

## **NEIGHBORHOOD REVITALIZATION PROGRAM CHRONOLOGY OF KEY EVENTS**

### **HISTORICAL CONTEXT**

The Neighborhood Revitalization Program was created at a time of heightened concern about the perception of neighborhood decline and the loss of the middle-class in Minneapolis. The following quotes are taken from key documents that led to the creation of the Neighborhood Revitalization Program.

In May 1988 the Neighborhood Housing and Economic Development Task Force wrote:

*A complex set of demographic, social and economic factors have contributed to growing neighborhood decline. For example, the number of boarded houses on the City's vacant and boarded list has increased by 50 percent. The federal government has virtually abandoned urban revitalization. The City must take the initiative to preserve and revitalize its physical structures and stabilize its tax base.*

*The Task Force proposes a 20 Year Neighborhood Revitalization Plan, which includes the following criteria: residents must be intensively involved; a consistent strategy is required to encourage private investment and ensure completion of tasks; adequate funding is needed on an annual basis; funding strategies and commitments must be flexible to meet specific neighborhood needs.*

In remarks to a June 1989 City Council study session on the Twenty-Year Revitalization Plan, James Heltzer, Executive Director of the Minneapolis Community Development Agency (MCDA) said:

*We are meeting this morning because we know our neighborhoods and our city have serious problems. Minneapolis is today on the threshold of losing its position as one of the most livable cities in the United States. Along with physical problems are the increased social ills that are slowly but surely hurting Minneapolis' chances of maintaining a climate of livability. If unabated, these trends mean Minneapolis will crash and burn as a decent livable city over the next 20 years. The elected officials twenty years from now cannot prevent this. Only you can do so, by actions you take now.*

*I would suggest that Minneapolis is spending, every year, millions of dollars for a variety of services valuable to its citizens living in neighborhoods. Yet in order to revitalize the neighborhoods, Minneapolis must coordinate and focus these expenditures geographically, by neighborhood. There must be an interdisciplinary team approach to implement neighborhood revitalization plans designed through careful consideration and planning by each neighborhood in workshops*

*We must have our neighborhoods effectively function as the basic building blocks of this revitalization plan. It is their planning, their priorities, their needs that are the driving force—the engine—that will make revitalization a reality. I believe strongly that the Twenty Year Revitalization Plan is sound, and that through it we can dramatically change the direction this city is now heading. But it's also a radical and revolutionary concept that we must all be willing to embrace, with the understanding that it will change how the city is run.*

In the 1990 State of the City address, Mayor Donald Fraser said:

*We are about to embark on an unprecedented effort to revitalize Minneapolis neighborhoods through a cooperative and coordinated service delivery process involving neighborhood residents. This is the Twenty Year Neighborhood Revitalization Plan. It promises to transform the way services are funded and delivered by the city, the county, and our independent park, library and school systems. The challenge the Twenty Year Plan presents to policy makers is to identify a coherent city-wide vision while safeguarding and encouraging the creative impulses of individual neighborhoods. Only when these forces are in equilibrium can we be confident that we are investing cooperatively to address the compelling needs of our community.*

## **LEGAL FRAMEWORK**

May 1990	Original NRP Statutes and Special Law enacted (MS 469.1781, MS 469.1831, and Laws of MN 1990 Chapter 604, Article VII, Section 29)
June 1990	Original NRP Ordinance adopted (MCO Title 16, Chapter 419)
1991 Session	Amendments to both the NRP Statute and Special Law enacted. The amendments clarify that the Policy Board has the powers of a joint powers board; the amendments also clarify the 52.5% housing programs requirement and the geographical limits on use of “program money.”
January 1992	The Joint Powers Agreement for the NRP Policy Board is fully executed, with all five participating governmental jurisdictions signing (City, Park, Library, County and Schools). The Policy Board adopts its initial set of bylaws.
February 1992	Extensive City Attorney opinion is issued on the powers of NRP Policy Board. One of the key points is that the Policy Board is advisory to the participating jurisdictions, responsible only for planning and administrative functions. The opinion states that the Policy Board does not have the authority to implement the adopted action plans, the authority for which is vested in the jurisdictions.

