

NEIGHBORHOOD REVITALIZATION PROGRAM

Mission:

The Mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to improve the quality of life in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

Goals:

NRP adopted four Goals for Phase I. Those Goals were:

- Build neighborhood capacity
- Redesign public services
- Create a sense of community and place
- Increase intra and intergovernmental collaboration

In addition to these Goals, the Teamworks evaluation report on Phase I identified three additional goals that were distilled from a review of official documents by the NRP Evaluation Task Force, a Policy Board authorized multijurisdictional work team. The three other Goals were to:

- Improve the lives of the citizens of Minneapolis and enhance neighborhood stability
- Bring neighborhoods to a level at which they will attract private investment
- Improve the physical characteristics of neighborhoods, especially as embodied in infrastructure and housing

As part of the multi jurisdictional review and planning process for Phase II the Policy Board adopted six Goals for Phase II that build on and expand the Goals of Phase I and responded to the changed environment for NRP and its participating jurisdictions.

- Create a greater sense of community so that the people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and their City
- Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community
- Ensure that neighborhood-based planning remains the foundation of the program, is informed and leads to creative and innovative approaches
- Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals
- Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities
- Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state mandate that 52.5% of NRP funds be spent on housing.

NRP uses five primary business lines to help accomplish these Goals.

1. Assist neighborhoods with development of Neighborhood Action Plans (NAPs).

NAPs are the building blocks of the NRP program and are developed and written by residents and the recognized neighborhood organization. Each NAP provides a vision for the neighborhood, identifies the priorities for achieving that vision, and adopts

specific action steps (strategies) for implementation. The NRP statute requires that NAPs be prepared and approved before any NRP expenditures occur.

NRP staff provide guidance on development of the NAP, monitor the public participation process, help the neighborhood obtain any needed professional or technical support as the strategies are being considered, and assist, as needed and requested, with preparation of the draft plans.

2. Review, modify and approve NAPs prepared by neighborhoods.

During the development and drafting of the NAP, NRP staff helps neighborhoods obtain needed support, information and perspectives from public and non-profit staff with knowledge of the subject areas of concern to the neighborhood. After the neighborhood approves its draft NAP, the plan is reviewed by NRP staff and forwarded to public staff for comments and NRP's external counsel for a legal opinion on conformance with the NRP statute.

NRP staff work to make the NAP approval process as considerate and respectful as possible by providing information to the neighborhood before they begin the process, facilitating the participation of public and other staff in the identification of possible priorities and potential strategies for addressing those priorities, identifying possible problem areas in the plan draft, encouraging neighborhood representative attendance and presentations at the Policy Board during the review of the plan, providing assistance with making changes suggested by NRP, jurisdictional staff or legal counsel before the Policy Board presentation, and preparing all needed transmittal and descriptive documents.

3. Oversee, monitor and evaluate implementation of approved NAPs and their strategies.

The City Attorney has opined that NRP staff cannot manage implementation contracts for strategies contained in an NAP unless they are for planning, oversight or evaluation. NRP staff serves as the contract administrator for neighborhood organization activities associated with these functions and develop the scopes of service and budgets for the needed contracts. Staff reviews reimbursement requests, monitors performance and ensures that implementation of the plan is occurring as approved.

NRP staff coordinates governmental and private efforts in the development of other needed contracts and implementation of NAPs. They serve as the contact for the involvement and participation of appropriate implementing departments, private for-profit and non-profit vendors and jurisdictions.

NRP staff work with neighborhoods and these organizations to clearly define the approved programs, projects, services or activities, and draft appropriate scopes of service, program guidelines and budgets prior to preparation of needed contracts or agreements. Another major part of the service provided by NRP staff is to ensure funding is available, as needed, for the programs, projects, services or activities contained in an approved NAP.

4. Manage NRP's financial resources and expenditures.

NRP is responsible for the expenditures of NRP funds and for the management of the public resources that have been provided to the program. NRP monitors and evaluates

program activities and expenditures to ensure consistency with approved contracts and the strategies in NAPs.

In addition, NRP works to minimize administrative costs for NRP's central office and the neighborhoods by initiating group purchase discounts, special professional service arrangements and elimination of duplicate activities.

