

NEIGHBORHOOD REVITALIZATION PROGRAM

Mission Statement:

The mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to preserve and enhance the private and public infrastructure, public health and safety, economic vitality, sense of community and social environment within the neighborhoods of the City of Minneapolis. Its goal is to improve the quality of life and livability in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

Primary Businesses:

- Assist neighborhoods with the development of Neighborhood Action Plans.
- Review, modify and approve Neighborhood Action Plans prepared by neighborhoods.
- Coordinate governmental and private efforts in the development and implementation of Neighborhood Action Plans.
- Include resident directed decision making and resident based planning in all aspects of NRP.
- Monitor and evaluate implementation of Neighborhood Action Plan strategies.

Key Trends and Challenges Impacting NRP:

Trends:

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 investments by other public and private sources. In Elliot Park alone, the neighborhood's investment of \$ 4.4 million from NRP leveraged over \$ 151 million in other public and private investment in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing this investment program have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government have greatly reduced the revenues available to NRP for Phase II. Government in general has had to cope with having fewer resources to provide the same or greater levels of service that meet the continually changing needs of residents, businesses and neighborhoods. As the city's housing stock and infrastructure ages, continuing reinvestment is needed to make the neighborhoods and the city attractive to current and potential residents.

The population of the city has grown less than 4% over the past 20 years but the composition of that population has changed significantly. The senior population in the city declined by almost 30% between 1990 and 2000 and the population under 5 years of age declined by 7%. The growth in population that occurred between 1990 and 2000 was in the 5-24 and 45-64 age brackets. These demographic changes, and the growth in the minority and new American populations, affect the investment needs in neighborhoods.

In Phase I a major effort was made to organize every neighborhood to facilitate development of their Neighborhood Action Plans. The reduced resources of NRP in Phase II and the limited

private support for the operating needs of neighborhood organizations will threaten the continued existence of this infrastructure.

Challenges:

Challenge 1 - Creating renewed interest and commitment.

Phase II was initially planned to begin in 2001. With the changes adopted by the legislature in 2001 the program had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to 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 citizen engagement. As the time required to answer the questions about future revenues grew longer, residents turned to other areas of interest, neighborhoods lost volunteers, projects were placed on hold and questions were raised about whether there would even be a Phase II. Adoption of the revised Chapter 419 of the Minneapolis City Ordinances in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents and neighborhoods now need to be encouraged to recommit to their neighborhood and the city based on this commitment to NRP.

Challenge 2 - Fewer resources.

The funding available for Phase II has changed dramatically. In June 2000, as NRP was about to begin its second decade, it was 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 enacted in 2001 and the negotiations on the Brookfield loans, the revenues available from the Common Project dropped to less than \$ 85 million. With the need to focus most of these revenues on meeting the legislated housing investment goal of the program, neighborhood opportunities for meeting resident needs have been greatly reduced. Obtaining resident participation and maintaining organizational commitments will be more difficult and the opportunity to leverage NRP resources will be adversely affected.

Challenge 3 - Working with government.

In Phase I, NRP resources often encouraged jurisdiction and department participation with neighborhoods. Government interest in neighborhood priorities was often driven by the funds neighborhoods had available to support neighborhood improvement projects. NRP funds bought residents and neighborhoods a place at the table. With the reduced revenues available and the need to invest heavily in housing, neighborhood ability to leverage government support for meeting their priorities may decline.

Challenge 4 - Determining NRP's future.

NRP's revenue stream officially ends in 2009. After that date, there is no commitment to any future investment in neighborhood improvement. A deliberate discussion needs to occur about the impact this will have on neighborhoods. If there is no impact, no action is needed and the program should expend its available resources according to approved Neighborhood Action Plans and be terminated. If there is support for continuation, the form and structure of that continuation needs to be decided before 2009.

Financial Analysis:

EXPENDITURE

The Neighborhood Revitalization Program's 2005 budget of \$1.5 million reflects a 6% increase in expenditures from the 2004 Adopted Budget. The Professional Services accounts for 33% of the budget and NRP's staffing level is reduced to 11 total positions.

The NRP budget includes \$2,300 in charges for benefits administration which were centrally budgeted in the past. The NRP has no General Fund overhead charge in 2005. If charges are phased in over five years, the NRP's General Fund annual overhead charges are estimated to be \$66,500.

REVENUE

NRP revenue for 2005 is \$1.5 million or a 15% decrease in revenues for 2005.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**NEIGHBORHOOD REVITALIZATION PROGRAM - ADMINISTRATION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	13.00	12.00	12.00	11.00	-8.33%	(1.00)