

**YEAR 29 CITIZEN PARTICIPATION AND TECHNICAL ASSISTANCE PLAN
CITIZEN PARTICIPATION PROGRAM GUIDELINES AND CRITERIA
(JUNE 1, 2003 - MAY 31, 2004)**

I. SOURCE OF FUNDS

The Minneapolis City Council has allocated \$345,510 in Community Development Block Grant Funds (CDBG) and \$100,000 in General Revenue Funds for the Minneapolis Community Development Agency's (MCDA) Citizen Participation Program. These funds shall be used to provide funding to neighborhood groups.

II. CITIZEN PARTICIPATION PROGRAM

State law and city ordinance require that the MCDA provide for the direct involvement, in an advisory role, of citizens in all stages of its activities. The MCDA will utilize and contract with existing neighborhood groups for this purpose. The citizen participation contract will provide neighborhood groups with the opportunity to review and comment on any MCDA activity affecting that neighborhood. The MCDA will be obligated through the contract to provide the affected neighborhood organization with 45 days notice prior to any consideration of the activity by the MCDA Board of Commissioners or the City Council. The MCDA will allocate funding (as described in Section I above) for those eligible groups that desire to deliver citizen participation services in their neighborhoods.

A. Eligibility

A neighborhood association must meet all of the following criteria to be considered eligible for MCDA citizen participation funding:

1. Represent a geographically defined neighborhood (in its entirety) within Minneapolis as identified by the most current Minneapolis Communities and Neighborhoods Map as amended and approved by the City Council.
2. Represent, and provide for the participation of, the interests of all segments of the entire community. Groups that primarily represent the interests of one segment of the community or concentrate primarily on one issue are not eligible.
3. Ensure that membership is open to all members of the community with no barriers to participation or membership (such as membership dues, requiring attendance at a certain number of meetings before voting rights are conferred, etc.). (Please note: In the past, this criterion was tempered by some provisions of the State non-profit law. That law, however, has been amended to relax these tempering provisions. The MCDA, therefore, intends to ensure that neighborhood groups fully comply with this criterion. Groups should review their bylaws for compliance.)
4. Hold regular open meetings and take positive steps to encourage all interested parties in any issue to attend and participate. Also, all written information of the organization (including books, minutes, membership lists, etc.) must be available for review by any member of the organization. A group may deviate from this rule only in case of labor and legal disputes.

5. The group must be incorporated (or identify an appropriate fiscal agent) and have adopted by-laws. The group must also have a grievance procedure by which its members may have their concerns addressed by the organization, and a conflict of interest policy and procedures.
6. The group must have a board of directors elected annually by the membership of the organization. The board must represent a fair cross-section of the community; neighborhood residents must comprise no less than 60% of the organization's board. An elected board must be in place for a minimum of one year prior to the beginning of the contract year to be considered eligible for funding.
7. The group must have the ability to properly manage and account for grant funds. This includes, but is not limited to, being current on all reporting to the MCDA on previous grants.

B. Citizen Participation Services

The citizen participation services provided by a neighborhood group shall include, but shall not be limited to, the following list.

1. Prepare and disseminate printed information on proposed development projects to those blocks most directly affected by the project or to the entire neighborhood, as appropriate. The MCDA will provide the organization with all necessary information regarding the proposed development at least 45 days prior to any consideration of the project by the MCDA Board of Commissioners or City Council.
2. Ensure that residents, businesses and others within the neighborhood are informed of the MCDA programs that are available to them. Information will be provided through written materials prepared by the organization, or through the dissemination of brochures provided to the organization by the MCDA.
3. Organize and lead open community forums to review MCDA programs and projects and to solicit comments from affected residents and business owners.
4. Advise and work with MCDA staff and Commissioners on matters pertaining to the neighborhood.
5. Provide opportunities, on a regular basis, for all residents, and property and business owners to participate in the decision-making process by attending meetings and serving on committees or task forces.
6. Submit reports on neighborhood responses to an MCDA program or project within the 45-day time period for comments.
7. Communicate regularly with the MCDA to insure the continuation of an efficient and effective relationship.
8. Submit to the MCDA an independent audit done by a professional Certified Public Accountant every two years covering the individual years within that period. (This is required only of groups receiving federal funds of \$300,000 or more in any one year.) If no audit is required, groups must still follow

appropriate accounting procedures, including proper check-writing procedures and the provision of proper back-up documentation for all expenses.

9. Identify and report to the MCDA any neighborhood residents, businesses, or properties that need, and may be eligible for, MCDA programs or projects.