One of the most important results that must be achieved is meeting the statute mandate that 52.5% of all NRP funds expended must be for housing or housing related programs, projects, services or activities.

5. Educate, inform and train residents for participating effectively in neighborhood improvement efforts.

Training and development is necessary to create new and informed leaders, a greater sense of community, increase civic involvement, and make it possible for meaningful partnerships between neighborhood organizations and their government and non profit collaborators. NRP staff offer training that provides neighborhood volunteers and employees with specific skills designed to help create and maintain healthy organizations. Workshops are offered on a regular basis and specific trainings are available upon request to individual neighborhoods. NRP also initiated and sponsored the Community Leadership Institute conducted with the University of St. Thomas.

Accomplishments:

The primary goal of NRP is gaining approval of neighborhood action plans.

NRP is well on the way to achieving this Goal. As of June 22, 2009 the Policy Board has approved 44 Phase II NAPs or 61.1% of the 72 possible plans. These approvals have allocated 65% of the funds allocated to neighborhoods based on the March 2004 City projections for Common Project revenues. Phase II Participation Agreements have been approved for more than 80% of the neighborhoods.

Every strategy in a neighborhood action plan must be helping to accomplish, and is tied to, a goal of the City of Minneapolis. To date, fewer than 5 strategies from draft plans have been rejected by legal counsel as inconsistent with the NRP statute. After modifications were made, with NRP staff assistance, each and every plan, and all of the more than 5,000 strategies in those approved plans has been reviewed and approved by the NRP Policy Board and the Minneapolis City Council as an appropriate expenditure of NRP funds.

Neighborhood plans are allocating their funds to Housing programs, projects, services or activities. For the Phase II Neighborhood Action Plans approved to date, more than 75% of their full allocation is committed to Housing programs, projects, services or activities. At this time, and with these commitments, NRP will be able to meet its legislated mandate for all of the funds appropriated since the program began in 1991. If the total dollars available to NRP in Phase II decline, however, the program may not be able to meet the mandated percentage.

Administrative expenses account for only 18% of the appropriated funds for the Phase II plans approved to date.

NRP's central office staff will again be reduced in the proposed 2010 Budget. The recommendation to the Policy Board will be to reduce the office FTE count to 7 by the end of 2010. NRP has no vacancies and fills its staffing needs by reassignment of duties, professional service agreements, or MOUs. NRP intends to continue reducing central office staff and will do so, to the maximum extent possible, without layoffs or terminations.

What key trends and challenges does your organization face and how will they be addressed?

Neighborhoods in the City have improved greatly since NRP was initiated in 1990. The investment of NRP resources during the first ten years helped reverse years of neglect and decline in neighborhoods and provided resources that were used to leverage additional investments by public and private sources. In Elliot Park alone, the neighborhood's investment of \$ 4.4 million from NRP helped leverage over \$ 151 million of new development in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing NRP have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government, in general, have greatly reduced the revenues available for Phase II from the Common Project. Reductions in Local Government Aid have impacted the General Fund of the City and reduced the opportunities for City contributions to neighborhood priorities. Actions taken by the City Council and Mayor, such as the Discretionary Development Financing Resolution adopted 8/22/03, have further depleted NRP's potential revenue stream. Over the past eighteen months economic conditions beyond the control of the state, city or neighborhoods have placed additional pressures on NRP's revenue sources.

Phase II was initially planned to begin in 2001. With the tax law changes adopted by the legislature in 2001 NRP had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to seamlessly move into Phase II as they completed their Phase I plans were forced to wait, and uncertainty about resource availability led to questions about city commitment, the value of resident-based planning and the interest in resident participation.

As the time required to answer the questions about future revenues extended, residents turned their attention to other areas of interest, neighborhoods lost volunteers, projects were placed on hold or canceled and there were questions raised whether Phase II would begin.

Adoption of the revised Chapter 419 of the Minneapolis City Ordinance in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents were encouraged to recommit to their neighborhood and the city, based on this renewed commitment to NRP. Unfortunately, the many and varied Common Project Revenue Projections made by the City between 2004 and 2009 created uncertainty and reduced neighborhood faith in the stability of the funding stream for neighborhood improvement activities.

