

Memorandum

Date: November 22, 2004

To: Policy Board Members and Alternates

From: Robert D. Miller, Director, NRP

Subject: Action on the NRP Business Plan

On September 27, I provided the NRP Policy Board with the draft of a 2005-2009 Business Plan for NRP. This plan was developed and delivered as part of NRP's 2005 budget development and approval process. The plan was distributed to neighborhoods, other interested residents, and governmental organizations for their review and comment, and comments were requested by November 12.

We received only four sets of comments on the proposed plan. Three of the comments were from neighborhoods and all of them recommended approval of the proposed plan. The most extensive comments were received from the City.

The responses and comments of the City (provided by the Community Planning and Economic Development [CPED] department) were extensive and thoughtful. They raised many points that encourage explanation of the proposed language and reassessment.

I'd like to address some of the issues raised in the CPED report, "Review of Proposed Staff Comments on NRP Business Plan," presented to the City Council Community Development Committee on November 9, as well as the more expansive written comments provided to me on November 12. A copy of the CPED comments ("Comments on the Draft NRP Business Plan") is attached.

The NRP Business Plan was developed to address the needs and future activities of NRP and the neighborhoods of the City and to address concerns previously raised by the Council, in a format and process consistent with the City of Minneapolis Business Planning Handbook and in conjunction with the budget development and approval process of the NRP Policy Board.

My comments are organized according to the presentation in the CPED Memorandum of November 12:

Timing

There is no question that the preparation of this plan did not meet a July 1 submission date. On April 8, I met with Paul Ostrow, Barrett Lane and Leslie Krueger to discuss the development of a 5-year business plan for NRP. I informed all of the individuals at that meeting that a business plan would be developed and that it would not be transmitted by July 1 because of the extensive and complex discussions that had been occurring since January on neighborhood allocation formulas and allocations, the neighborhood review requirements of major NRP policy changes and the recent updating (in March) of the revenue projections for NRP by DFD. I indicated that the plan would be submitted as part of the discussion of NRP's 2005 Budget. No one at that meeting indicated that the planned schedule presented any problems.

I submitted the draft plan to the Policy Board on September 27 with the 2005 Budget Proposal. At that meeting, the Policy Board approved its distribution for 45-day review and comment.

Goal Alignment

NRP's Phase II goals were adopted November 15, 1999. **Many things have changed in the last 5 years.** At the time the goals for Phase II were established, the dollars projected to be available for Phase II were \$180 million, and the amount NRP expected to allocate for Neighborhood Action Plans was \$141.8 million. The City adopted eight Goals on March 26, 1999, and those goals were a part of the discussion and basis for the Phase II goals for NRP. The goals of the city have been completely revised and restated since 1999. It doesn't seem unreasonable for NRP to consider changes to its goals after 5 years – especially given the loss of more than 52% of its projected Phase II revenue, a new city administration, and significant changes in the city's demographics and financial environment.

NRP's goals for Phase II were developed through a long and inclusive process. The goal statements in the NRP Business Plan were presented to encourage a discussion of those goals and they were developed as a result of applying the questions on p. 21 of the City of Minneapolis Business Planning Handbook to the existing goal statements for NRP. I have attached a copy of that page of the Handbook for your information. The only negative comments received on the restated goals thus far have been from CPED staff and City elected officials.

In the proposed revision to Goal 2 in the Business Plan, neighborhood organizations are the means for "sustaining and enhancing neighborhood capability". The discussion of neighborhood capability has little meaning or relevance without a mechanism through which it can be achieved. Neighborhood organizations have been this mechanism for the city for more than 30 years and the city has historically recognized this by designating these groups as citizen participation organizations and providers of services under its Community Development Block Grant Program. The change in this goal supports this city effort.

The proposed revision to Goal 3 in the Business Plan addresses a concern that the current wording implies that neighborhood planning and priority setting is "uninformed" and does not lead to "creative and innovative approaches." Many examples from NRP Phase I contradict this notion. For example, through their Phase I plans, neighborhoods made commercial corridors a city priority. They have contributed significantly to the revitalization of Hennepin Avenue, Lake Street, Franklin Avenue, and Nicollet Avenue, and they developed creative and innovative methods of significantly leveraging their limited NRP resources.

The proposed deletion of the existing Goal 5 is simply a recognition that while neighborhoods have repeatedly tried to influence the delivery of their public services over the past 15 years, results have too often occurred only when dollars were provided by the neighborhood. Not having this as a goal statement does not mean that NRP will not continue to try to achieve it, but it does mean that the Program should not be judged by a failure to achieve a goal that is out of our control.

