

## MEMORANDUM

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**Date:** Tuesday, September 13, 2010  
**From:** Robert Thompson (NCR staff)  
**To:** NCEC Commissioners meeting as Committee of the Whole  
**Cc:** David Rubedor (Director, NCR)  
**Re:** Staff Recommendations for Revisions to CPP Guidelines

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This document provides staff recommendations for revisions to the Community Participation Program Guidelines for the 2012-2013 program. There are three main drivers for revisions:

1. Technical changes resulting from lessons learned and neighborhood organization feedback during the first year of the program.
2. Principles recommended by the NCEC in response to the December 13, 2010 City Council "Equity Directive."
3. Changes required to meet statutory requirements since NRP funds will be the funding source for the Community Participation Program in the 2012-2013 program years.

The most significant impact on the Guidelines will be the requirement for real outcomes, based on the development of neighborhood action plans that are approved by a multi-jurisdictional Policy Board. The revised Guidelines should provide for development and implementation of such plans. For reference, please see the NRP Legal Sandbox document previously provided to Commissioners.

### **Goals:**

In making these recommendations, staff are looking at accomplishing the following goals based on feedbacks from Commissioners:

- Preserve three core principles and purposes of program
- Keep changes to a minimum
- Keep program simple to administer
- Promote continuity and stability of program

### **Assumptions:**

Staff are operating under the assumption that the following conditions apply:

- The Community Innovation Fund (CIF) is not eligible program in 2012 and 2013
- The Neighborhood Investment Fund (NIF) will be integrated into the CPP.
- All available funding for CIF and NIF for 2012 and 2013 will be rolled into CPP allocations.
- Projected CPP/CIF/NIF funding in 2012/2013 is ~\$8,400,000

## **NRP Statutory Context:**

- Tax Increment Finance legislation and legal history.
- NRP legislation
- Twenty years of legal reviews on NRP plans, legal opinions, legal findings (e.g. food is not explicitly prohibited in NR statute).

## **Neighborhood Priority Plans:**

CPP-based neighborhood priority plans would detail neighborhood priorities for projects, programs, services or activities. These plans also will detail the partners necessary to address these priorities. While the CPP may include a modest amount of funds available for implementation, successful implementation will rely heavily on a reorientation of each jurisdiction's budget process to reflect these neighborhood priorities. Implementation of these plans will consist, in part, of agreements between neighborhood organizations and City Departments or other partner jurisdictions. Neighborhood priorities identified in submissions or action plans may or may not be eligible for use of CPP funds.

## **Other Technical Changes:**

Please note also that additional minor technical revisions will be made to the Guidelines in response to neighborhood organization suggestions and lessons learned.

**Note:** "Feedback" items highlighted in blue are comments provided by Commissioners previously at the August 10, 2011 CoW meeting and August 23, 2011 NCEC meeting.

## **Staff Recommendations:**

1. Neighborhood Investment Fund (NIF) and Community Innovation Fund (CIF) options:
  - Defer further development of CIF programs until 2013 (for possible 2014 implementation)
  - Focus of program would still be on three core program purposes (identify and act on neighborhood priorities, influencing City decisions and priorities, increasing involvement). However, use of NRP funds means first program purpose (identify and act on neighborhood priorities) has greater emphasis.

**Rationale:** CIF is not eligible use under NRP statutory requirements. Commissioners offered mixed responses on CIF. NIF is eligible, but feedback from neighborhoods in 2010 and 2011, as well as feedback from Commissioner was to make program as simple as possible.

### **Feedback:**

- We should make as simple as possible, roll NIF in. As little as possible planning, etc.
- Also, look at making CIF funds eligible again.
- Can't be done, CIF is top down.
- We should encourage City to get funding for CIF from elsewhere, create CIF. Should not come from this pot of funds.

- Neighborhoods have reacted well with wanting to interact with under-represented groups. Want to continue to support that.
- To preserve intent of CPP, maintain community engagement expectations of program. Should be ongoing community participation.
- Don't want CIF to muddy waters. CIF usefulness is less than the other two.
- Would like to advocate for CIF funds. CIF is greatest opportunity to engage people. Giving it up is a huge mistake. Shouldn't divvy up shrinking pot to fund neighborhood orgs.
- Should ask City to find additional funds for CIF.
- CPP and NIF should be rolled together.
- CIF is top down, COPSIRF as example, different model where actions are bottom up, but reflect city priorities.