1992 Session	Amendments to the NRP Statute establish the explicit requirement that “all planning districts in the city are allowed to participate.”
November 1992	Policy Board substantially revises its bylaws; it also acts to merge the C.A.R.E. (Community and Resource Exchange) program into the NRP.
1993 Session	Amendments to the NRP Statute clarify that all NRP funds – including “Chapter 604 funds” – enjoy certain exemptions from normal tax increment requirements.
October 1993	The NRP Ordinance is amended, based on the advice of the City Attorney, to add a section on conflict of interest.
1995 Session	Amendments to the NRP Statute clarify the calculation of the “2 <sup>nd</sup> 7.5%” funding for education programs and services.
1996 Session	Two amendments to the NRP Statute expand the eligible uses of NRP funds: (1) addition of “ <u>acquire, develop, construct, physically maintain</u> ” neighborhood commercial and retail facilities (the prior language only allowed rehabilitation and renovation; and (2) facilities owned by “ <u>community-based non-profits</u> ” become eligible for rehabilitation or construction (the prior language only allowed such activity for publicly-owned facilities). The amendments also replace the requirement of the city to organize “neighborhood planning workshops” with the requirement “to organize <u>neighborhoods</u> to prepare <u>and implement</u> ” the neighborhood action plans.
March 2001	After a two-year Phase II planning process, amendments to the NRP ordinance are adopted. The amendments (1) add the Phase II goals language that has been agreed to by the Policy Board and the City Council; (2) resolve the long-standing ambiguity about the extent of the City’s financial obligation stemming from the differences between the original 1990 Statute, Special Law and City Ordinance; and (3) replace outdated language on a number of technical and process matters.
2001 Session	The Legislature adopts revisions to the property tax system which result in substantial reductions in projected tax increment funds. These tax system changes call into question the ability of the City to fulfill its original financial commitment to the NRP.
August 2003	NRP Ordinance amendments and related resolutions are adopted to address the projected shortfall in Phase II revenues. These actions establish a four-tier funding priority for available Common Project funds if overall funding falls short of previous projections and obligations.

- October 2003           The City Attorney issues a second opinion on the powers of the Policy Board with regard to implementation of NRP plans. This opinion upholds the 1992 opinion, stating that the Policy Board has authority over administrative and oversight matters, but it does not have authority to actually implement action plans. As in the earlier opinion, this authority is stated to rest with the participating jurisdictions and their contractual vendors.
- August 2005           Council resolution regarding NRP program income is adopted. The resolution commits the City to “hold, reserve and account for program income generated within an NRP neighborhood for future use by that NRP neighborhood, to be reallocated to that neighborhood’s NRP action plan programs and activities, subject to applicable procedures for NRP Policy Board review and City Council approval.”
- February 2006         The NRP Ordinance is amended to reflect the August 2005 resolution on NRP program income. The amendment defines program income and commits the City to make program income available to the neighborhood in which it was generated.

**FINANCIAL FRAMEWORK**

- December 1989        The City Council creates the Common Project to expand most of the city's redevelopment project areas and development districts to include all of the other participating projects. Tax increment revenues generated within the Common Project may be used to meet physical redevelopment needs anywhere within the Common Project area. Common Project funds are not tied to the NRP program, but it does link the financial success of the downtown tax increment districts with the redevelopment needs of Minneapolis neighborhoods.
- 1990 Session         The Minnesota Legislature establishes the Neighborhood Revitalization Program through MN Statutes, Section 469.1831 (the “NRP Law”) and Section 29, Article 7 of Chapter 604 (the NRP “Special Law”). The NRP Law defines the City’s commitment to NRP as \$392,782,898; the Special Law defines that commitment as \$390,000,000.
- June 1990            The City adopts the NRP Ordinance (Chapter 419) which defines the City’s commitment to NRP as \$411,524,186.
- March 2001           The City amends the NRP Ordinance clarifying the City’s original financial commitment to the program to resolve the long-standing ambiguity about the extent of the City’s financial obligation stemming from the differences between the original 1990 Statute, Special Law and City Ordinance.

May 2001	The State changes the property tax system. These changes had the effect of reducing future tax increment resources by more than \$25 million per year.
August 2003	The City adopts amendments to the NRP Ordinance and related resolutions to define the City's financial commitment to Phase II of the NRP (see Legal Framework above). Based on these amendments, the initial City financial projection for NRP Phase II is \$89,658,395.
June 2004	City financial projection for NRP Phase II is revised to \$85,549,058.
October 2005	City financial projection for NRP Phase II is revised to \$74,172,248.
March 2007	City financial projection for NRP Phase II is revised to \$66,476,583.
October 2007	City financial projection for NRP Phase II is revised to \$72,911,021.