C. Community and Capacity Building

The MCDA encourages groups to demonstrate efforts that:

1. Build a sense of neighborhood identity within their communities.
2. Maintain on-going efforts to ensure inclusion of all ethnic and economic groups.
3. Identify the issues of significance which confront their residents, moving beyond self-interest to activities that benefit the neighborhood as a whole.
4. Encourage and develop new leadership and attract new members.
5. Conduct activities that promote the inclusion of all age, ethnic and economic groups in the decision-making processes of the organization, including renters. Explore new methods to stimulate participation.
6. Maintain an organizational structure and election process that maximizes opportunities for all residents to become involved.
7. Build bridges among neighbors and diverse communities within the neighborhood and work cooperatively on common issues with other neighborhood groups.
8. Expand the group's abilities through self-assessment and evaluation.

D. Citizen Review in Non-Residential Neighborhoods

For development proposals that arise in non-residential areas, neighborhood input will be solicited in the following manner:

A letter will be sent to the contracted neighborhood group most nearly adjacent to the proposed project. The letter will request that group to sponsor a meeting of all concerned citizens to review the proposed project. A copy of this letter will also be sent to all other groups in the area surrounding the project. The neighborhood group sponsoring the meeting will be required to invite those groups to the meeting. The comments received at that public meeting will constitute the citizen input for purposes of project review.

In the case of the creation of a redevelopment project area within any of these areas, a Project Area Review Committee will be formed for purposes of citizen participation in the preparation of development guidelines and project review. Such a Project Area Review Committee will include representatives of each affected neighborhood surrounding the proposed redevelopment project area.

E. Grievances

1. Contractual Grievances

Should a disagreement arise between a contracted neighborhood group and the MCDA regarding the execution of development activities within the neighborhood, the grieving party shall notify the other in writing. A Dispute Resolution Meeting will be held within fourteen days of receipt of such a letter.

2. Resident Grievances Against Contracted Neighborhood Groups

Any neighborhood resident, business owner, or property owner may file a grievance against a neighborhood group with the MCDA if the following conditions are met:

- a. the grievance is within the jurisdiction of the MCDA's citizen participation contract with the neighborhood group;
- b. the person filing the grievance is a member of, or eligible for membership in, the organization, or is otherwise directly affected by the actions of the organization; and
- c. the person filing the grievance has formally brought the issue to the attention of the neighborhood group in a timely manner and given the organization a chance to respond.

A grievance must be submitted in writing to the manager of the MCDA Community Outreach Department. Upon receipt of the grievance, the Community Outreach Department will undertake an investigation of the complaint. A formal response to the grievance will be issued within 45 days of its initial receipt. This response will include the findings of the investigation and a proposed resolution to the grievance.

If the person filing the grievance or the affected neighborhood group is unsatisfied with the department's findings or resolution, they may appeal the matter to the MCDA's Executive Director. Such an appeal must be received within thirty days of the official response and a Dispute Resolution Meeting will be held within 14 days of the appeal.

If any party is still unsatisfied, a mutually agreed upon third party will be selected to hear the complaint.

F. Funding Activities

1. Eligible budget line items for Citizen Participation funds include: personnel (paid staff members may not be members of the Board of Directors), office space, supplies, neighborhood communications, travel, training or other educational pursuits in connection with citizen participation, and consultant fees that directly relate to citizen participation activities.

Neighborhood planning activities, separate from the NRP process, are also eligible and may include the costs of planning materials such as base maps, aerial photos, assessor and building condition information, resident address

mailing labels, and photographic film and processing necessary to support planning activities.

Neighborhood celebrations and events may be considered eligible activities if the event's purpose is to increase neighborhood awareness of the organization and increase membership in the organization. Neighborhood groups wishing to use citizen participation funds for events must present a plan for how this will be accomplished.

Board Member reimbursements are allowable expenses and may be provided at a rate not to exceed \$10 per hour. Allowable reimbursement expenses may include typing of agendas, minutes, and correspondence; bookkeeping; and accounting services. All such reimbursements must be approved by action of the neighborhood association's Board of Directors prior to payment.

Each group is responsible for budgeting an adequate amount to cover obligations in its employment agreement(s) (e.g., FICA, worker's compensation, unemployment, withholding, health insurance, etc.). Bank account maintenance charges such as check printing costs and cost-per-check transactions may also be budgeted.