## 2. Project Funding options (currently prohibited by CPP):

- Allow project funding through the CPP Guidelines.
- CPP submissions would continue to focus on community engagement for development of neighborhood priorities.
- Neighborhood organizations must identify priorities in “neighborhood priority plans.”
- Projects will be guided by existing NRP policy.

Rationale: Community engagement and planning without implementation is not allowable under NRP statute. Engagement and planning must connect to real outcomes. Neighborhood feedback in 2010 and 2011 was to provide for funding of projects.

### Feedback:

- What is best able to give neighborhoods flexibility to survive cuts from December. A lot of work went into building capacity. Need to maintain capacity.

## 3. Relation to existing NRP Plans:

- Neighborhoods may use CPP funds to continue implementation of their Phase II NRP plans, as identified in neighborhood priority plans.

Rationale: Neighborhood organizations may have already identified priorities through development of Phase II NRP plans. Optionally, neighborhood organizations can restate NRP strategies in neighborhood priority plan.

### Feedback:

- One of our principles on equity is to reduce some of the inequity by restoring NRP funds to Phase II action plans
- Support using existing NRP plans.

## 4. Three-year funding cycle options: (contract cycle would remain annual)

- 2012 and 2013 allocation cycle would be for 18 months.

- Continue three year allocation cycles starting in 2014 to provide stability for neighborhoods. Allocations would be adjusted every three years based on updated data.
- Allow neighborhoods to do submissions for 1, 2 or 3 years.

Rationale: 2012 cycle will start in July, 2012 and run through 2013. Neighborhood organizations have varying levels of capacity, and may be at different stages of planning, organizing and implement. Allowing neighborhoods to adopt a one, two or three year cycle will provide them with flexibility.

**Feedback:**

- next two years are fairly unique, would support two-year funding cycle
- cycle should be two years.
- Next cycle should be 2.5 years.

**Other issues:**

5. Neighborhood Priority Plans:

- Guidelines must provide for development of neighborhood priority plans. Language regarding plans will appear in both "Program Purposes" section under "identify and act on neighborhood priorities" and in submissions section.

Rationale: Necessary revision to meet NRP requirements.

6. NCEC Role in approval of CPP submissions:

- Approval process should be removed from Guidelines, determined in separate policy document.

Rationale: For 2012 and 2013, NRP Policy Board has overall authority of use of funds, and may delegate to NCR or NCEC.

7. Organization Newsletters:

- Newsletters and publications that accept advertising will not be eligible for funding.

Rationale: Not currently allowed under NRP Policy. Could be revisited by NRP Policy Board.

8. Fundraising:

- Fundraising expenses should be allowed as long as outcomes are eligible under the CPP Guidelines (i.e. for community engagement or projects identified in neighborhood priority plans).
- Revenue need not be treated as program income.

Rationale: provide neighborhood organizations an opportunity to leverage funding. However, treating all fundraising revenue as program income would be bureaucratic and administratively challenging.

### **Other Feedback:**

- Need template for reporting, clear reporting requirements. Need to know what we are getting as a taxpayer.
- Would like to see something at next meeting on six-month extension into next year.
- Make this as simple as possible to do things, put neighborhoods in a position where they can do things.
- “What is a Neighborhood Action Plan” document doesn’t support neighborhood priorities.
- Keep funding simple, keep stable. Whatever we do, try not to build program based on funding source. Do have some constraints due to statute. Doesn't help to keep going back and forth. Would also agree to keep working on funding source. We have NRP funds, we found \$600,000 for tornado relief, would like to keep eyes on CIF. Innovation aspects of program. Funds are rolled forward in next six months, new funds not subject to housing requirements. If neighborhoods are already doing work they are already doing, 52 1/2% will take care of itself.
- City's fiscal year is calendar year, should look at...
- NRP Policy Board should be consolidated. NCR should engage NCEC on ordinance.