### **PROGRAMMATIC FRAMEWORK**

July 1987	The Mayor and City Council, in response to a growing sense of neighborhood decline, establish the Neighborhood Housing and Economic Development Task Force. The fifteen-member task force is charged with identifying potential new funding sources to assist in the revitalization of Minneapolis.
May 1988	The Neighborhood Housing and Economic Development Task Force submits its report. It recommends that the City adopt the concept of a Twenty-Year Neighborhood Revitalization Plan and identify sources for the City's fair share (25%) of the public cost to implement the plan (\$1.68 billion).
July 1988	The City establishes the fifteen-member Twenty-Year Revitalization Plan Implementation Advisory Committee "to provide a city-wide framework for a Twenty-year Revitalization program, within which detailed planning by neighborhoods can take place. The City also establishes a Twenty-Year Revitalization Plan Technical Advisory Committee, comprising staff from the City, County, Parks and others to provide a technical perspective to the process.
May 1989	The Twenty-Year Revitalization Program Implementation Advisory Committee submits its report. The report details a process for a geographically-based, inter-disciplinary planning process through individual neighborhood workshops.

October 1989	The City Council appoints a new Technical Advisory Committee comprising the highest possible representation from each of the jurisdictions. The committee is asked “to flesh out the the concept fo the Twenty Year Revitalization Program and to describe the process by which all of the independent board in Minneapolis could work in cooperation with neighborhoods to address the city’s revitalization needs, neighborhood by neighborhood, in a comprehensive manner.”
January 1990	The Technical Advisory Committee presents its report (“The Twenty-Year Revitalization Plan – A Plan for Implementation”) to the City Council. The plan includes the creation of a 17-member Policy Board as the governing body for the effort. The Policy Board would include representatives from each major elected board in Minneapolis as well as representatives of community interests.
March 1990	The Policy Board holds its first two meetings to discuss the role of the Policy Board, the search for a program director and the development of "transition principles" to guide business until neighborhood plans are completed; the official status of the board is advisory only.
February 1991	The first six Minneapolis neighborhoods are selected by lottery to begin their NRP planning. The first of three rounds of NRP Transition Fund Projects are approved.
July 1992	The Whittier Neighborhood Action Plan receives Policy Board approval. It is the first completed NRP Action Plan.
October 1993	The NRP First Step Program is approved by the Policy Board (enabling all Minneapolis neighborhoods an opportunity to begin the initial phase of their NRP plan development process).
September 1994	NRP Neighborhood Plan allocation formula is approved by the Policy Board. The formula divides the program into two phases and establishes a specific neighborhood allocation for Phase I.
December 1998	Planning begins for NRP Phase II.
March 2004	The 66th NRP Phase I Neighborhood Action Plan is approved.
April 2004	The Policy Board approves Phase II NRP Neighborhood Action Plan allocations.
October 2004	The Policy Board approves the first Phase II Neighborhood Action Plan (Seward).
August 2007	The 37th NRP Phase II Neighborhood Action Plan is approved.

## **EVALUATIONS**

- 1992 A Preliminary Evaluation of the Minneapolis Neighborhood Revitalization Program – Susan Fainstein, Rutgers University
- 1993 An Interim Evaluation of the Minneapolis Neighborhood Revitalization Program – Susan Fainstein, Rutgers University
- 1994 The Impact of the Minneapolis Neighborhood Revitalization Program on Neighborhood Organizations – Ed Goetz and Mara Sidney, Center for Urban and Regional Affairs, University of Minnesota
- 1994 The Neighborhood Connections Project: Building a Community Agenda from the Bottom-Up – Rip Rapson, Design Center for the American Urban Landscape
- 1995 An Evaluation of the Minneapolis Neighborhood Revitalization Program-Final Report – Susan Fainstein, Rutgers University
- 1996 Defining Community: A Neighborhood Perspective – Rip Rapson, Design Center for the American Urban Landscape
- 2000 Neighborhood Revitalization Program Evaluation Report -Phase One: 1990-1999 – TEAMWORKS (This study was commissioned by the Policy Board with funding from the NRP, City of Minneapolis, MCDA, Hennepin County, Minneapolis Public Schools, Minneapolis Park and Recreation Board, Minneapolis Public Library, the McKnight Foundation and the Minneapolis Foundation.)
- 2001 Investing in Our Neighborhoods: The Impacts of NRP Housing Loan and Grant Programs 1993-2000 – Kim Vohs and Al Anderson
- 2005 The Minneapolis Neighborhood Revitalization Program: An Experiment in Empowered Participatory Governance – Elena Fagotto and Archon Fong, Kennedy School of Government