2. Ineligible budget items include:
 - a. undefined line items such as "miscellaneous" and "special projects;"
 - b. projects unrelated to citizen participation;
 - c. food or drink for groups or individuals engaged in citizen participation activities;
 - d. costs of legal action against the City; and
 - e. penalties and interest charges (including returned check charges).
3. Staff are considered to be employees or self-employed persons contracted by the neighborhood organization. Organizations may allocate money for short-term use of consultants only with the prior approval of the MCDA.
4. Funds may be used for small equipment purchases; however, ownership of all equipment purchased with citizen participation funds rests with the MCDA. Upon termination of a citizen participation contract, all equipment must be turned over to the MCDA.
5. Groups may reallocate funds within their approved line item budgets with the approval of the MCDA. All requests for budget revisions must be in writing.
6. Organizations are funded on a yearly basis. Unused funds cannot be carried over to the next budget year.

G. Special Projects

Funds that are allocated but unspent within the previous program year shall be retained by the Community Outreach Department to fund special projects that are above and beyond the scope of a neighborhood group's citizen participation contract.

III. PROGRAM BUDGET

The MCDA will fund two types of neighborhood groups, Target and Non-Target area groups, as defined by the City's map of CDBG-eligible areas. The complete program budget is as follows:

Target Area Groups:	\$340,510
Non Target Groups:	95,000
Training	<u>10,000</u>
TOTAL	\$445,510

IV. REQUESTS FOR PROPOSALS

The MCDA will request proposals from groups for CDBG Year 29 in early-March 2003. Proposals will be due in early April.

V. CRITERIA FOR DETERMINING FUNDING LEVELS AND EVALUATION OF PROPOSALS

A. Target Area Groups

The following criteria will be used to evaluate proposals.

1. Determination of group's eligibility.
2. General characteristics of the neighborhood.
 - a. Population
 - b. Housing Conditions
 - c. Income Levels
3. Community building efforts (including efforts to build partnerships with other organizations).
4. Capacity building efforts.
5. Citizen participation efforts (including both the level of development activity in the neighborhood and the proposed methods to involve residents in the review of those activities).
6. Results of prior year's performance evaluation, if funded in the prior year. If an organization was not funded in the previous year, a monitoring report for the previous year's activities will still be required.

B. Non-Target Groups

All non-target neighborhood groups that meet the eligibility criteria will receive a base amount plus an amount allocated based on the population of the neighborhood(s) that they represent. The base amount shall be \$2,000; however, if any portion of a neighborhood should meet the CDBG target area criteria (using 1990 census tract data), those neighborhoods will receive a base amount of \$4,000.

C. Multiple Proposals

The MCDA will fund only one organization to provide citizen participation services for a neighborhood. (However, groups that represent several neighborhoods in Target and Non-Target areas may apply for funds for all of the neighborhoods that they represent.) If more than one proposal should be received for any neighborhood, the Community Outreach Department staff will work with staff from the Neighborhood Revitalization Program to review and evaluate all proposals. Proposals will first be evaluated to determine eligibility. Only eligible organizations may receive funding. All groups determined to be eligible will be evaluated based on how well they meet the eligibility criteria. The joint staff group will present its analysis and recommendations to the MCDA Executive Director for approval.

An organization not approved for funding, may file an appeal with the Executive Director. Such an appeal must be received within thirty calendar days of the approval. The Executive Director may uphold the original decision, change the decision, request additional staff analysis, or forward the issue to the MCDA Board of Commissioners for resolution.

Challenges to existing groups will be considered only in the context of the annual request for proposals. This in no way, however, hinders any organization or individual from filing a grievance concerning the contracted neighborhood group in accordance with the grievance procedure outlined in II.E. above (page 4). Such a grievance may be filed at any time during the year.

If an organization is applying for first-time funding in a neighborhood that does not have an existing neighborhood group, the Executive Director may waive the eligibility criteria in II.A. above (page 2) to allow for funding of the new organization.

D. Evaluation/Recommendation

Evaluation of proposals from neighborhood groups will be conducted by the MCDA Community Outreach Department (except as noted above). The Department will make its recommendations for funding to the MCDA Executive Director in April 2003.

VI. CONTRACTS

Neighborhood Groups recommended for funding will enter into a contractual relationship with the MCDA beginning June 1, 2003 and ending May 31, 2004.

The citizen participation contract will include the following:

1. Part I defines the general relationship between the MCDA and the neighborhood group.
2. Part II defines the requirements and procedures that the MCDA will follow in the sale, conveyance, lease, grant of easement or other transfer of interest for the disposition of MCDA property (MCDA Real Property Disposition Policy). This section also will define a neighborhood plan review process (Neighborhood Review of Infill Housing Proposals on MCDA Lots Policy).
3. Part III (included only in those neighborhood contracts which use CDBG funds) defines the terms and conditions of the contract and contains all of the "boiler plate" language required by the U.S. Department of Housing and Urban Development (HUD).
4. Attachment A defines the geographic area the group will serve.
5. Attachment B defines the organization's budget under the contract.

