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November 21, 2011

To: NCR and City Council Members

From: Rita Ulrich, Executive Director
Nokomis East Neighborhood Association

Re: Comments on Proposed 2012-2013 CPP Guidelines, draft dated 10/6/11

Nokomis East Neighborhood Association believes the draft CPP guidelines to be fundamentally flawed.

- 1) The guidelines treat independent non-profit neighborhood organizations as quasi-governmental groups whose primary job is to report to the City instead of the neighborhoods they serve.

The compulsory partnering with NCRD and other “jurisdictional partners” and the “Neighborhood Priority Plans” which require additional approvals from the policy board and City Council, point to a system of excessive control over the expenditure of Neighborhood Revitalization Program funds. In many cases, including NENA’s, those funds have already been approved by the NRP Policy Board and City Council through NRP Neighborhood Action Plans. The insistence that funds be set aside for “Neighborhood Priority Plans” opens those funds to endless tinkering and potential re-purposing by any of the required approving bodies (NCR, NCEC, the appointed Policy Board, and City Council).

Further evidence of the move toward quasi-governmental status is *Results Minneapolis*, which states that neighborhood organizations will have to report to the City on all income they receive. How is it the City’s business to scrutinize revenue that is independent of the City’s funding to neighborhoods? This is an unprecedented intrusion into the operations of independent nonprofits.

- 2) It makes sense that the purpose of the revised guidelines would be to incorporate the requirements attached to the use of the Neighborhood Revitalization Program funds into the CPP program, given the Council action which took the \$10 million of NRP funds and redirected them to the Neighborhood and Community Relations Department. But the guidelines do not do that. They say only that submissions should describe how organizations will identify and act on neighborhood priorities, but the resulting “Neighborhood Priority Plans” are poorly defined, and bear little resemblance to NRP. The implementation of those plans, instead of addressing priorities, are described as agreements with jurisdictions, MOAs with City departments, inclusion of neighborhood priorities in city department plans, or CPP directed projects. This sounds more like the proposed “Neighborhood Investment Fund” and “Community Innovations Fund” that the city has chosen not to fund. It is completely inappropriate to fund those concepts using NRP money that has already been approved and allocated for neighborhood plans.

Further, only one of the three program purposes relates to the core purpose of NRP – that of neighborhood improvement. A key requirement in the NRP legislation is to invest 52.5% of the funds in housing. The guidelines do not discuss how this requirement will be met.

- 3) NCR staff have indicated that they expect the funding formula to change. If that is the case, neighborhoods should have an opportunity to comment on the formula NCR plans to use, not something with unknown changes coming. Of all things, neighborhoods should at least know what funding level to expect by now. The uncertainty of not knowing is demoralizing and makes budgeting and planning speculative at best.
- 4) Inherent in the guidelines are assumptions about neighborhood associations that are highly questionable, and disrespectful of the work of countless volunteers and neighborhood staff. The guidelines **presume** that neighborhoods have not made good faith efforts to include or involve certain categories of people because they are “underrepresented” on their boards; they even imply that a lack of participation by some groups of people, such as renters, is because they have been excluded. NCR needs to accept the fact that **not everyone is interested in volunteering or participating in their neighborhood organization**, and there is nothing wrong with that. Participation is not compulsory, nor is membership in one’s neighborhood organization.

While there is always room to improve the level of participation, NENA does not believe that neighborhood organizations have underperformed. In fact, an area where neighborhoods have done an outstanding job is in participation by people of all economic means – within neighborhoods and across neighborhoods.

- 5) The “standards and expectations” of neighborhood organizations require an impossible level of participation (e.g., “full participation by all stakeholders”). In addition, the submission process, pre-determined outcome measures, and reporting requirements are excessive, particularly when considering the limited funds available to accomplish them.
- 6) Is any other class of organization or business that receives funding from the city subject to the same level of scrutiny and expectations? If not, why are neighborhood organizations singled out? Where is the evidence that neighborhood organizations have underperformed in getting people involved, or that their programs have failed to address the needs of a wide range of people?

The guidelines place many, often inappropriate, requirements on neighborhood organizations while offering little from the City in return. “Influencing city decisions and priorities” is a nice goal, but there is no commitment that the city will, in fact, change any decisions based on the input of residents and others. The goal is meaningless without such a commitment.

The CPP guidelines need to be re-thought and re-written. Since funding isn’t scheduled to start until July 2012, there is plenty of time to revise them based on neighborhood input (the organizations most impacted by them). Barring that, it will be difficult for the City to justify the requirements unless it acts to impose the same on all private, public and nonprofit organizations receiving City funding.