

## **Memorandum**

Date: August 21, 2004

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: Amendment to the Housing and Housing Related Activities Policy

On June 21, 2004 I transmitted to the Board a proposed amendment to the Housing and Housing Related Activities Policy adopted by the Board September 19, 1994. This Policy defined the programs, projects, services, and activities that NRP would include as "housing or housing related" for the purposes of meeting NRP's legislated housing mandate. The Board adopted this Policy to reduce the ambiguity of the statute while providing neighborhoods and the Board with the guidance needed to allocate and report proposed and realized expenditures of NRP funds.

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.

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 materials to promote a program, paying for informational mailings, placing ads that encourage participation, developing program guidelines and designing application forms, conducting informational meetings, tracking program expenses etc. are all costs that neighborhoods have incurred for addressing their housing priorities. The proposed amendment clarifies that the definition applies to **all** expenditures of NRP funds and includes staff time and other direct expenses that support development, implementation and monitoring of NRP funded housing or housing related programs.

The proposed amendment was distributed to the neighborhoods for their review on June 24. They were given until August 20 to provide comments and recommended changes.

Several neighborhoods have asked for clarification of the final sentence in the amended policy. They felt that the language proposed ("staff time in the neighborhood") did not make it clear enough that the revised policy covered neighborhood **staff and other direct** costs. The Stevens Square Community Organization (SSCO) was one of the organizations that raised this issue. They also, however, took the additional step of suggesting revised language that NRP central

office staff feels significantly clarifies the intent of the proposed policy change and improves the amendment. The changes proposed by SSCO have been incorporated into the revised version of the amendment included in this packet.

The Whittier Alliance provided additional suggestions and their changes have also been included. The primary concern that they raised was the need to include activities related to changes in zoning, variances and Conditional Use Permits as legitimate housing activities.

Based on the comments of the neighborhoods and the need to make this Policy current as we move into Phase II, I am recommending that the Housing and Housing Related Activities policy adopted by the NRP Policy Board in September 1994 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 and more effective.

I am recommending the following resolution to the Board for approval:

RESOLVED, That the Minneapolis Neighborhood Revitalization Policy Board ("Board") approves and adopts as NRP policy the "Housing and Housing Related Activities" Policy Amended and presented to the Board on August 23, 2004.

*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;
- Zoning changes, lot variances or Conditional Use Permits that allow for or make possible improvements/adjustments in housing; and
- Adding empty spaces to existing lots to increase the value of existing structures and/or reduce neighborhood problems.

Staff time and other direct costs from neighborhood organizations, MCDA/CPED, DFD, or NRP's central office that develops, plans, assists, supports, implements, administers or monitors an NRP funded housing or housing related program should be allocated as direct expenses to that program.