Minutes – June 25, 2015
Neighborhoods 2020 committee of the NCEC

Minutes

Location: Harrison Neighborhood Association offices

Members attending: Jennifer Arnold, Antoine Martinneau, Shauen Pearce, Eric Gustafson (Co-chair), Mohamed Mohamed, Denis Houle. **Absent**: Jeff Strand, Ishmael Israel. **Resigned:** Matt Dobratz.

Staff and guests attending: Robert Thompson (NCR staff), Christina Kendrick (NCR staff), Awol Windisse (NCR intern)

Introductions and reflections on May meeting. AM: how to integrate engagement with engagement work we are doing in our own neighborhoods. SP: process / bureaucratic.

Agenda and minutes. Agenda is approved by consensus. Minutes from April and May are approved by consensus with minor corrections noted.

Elect a 2nd Co-chair. Shauen is interested. Are any others interested? No.

- MOTION (Denis, Antoine) to elect Shauen Pearce co-chair of this committee. Motion carries.

Background information on history of NRP and CPP (following is per Robert Thompson)

- See handout "incorporation of neighborhood organizations by year" from Thompson. Most occurred during 1990-1995 driven by Neighborhood Revitalization Program (NRP).
- Model Cities was precursor for NRP.
- See handout "From NRP to NCR" from Thompson. Situation in late 1980s: population decline, "white flight," Feds ended "urban renewal" including Model Cities. Housing decline – remedy cost was estimated in $Billions.
- Neighborhood Revitalization Program (NRP) program "bottom-up," resident-driven: prioritization, revitalization. State statute creates Tax Increment Finance (TIF) district, Common Project (TIF law impacts uses of dollars). City ordinance serves as "NRP law."
- 3 geographic categories: Protection, Revitalization, and Redirection. Needs-based allocation formula planned $20M/year investment over 2 ten-year periods. Original NRP organization had over 25 staff, very busy.
- Majority of NRP dollars prioritized to housing. Almost every block in Mpls benefitted. Loan programs with attractive terms (e.g. 4% interest, forgiveness provisions) at a time when lending interest rates in the marketplace were 15-17%. Very low default rate until 2008 crash.
- Other innovations. 1990s programs focused on safety, social services, etc. N'hoods did many unexpected things e.g. Harrison common community center and school. Jordan, others moved

houses to empty lots. Economic development including "Eat Street" transformation of Nicollet Ave that wouldn't have happened without NRP investment.

- Failures also occurred and were accepted as part of the program.
- Phase 1 → Phase 2. State reduced commercial tax base impacting TIF and NRP, increased residential tax base including burden on low-income residents.
    - Lost ½ of anticipated revenue for NRP. Then recession hit.
- Most NRP revenue didn't come in until 2010; arrived in lump sum.
    - NRP staff deliberately throttled back spending until this time due to uncertainty.
- 2011: "what comes after NRP?" Contentious conversation between City and neighborhoods. NR**P** definition changed from NR**P**rogram to NR**P**urposes (to be defined by City) via legislative process. "Purposes" still undefined.
    - "Framework for the Future" guiding document for present.
    - Community Participation Program (CPP) funds: 1.) I.D. and act on n'hood priorities. 2.) Act on City priorities. 3.) Engagement.

Discussion on history of NRP and CPP.

- If no support City / Legislature for TIF → City could choose to support neighborhoods through General Fund. Would be contentious.
- In 2010 City Council (with Hodges as W&M Chair) tried to take all uncontracted NRP to put into CPP; turn off TIF and use for property tax relief. "Shell game." $10M.
- RT: Program income misunderstood – not just sitting there.
- What are frequent complaints about neighborhood organizations today?
    - Established to be adversarial by nature; possess resources to make the City listen to the community.
    - NRP "exclusive" in nature; white homeowners were disproportionate beneficiaries.
        - Northside Housing Services, Jordan, others delivered disproportionate benefits to African-American / low-income residents per Thompson.
    - Perception n'hood boards of directors were only decision makers for n'hood, operated "in a vacuum." E.g. CM Bender, Wedge.
    - Poor community engagement.

- See "Capacity" handout from Thompson.
    - N'hood orgs service geographies range from 700 people (Northeast Park) to 20,000 people (Longfellow Community Council). Call for very different approaches to engagement and programming.
    - Staffing varies (full-time, part-time); roughly 1/3 of org's have no staff. Thus outreach and engagement capacity varies widely.
    - Guidestar access to 990s (note threshold budget to file) shows leverage factor. For example:
        - Lyndale Neighborhood Association has budget in excess of $600k, of which only 10% is from CPP.
        - Harrison, others "punch above their weight" per Thompson.
        - "Crash and burn" triage work by NRP/NCR staff is costly. Causes of crash and burn? (Following per Thompson)
            - Don't pay attention to payroll taxes
            - Run out of money
            - Spend before receiving a pending grant
            - Audit is politicized
            - Staff – Board disconnect
        - CPAs contracted to perform audit readiness
- What else does Neighborhoods 2020 committee need to do its work?
    - SP infographics showing how dollars flow, State-City, etc.
    - JA/DH what are neighborhoods doing and working on, what are staffing levels. Much of this available in annual reports on CPP spending, which are published online per Thompson.

Continue design of engagement plan.

- Design in tandem with what is happening.
- Limited dollars and resources available from NCR.
- Auditor's office will do some engagement in August to support ongoing evaluation of NCR programs.

- JA: what is body of info we're trying to get, and how do we get it.
- DH: are we trying to tell 70 different stories or trying to tell broader story and how each n'hood fits.
- AW: strategy for how to engage people. Identify key people.
- SP: excited. Wrestle with what we need to do. Keep agenda simple.
- AM: endorse Shauen's comments.
- RT: don't reinvent wheel. Have summary 2010 findings (shared prior); don't expect n'hoods would provide different answers today.

Next meeting time and place – 4th Thursday 4:30 to 6:30 p.m. Rotate locations. Next will be July 23rd at TBD. (Note: the July meeting was subsequently cancelled.)