VII. MONITORING OF GROUPS

The Community Outreach Department will monitor groups' compliance with the contract in the following ways:

- A. Maintain regular communication with neighborhood groups and the Project Coordinators who work on projects in those neighborhoods.
- B. Receive Community Organization Report Forms on a regular basis and approve the release of funds within the terms and conditions defined by the contract.
- C. Conduct formal performance evaluations in March to determine:
 1. adherence to the terms and conditions defined by the contract; and
 2. the group's assessment of MCDA performance.

VIII. PROVISION OF TECHNICAL ASSISTANCE

The MCDA will provide any reasonable assistance that a group may require to meet its contractual obligations or to accomplish its goals concerning its citizen participation contract.

The MCDA will, whenever possible, respond to all requests for technical assistance. In the event, however, that a group wishes to purchase technical assistance from an outside vendor, a description of the need and a budget should be included as part of that group's proposal for Citizen Participation funding. The following list is included only as an example of the types of technical assistance that will be provided by the MCDA:

- A. Assist neighborhoods in setting their housing and economic development priorities.
- B. Assist in the review and monitoring of MCDA programs and development proposals.
- C. Provide training in writing proposals and applications for MCDA programs.

- D. Assist in matching MCDA programs and financing techniques to neighborhood objectives in housing and economic development.
- E. Assist in targeting blocks and properties for treatment by the MCDA.
- F. Assist in the development of special programs to meet the specific needs of neighborhood.
- G. Assist in organizational development:
 - 1. Organizing for and running meetings
 - 2. Effective methods of outreach
 - 3. Planning
 - 4. By-laws
 - 5. Articles of incorporation
 - 6. Tax forms
- H. Overall analysis of MCDA programs on neighborhood development.

In addition to the above listed technical assistance, neighborhood groups also will be given the opportunity to participate in training workshops offered over the course of the year.

IX. ADMINISTRATION

Administration of the program and the provision of technical assistance will be the responsibility of the MCDA Community Outreach Department.

CITIZEN PARTICIPATION FUNDING FORMULA FOR TARGET NEIGHBORHOOD GROUPS

INTRODUCTION

The formula discussed below will be used to determine the funding level of target area neighborhood groups. It consists of two components: a "demographic" component that looks at neighborhood need and a "organizational" component that looks at a neighborhood group's activities. Each component will receive approximately one half of the \$340,510 budgeted for target neighborhood groups.

THE DEMOGRAPHIC COMPONENT (\$170,000)

The Demographic Component of the citizen participation funding formula consists of three variables: Population, Housing Conditions, and Income. Table A (attached) shows the data for each variable by target neighborhood.

Population (\$68,000) - The population of target neighborhoods will be used to determine a per capita funding allocation. The total number of people residing within target neighborhoods will be divided into the \$68,000 allotted to this variable to determine the per capita allocation. The population of each target neighborhood will be multiplied by the per capita allocation. **Source: U.S. Census Bureau.**

Housing Condition (\$68,000) - The number of substandard housing structures will be used to determine the housing condition allocation of each target neighborhood. The total number of substandard housing structures within target neighborhoods will be divided into the \$68,000 allotted to this variable to determine the per unit allocation. This per unit allocation will be multiplied by the number of substandard housing structures within a target neighborhood. **Source: Minneapolis Planning Department.**

Income (\$34,000) - A neighborhood's median household income will be compared to that of the city as a whole to determine the income allocation for each target neighborhood. A neighborhood will be awarded one point for each \$3,000 dollars that its median household income is below that of the city (\$25,324). The total number of points awarded to all target neighborhoods will be divided into the \$34,000 allotted to this variable to determine the income allocation. This income allocation will be multiplied by the number of points awarded to a target neighborhood. **Source: U.S. Census Bureau, Neighborhood Statistics Program.** (Please note: 2000 Census information on median household income by neighborhood is not yet available. Therefore, 1990 Census data is still used for purposes of this formula.)

THE ORGANIZATIONAL COMPONENT (\$170,510)

The Organizational Component will be determined by the target area neighborhood group's response to the Citizen Participation Request for Proposals and the annual monitoring report. Target area groups will be rated in the areas of: past performance, community building, capacity building, and citizen participation.

Proposals will be reviewed and rated by the Community Outreach Department staff. Points will be awarded, up to a maximum of sixteen, based upon that evaluation. The total number of points awarded to all target neighborhood groups will be divided into the \$170,510 allotted to the Organizational Component to determine a dollar allocation per point. This dollar allocation will be multiplied by the number of points received by the target-area neighborhood group.

