profits, and community-based organizations.
5. Improve responsiveness of City to neighborhood plans, projects, programs and activities.
6. Strengthen the direct relationship between the City and neighborhoods.
7. Create a structure within the City to support neighborhoods.

8. Ensure that the services currently performed by NRP staff (e.g., plan development support, contract development and management, etc.) continue to be performed in a cost effective and efficient manner

There is nothing in the Framework as to how any of the changes recommended will result in a strengthening of the relationship between the City and Neighborhood Organizations. Strengthening the relationship between the City and Neighborhood Activities implies strengthening the City's control over neighborhood activities, but not the relationship between these two GROUPS.

- Improve City Service Delivery

Shared Interests:

1. Find new ways of doing business and encouraging creativity and innovation (e.g., demonstration projects and employee suggestions for improvement).
2. Increase professional support to neighborhoods from the City (i.e., area planners, Public Works/Traffic, Police, Inspections, etc) and consider creating staff teams to support and collaborate with neighborhoods (also noted in A above).
3. Establish systemic and consistent expectations of City employees.
4. Provide training to City staff about neighborhoods, their history and organizations. This training should also include reviews of approved neighborhood action plans.
5. Work with NRP and neighborhoods to include a "City Department" orientation as part of a training curriculum.

C. Create a Neighborhood Investment Fund

Shared Interests:

1. There should be some funding for neighborhood activities (discretionary funding) over which neighborhoods have control.
2. Funding should be flexible to allow for shared priorities (money for neighborhood priorities and City priorities).
3. Access to resources needs to be universal (available to all neighborhoods), but funding does not need to be equally divided; allocations should be need-based and consider other sources that are available.
4. Ensure accountability (while recognizing neighborhood organizations' independence) by monitoring financial and contractual activities generated by program funding.
5. There should be flexibility in the use of funds to address unforeseen needs in the future and to reflect the specific needs of each neighborhood.

Creating the fund is meaningless without the secured long-term funding of it.

D. Identify and Commit Sources of Funding

Shared Interests:

1. The method and sources of funding must be consistent with the City's adopted budget principles.
2. Every effort should be made to identify and commit funding source(s) that are stable, predictable and available for a significant period of time.
3. Every effort will be made to develop a legislative agenda that addresses neighborhood needs, stabilizes future funding for neighborhood initiatives, and can be supported by the City, NRP and the neighborhoods

Any City budgeted funding source is subject to reduction or elimination on an annual basis.

E. Update the NRP Governance Structure

Shared Interests:

1. Modify the NRP governance structure so that it recognizes financial contributions as a basis for membership on the governing board.

There is no mention of numbers of each representative group or the degree of proportional representation on the "governing board." From the Framework there is no reason to believe that the governing board, when not responsible for the hiring, firing and supervision of its director and staff and not responsible for the budget, is anything but an advisory board. NRP would not be under the control of the governing board, but rather under the control of the City Coordinator.

The funding does not come from the City Council; any funding mentioned in the Framework is paid largely by the RESIDENTS OF MINNESOTA.

The "Themes and Shared Interests" section is great, except for the way they talk about the "Neighborhood Investment Fund". This fund should have long term funding, 5 years at a time so we can do our planning and get the project implemented without fear of the funding going away just about the time the implementation starts.

* *Italicized and underlined* text added by Neighbors4NRP