The funding available for Phase II has changed dramatically over the past seven years. In June 2000, as NRP was about to begin its second decade, City officials projected, based on the legislation establishing NRP, the city ordinance implementing the program and the revenues anticipated from the tax increment districts in the Common Project,

that approximately \$180 million would be available for Phase II. With the legislative changes in 2001 and the results from the Brookfield loan negotiations, the revenues available from the Common Project dropped to less than \$ 85 million, the figure used to determine the Phase II allocations to neighborhoods.

When the City released its projections for Common Project revenues in April 2007, projections showed future revenues of only \$ 66.5 million. The City Council and Mayor acted in December 2007 to “guarantee” that 70% of Phase II neighborhood allocations would be available for Phase II. In June, 2008 the NRP Policy Board reallocated \$1.7 million to help increase the percentage of Phase II dollars that will be available to neighborhoods to about 74%. They made a second reallocation in November, 2008 to increase the percentage available to neighborhoods to 80%. In May, 2009 the City issued new projections for the capitalization of Phase II that increased the percentage expected to be available to 93.4%. The new projection includes the assumption that the Brookfield lease payment will be paid in full in December 2009. The 2009 capitalization represents almost 48% of the total capitalization for Phase II NAPs.

Neighborhoods accepted fewer resources in Phase II and still worked to improve participation and adopt plans to address their priorities. They reviewed results from Phase I, researched resident issues, gathered and analyzed data, created work groups and committees to develop strategies for Phase II NAPs, and drafted, discussed, reviewed, and finally approved Phase II plans.

NRP’s revenue stream officially ends in 2009. After that date, the program will be spending down the revenues that it received between 1990 and 2009 and contracting out its remaining resources.

Finding ways to encourage resident participation and dealing with continually changing revenue projections have been two of the major challenges that NRP has faced. The third has been the erosion of political support and the changing attitude toward resident empowerment by the City. Not one of the City’s elected officials and none of its major department heads were in their current positions when NRP started. In an effort to gain more control and “accountability” over neighborhood activities, the City initiated an NRP Work Group in 2007 that produced a Framework for Community Engagement after NRP’s revenue streams end in 2009. Four of the six members of the Work Group were City Council members and one was a representative of the Mayor. The new approach to community engagement is that neighborhoods and the City will be in a more cooperative and collaborative environment.

A Neighborhood and Community Relations Department and an all resident Neighborhood and Community Engagement Commission will manage the new approach to Community Engagement. The new department and commission will have a new source of revenue (a Consolidated Redevelopment TIF District) that can be invested in neighborhood revitalization over the next ten years. One of the major issues to be resolved is how the revenues and activities of NRP will relate to the activities of the new Commission and Department.

What level of vacancies does NRP have? What strategies in the business plan are related to maintaining these vacancies? What possibilities exist for reducing these vacancies?

NRP has no vacancies. When a position is vacated, the responsibilities and skills required for the position are analyzed and redistribution, discontinuation or contracting is used to maintain the level of service for the office. NRP has gradually reduced its office complement from 25 FTE in 1995 to 8 FTE in 2009. We have done so without layoffs or terminations. The last hire made by NRP was in 1999.

What are the major areas of contractual expense for NRP? What opportunities or drawbacks exist to changing from contractual provision of services toward provision of services by NRP employees?

The largest single expenditure for NRP, outside of its personnel complement, is for services from CPED and DFD. The 2007 Memorandum of Understanding charges NRP \$375,000 for the contract management, support and legal services NRP receives from the City. This single line item now accounts for more than 15% of NRP's administrative budget.

The 2010 NRP administrative budget proposes a reduction of 1 FTE in the staff complement and a reduction in the office budget of more than 8%. This budget is subject to significant changes and has not been discussed or presented to the NRP Policy Board. One of the biggest uncertainties is the amount for DFD and CPED support. Negotiations on a new MOU have not yet begun and will determine the amount needed for this line item. The Policy Board will be provided with a proposed budget at its September 2009 meeting.

FINANCIAL ANALYSIS

EXPENDITURE

The 2010 NRP budget is \$1.4 million.