Past Performance - Groups will be evaluated on their previous year's activities. The annual monitoring report will be used as the basis of this evaluation.

Community Building - Groups will be rated on their proposed outreach, networking, and inclusivity efforts to: (1) build a sense of a whole neighborhood among residents, (2) build bridges among neighbors and diverse communities within the neighborhood, (3) work with other neighborhoods and organizations on issues of common interest, (4) build partnerships with private and public entities, and (5) move beyond self-interest to benefit low and moderate income persons and the community as a whole.

Capacity Building - Groups will be rated on their proposed efforts to: (1) provide opportunities for the direct involvement of members, (2) build its membership and volunteer base, (3) encourage and develop new leadership, and (4) expand the group's ability through self-assessment and other activities.

Citizen Participation - Groups will be rated on: (1) the proposed level of MCDA activity in the neighborhood for the coming year, (2) the proposed methods to involve residents in the review of those activities, and (3) the proposed promotion of MCDA programs. The group will also receive credit for its efforts to involve residents in other issues arising in or confronting the neighborhood.

Points will not be allotted evenly across the four categories. Heavier weight will be given to groups that are taking proactive steps to include those not traditionally involved in the decision-making processes of the organization.

**Table A
Target Neighborhood Data**

Target Neighborhood	Population	Sub-Std. Housing	Med. Hshld. Income	Income Ranking
Audubon Park	5,256	467	29,826	0
Bancroft	3,606	58	31,672	0
Beltrami	1,277	44	25,043	1
Bottineau	1,254	250	22,396	1
Bryant	2,789	411	25,727	0
Cedar Riverside	7,545	58	11,231	5
Central	8,150	732	19,528	2
Corcoran	4,228	321	23,196	1
Elliot Park	6,476	72	11,646	5
Folwell	6,331	332	28,279	0
Harrison	4,152	327	14,877	4
Hawthorne	6,333	736	15,534	4
Holland	4,381	500	20,405	2
Jordan	9,149	972	21,924	2
Logan Park	2,222	111	15,991	4
Longfellow	4,972	376	22,965	1
Lowry Hill East	5,912	243	20,549	2
Lyndale	7,690	350	15,392	4
Marcy-Holmes	9,009	167	16,741	3
Marshall Terrace	1,342	268	26,750	0
McKinley	3,658	231	24,205	1
Near North	6,921	318	12,461	5
Nic. Isl./E. Bank	828	12	56,813	0
Northeast Park	882	38	32,557	0
Phillips	13,036	972	12,254	5
Powderhorn Park	8,957	668	22,440	1
Seward	7,174	373	17,846	3
Sheridan	2,703	116	20,225	2
Standish	6,632	495	28,076	0
Sumner Glenwd	144	1	6,452	7
Ventura Village	6769	398	12,254	5
Webber-Camden	5,676	322	24,189	1
Whittier	15,247	445	17,325	3
Willard-Hay	9,277	805	24,504	1
Windom Park	5,786	145	24,766	1
TOTAL	195,764	12,134		

Table A
Year 29 Non Target Neighborhood Data

Non-Target Neighborhood	Population
Armatage	4,759
Bryn Mawr	2,663
Camden Industrial Area	47
Carag	5,907
Cedar-Isles-Dean	2,698
* Cleveland	3,440
* Columbia Park	1,834
* Como	5,691
Cooper	3,448
Diamond Lake	5,251
Downtown East	128
Downtown West	4,581
East Harriet	3,999
East Isles	3,340
ECCO	2,545
* Ericsson	3,149
Field	2,526
Fulton	5,566
Hale	3,196
* Hiawatha	5,304
* Howe	6,878
Keewaydin	3,178
Kenny	3,493
Kenwood	1,500
* King Field	7,816
Lind-Bohanon	4,401
Linden Hills	7,370
Loring Park	7,501
* Lowry Hill	3,999
Lynnhurst	5,613
* Mid-City Industrial	15
Minnehaha	4,058
Morris Park	2,984
* North Loop	1,515
Northrup	4,335
Page	1,682
Prospect Park	6,326
Regina	2,489
Shingle Creek	3,170
St. Anthony East	2,105
* St. Anthony West	2,666
Stevens Square-Loring Heights	3,948
Tangletown	4,263
* University	4,026
* Victory	4,975
Waite Park	5,205
Wenonah	4,422
West Calhoun	1,865
Windom	4,984
TOTAL	186,854

* - portion of neighborhood meets target-area criteria