



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

Date: March 9, 2011
To: Council Member Robert Lilligren, Chair, Committee of the Whole
Referral to: City Council
Subject: Update on the implementation of the December 13, 2010 Staff Directive.
Recommendation: Receive and File

Previous Directives: On December 13, 2010, the City Council, as part of its action on the 2011 budget gave the following Staff Direction:

(3) Direct NCR to work with the NCEC and report back to City Council by March 1, 2011, on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.

Department Information

Prepared by: David Rubedor

Approved by: David Rubedor, Neighborhood and Community Relations Director

Steven Bosacker, City Coordinator _____

Presenters in Committee: David Rubedor, Neighborhood and Community Relations

Background

In recent years, the City has been faced with significant financial challenges brought on in large part by repeated state cuts to Local Government Aid and escalating costs related to three closed pension funds. However, the financial outlook for 2011, 2012 and 2013 were particularly troubling, with homeowners facing significant increases in their property taxes to meet these challenges.

To lessen the burden on homeowners during these particularly difficult financial times, City leaders approved a temporary, stop gap measure to provide a level of property tax relief for Minneapolis homeowners in the coming years. Specifically, this action:

- temporarily limits the revenue captured by tax increment finance (TIF) districts in 2012 and 2013, which results in \$10 million in property tax relief in those years; and
- allows neighborhoods to contract up to 50% of their Phase II NRP allocation.

City leaders approved this as a temporary measure only, recognizing that strong neighborhoods are achieved and maintained through a balance of engaged residents,

healthy neighborhood organizations, public safety investments and sound infrastructure and City services.

At its December 13, 2010 budget meeting, the City Council directed the Finance and City Departments to “allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II NRP allocation (excluding Phase II Allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of the Phase II allocation.”

As a result, some neighborhoods were affected financially more than others. The City Council directed the Neighborhood and Community Engagement Commission (NCEC) to look at ways to help mitigate the equity issues among neighborhoods as it relates to the suspension of these contracts (herein referred to as “equity directive”). To respond to the Equity Directive, the NCEC is recommending an approach modeled after the successful process used to develop the Community Participation Program and consistent with our Core Principles of Community Engagement. The model engages all neighborhoods in participating in the decision making process.

Stated below is the process the NCEC is recommending:

I. Equity Directive Recommendation Development

1. The NCEC and NCR will follow the City's Core Principles of Community Engagement in helping to respond to the Equity Directive. These principles served the department and the commission well in developing the CPP.
2. Engagement with stakeholders by the NCEC and the NCR will be essential to helping to define “equity” and to identifying strategies for mitigating equity issues among neighborhoods related to the suspension of new NRP Phase II contracts.
3. As with the development of the CPP, it is important to have all NCEC members actively participate in the development of the Equity Directive recommendations.
4. NCEC CoW will not be making decisions on the recommendations. These decisions remain with the NCEC and the NCEC CoW would be providing status updates on its progress to the NCEC as needed.

II. Roles and Responsibilities

1. The roles and responsibilities of the NCR, NCEC and the NCEC CoW relative to each other are already defined.
2. The NCEC and the NCEC CoW will be responsible for community engagement with stakeholders on how NCR/NCEC programs will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.
3. A protocol for communication between NCEC Committee of the Whole and the City Council Neighborhood Funding Work Group will be established to allow each to inform the other in a regular and consistent manner on matters specific to or affecting the Equity Directive work of the NCEC.
4. The City Council, through the Neighborhood Funding Work Group, will be responsible for determining the legal compliance of the use of NRP Phase II funds. The NCEC CoW will use this information in formulating its Equity Directive recommendations.

III. Deliverables

1. A set of recommendations to the City Council on how NCR/NCEC programs should be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.
2. These recommendations may include implementation details for current and future funding programs.
3. The recommendations may also lead to changes in the current CPP guidelines and/or allocation formula.

IV. Major Milestones and High Level Time Line

1. The NCEC CoW, working with NCR staff, will be responsible for developing a work plan that details the timing and the action steps for responding to the Equity Directive. Included in the Work Plan will be specifics on engagement with community stakeholders. As with the development of the CPP, Neighborhood Investment Fund (NIF) and the Community Innovation Fund (CIF), decision making authority lies with the NCEC unless the NCEC otherwise directs.
2. If NRP funds are used, the number of neighborhood organizations who will primarily be relying on NCR/NCEC funds will be significant. It will be important to have potential funding changes known as soon as possible.
3. The Equity Directive recommendations from the NCEC could have 2012 budget implications. The 2012 budget process begins in August. The recommendations could also affect the CPP.
4. Other factors potentially affecting the schedule are refinement of the CPP based on input from stakeholders; potential adjustment to the CPP based on recommendations of this work and development of the NIF and CIF.
5. It is desirous to provide sufficient time for neighborhood organizations to develop their three year CPP submissions this year.

Major Milestones and High Level Time Line

March 2011:

- Plan submitted to City Council Committee of the Whole in response to original Equity Directive due date
- Work Plan development (e.g. finalized outreach strategy)
- Communicate work plan details to stakeholders/neighborhoods (ongoing throughout work)

April 2011:

- Engage neighborhoods

May 2011:

- Engage neighborhoods
- NCEC CoW begins formulation of Equity Directive recommendations

June 2011:

- Complete engagement of neighborhoods

- NCEC review and approval of Equity Directive recommendations

July 2011:

- Final NCEC approved Equity Directive recommendations to City Council
- Communicate to stakeholders NCEC approved recommendations and how input was used

August - October 2011:

- Update existing programs as necessary
- Implementation of new programs as necessary

Financial Impact: There is no direct financial impact with this report.