

Memorandum

Date: June 17, 2004

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: Amendment to the Housing and Housing Related Activities Policy

On September 19, 1994 the Policy Board acted to define the programs, projects, services, and activities that it would include as "housing or housing related" for the purposes of the NRP statute. The Board did this to reduce the ambiguity of the statute while providing neighborhoods and the Board with the flexibility to meet a wide variety of housing issues, concerns and priorities.

Unfortunately, the policy adopted in 1994 did not apply to Transition Funds, anticipate creation of dedicated housing reserve funds, address neighborhood staff time and organizational costs to develop, implement and monitor housing programs, projects, services and activities, or consider the amount of central office staff time that would be spent supporting neighborhood or reserve fund housing efforts. It needs to be made current.

As was demonstrated in Phase I, development of any program, project, service, or activity requires effort and costs at the neighborhood level. Staff time is the most obvious expense, but printing to promote a program, the costs of mailings, ads that encourage participation, the development of program guidelines and the printing of application forms, conducting informational meetings, tracking program expenses etc. are all costs that neighborhoods have paid for addressing their priorities.

In the fall of 2003 CPED and NRP conducted a review of neighborhood housing allocations. They used the definition provided by the Policy Board but also determined that staff time and other organizational costs incurred to develop and conduct programs should be allocated as program costs. This same approach was applied to the distribution of NRP's central office costs. As we move into Phase II, I am recommending that the Housing and Housing Related Activities policy be amended to ensure that neighborhoods receive proper credit for the costs that they have and will in the future incur to develop and make their housing programs, projects, services and activities a reality.

I am recommending that the attached proposed policy be distributed to the neighborhoods for their review and comment.

*Minneapolis Neighborhood Revitalization Program
Policy Board Policy, Adopted September 19, 1994
Policy Amended, -----*

Housing and Housing Related Activities

The statute allowing establishment of a Neighborhood Revitalization Program indicates that one of the major areas of emphasis must be "housing programs and related purposes". More than 50 percent of the ~~program~~ funds expended by NRP ~~in response to Neighborhood Action Plans~~ must be expended for these purposes. Unfortunately, the statute provides no definition of these programs or purposes. To provide guidelines to neighborhoods, a working definition is needed.

Policy

The Minneapolis Neighborhood Revitalization Program Policy Board interprets "housing program and related purposes" to mean projects, programs, services and activities (hereinafter "programs") that directly contribute to:

- Increased owner occupied housing;
- New home construction;
- Rehabilitation and/or upgrading of existing single and multi-family residential structures;
- Stabilize the quality of the housing stock in the neighborhood;
- Creating or maintaining affordable rental units;
- Creating housing opportunities that expand the tax base of the City;
- Site acquisition and preparation for new housing construction;
- Meeting the requirements of the City's building and building-related housing codes;
- Improving the energy efficiency of new or existing housing structures;
- Training homeowners and renters to meet the financial and other responsibilities associated with their housing unit;
- Improving rental housing management;
- Increased opportunities for renters to become property owners;
- Removal of vacant and boarded housing structures; and
- Adding empty spaces to existing lots to increase the value of existing structures and/or reduce neighborhood problems.

Staff time in the neighborhood, MCDA, CPED, DFD, or NRP's central office that develops, plans, implements, administers or monitors an NRP funded housing or housing related program should be allocated as direct expenses to that program.