REVENUE

Revenue is estimated at \$1.4 million.

ORIGINAL BUDGET

The Mayor recommended, and Council approved no changes to this department.

The budget for this department includes a reduction of BIS charges of \$1,100 due to the Council's actions to reduce the BIS budget by \$1.7 million. This reduction in BIS charges will subsequently reduce the department's appropriation by the same amount.

MAYOR'S REVISED BUDGET

The Mayor recommended no changes to this department.

COUNCIL REVISED BUDGET

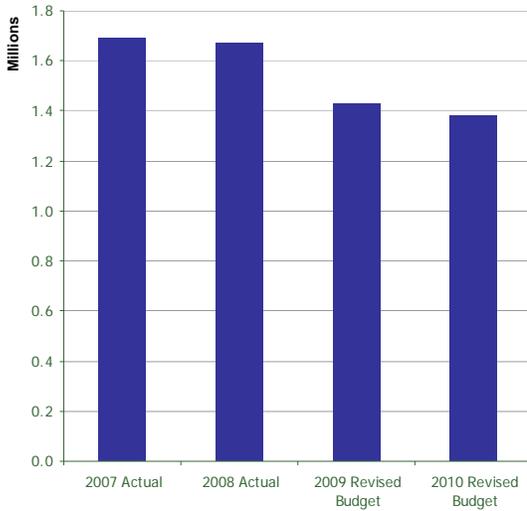
Council approved the Mayor's recommendation.

NEIGHBORHOOD REVITALIZATION BOARD EXPENSE AND REVENUE INFORMATION

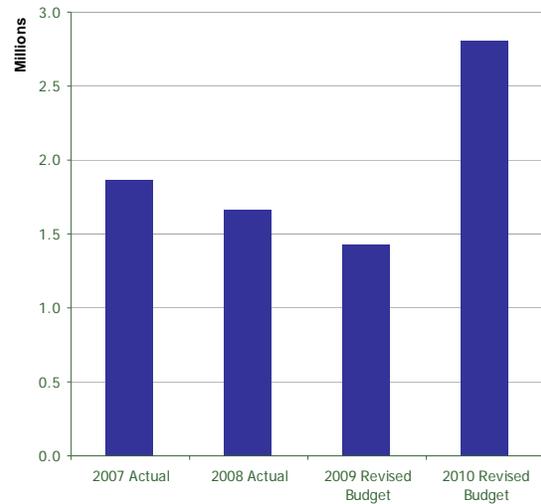
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Salaries and Wages	637,097	580,475	509,736	456,355	-10.5%	(53,381)
Fringe Benefits	151,326	155,000	138,184	188,462	36.4%	50,279
Contractual Services	817,486	848,476	714,900	645,348	-9.7%	(69,552)
Operating Costs	81,788	83,050	61,499	88,991	44.7%	27,492
Capital	5,797	3,500	3,500	3,000	-14.3%	(500)
TOTAL SPECIAL REVENUE	1,693,494	1,670,501	1,427,819	1,382,156	-3.2%	(45,663)
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REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
State Government	1,778,889	1,661,925	1,428,620	2,810,776	96.7%	1,382,156
Charges for Service	15,186				0.0%	0
Other Misc Revenues	66,418				0.0%	0
TOTAL SPECIAL REVENUE	1,860,494	1,661,925	1,428,620	2,810,776	96.7%	1,382,156
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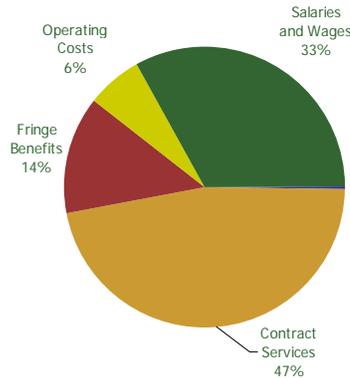
Expense 2007 - 2010



Revenue 2007 - 2010



Expense by Category



NEIGHBORHOOD REVITALIZATION BOARD

Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
NEIGH REVITALIZATN POL BD	10	9	9	7	-22.2%	(2)
TOTAL	10	9	9	7	-22.2%	(2)

Positions 2007-2010