The proposed new Goal 5 in the Business Plan responds to a priority that surfaced in June 2003. More than 460 Minneapolis residents responded to the survey conducted as part of the Policy Board Task Force on Proposed NRP Ordinance Changes and Focus Minneapolis effort. 85.9% of the respondents "Strongly Agreed" or "Agreed" with the following statement:

"Neighborhoods should receive NRP funds to support organization and citizen participation activities." In addition, 89.8% of the respondents "Strongly Agreed" or "Agreed" with the following statement: **Neighborhoods should receive NRP funds to support implementation of projects and programs identified by the neighborhood as priorities in their Neighborhood Action Plans."**

Neighborhood organizations are the mechanism for obtaining resident participation in the development and implementation of the neighborhood action plans that are required under the NRP statute. This is NRP's legal basis for supporting these organizations.

The changes proposed for Goal 6 were to simplify the wording (46 words) of a goal that says we are going to meet our legal mandate. The proposed language is more up to date – reflecting the language used in the 2004 NRP/CPED MOU and the revised housing definition policy adopted last month by the Policy Board.

Relationship of the Business Plan to the proposed Phase II housing program options

In the first paragraph of this section of comments, CPED staff suggests, "NRP should consider incorporating the proposed housing options into its business plan." The draft NRP Business Plan addresses the issue of the housing funds on page 33. It is listed as a "Key Initiative" because of its potential for helping achieve the 52.5% housing investment goal. Incorporating the 30 pages of specific details in the Housing Fund Proposal and Program Guidelines into the business plan provides far more detail than is appropriate for the business plan and could seriously jeopardize our ability to obtain Fund Administrators and ensure that these proposals are as cost effective and responsive as possible to neighborhood and lender needs.

The first paragraph also suggests that the business plan should give an indication of the "expected/desired allocation of funds across these programs that is consistent with (or at least complimentary to) City goals and programs." As the Board knows, NRP investment decisions originate in the neighborhoods. No desired mix has been established. Neighborhoods will indicate the level of interest in the various funds and how well these housing options reflect their needs and interests through their investment decisions.

Plan Scope

Cash flow projections are subject to incredible influences and are out of date months after they are made. The revenue projection for Phase II proposed by the City in June 2003 and used to support the City ordinance changes adopted in August 2003 changed by more than \$4 million by March 2004. I can certainly include them, but I cannot project program income or neighborhood admin costs. These are subject to Policy Board and Council approval processes, project implementation decisions, the availability of resources from other partners, the competing priorities of independent jurisdictions and organizations, and the continually changing environment in the neighborhoods. Including any projection may provide the illusion of certainty where uncertainty is the reason for the projections.

The Performance Measures sections can certainly be strengthened, and CPED's offer of assistance is appreciated.

Legislation

This section is in the plan because of last year's comments by the City and City Council. The City indicated that they wanted any legislative intent to be addressed in the plan and that is why it is there. The plan clearly indicates (on p. 30) that the development of a legislative initiative will be proposed for the December Policy Board meeting. Collaboration and support will be sought as part of the development of this initiative.

Post-2009 Issues

The issues raised in this section will be part of any dissolution plan for the program. It is, however, premature to address the means of asset distribution or management before the decision about continuation that was raised in the Business Plan is addressed. The Business Plan raises the issue for discussion and a decision by policy makers. The comments from CPED appear to assume that the decision is made and that NRP is being discontinued.

Conclusion

Although I believe that there are strong arguments for the goal statement changes presented in the draft plan, I agree that they need further discussion and examination, and I do not want their inclusion in the plan to be a reason to delay adoption. I am, therefore, deleting them in their entirety from the Business Plan version proposed for approval. I have also made some additional changes to the Business Plan that I believe respond to some of the City's other concerns.

Attached to this Memorandum are proposed changes to the 2005-2009 NRP Business Plan provided to you in September. **We have attached only the pages that have changed** and you may compare them with the language presented in the earlier draft. The full document was in your September Board packet and is on our website.

What is important is that we move forward and get the business plan approved so that delays in processing Phase II neighborhood action plans can end and we can proceed with the business of NRP – improving our neighborhoods.

I am, therefore, recommending the following resolution to the Board:

RESOLVED: That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board (Board) approves and adopts the Minneapolis Neighborhood Revitalization Program (NRP) Business Plan for 2005-2009 with the amendments attached to this Memorandum;

RESOLVED FURTHER: That the Director is authorized to distribute the 2005-2009 NRP Business Plan to the neighborhoods of Minneapolis and the jurisdictions partnering in NRP.



Request for City Council Committee Action
From the Department of Community Planning & Economic Development

Date: November 9, 2004
To: Council Member Lisa Goodman, Community Development Cmte
Prepared by: Jeff Schneider, CPED Senior Project Manager, 612-673-5124
Presenter in Committee: Jeff Schneider
Approved by: Lee Sheehy, CPED Director _____

Subject: Review of Proposed Staff Comments on NRP Business Plan

RECOMMENDATION: Review and Comment with directions to staff as appropriate

Previous Directives: Original Five Year Financial Direction regarding citywide business planning January 31, 2003; updated Direction on business planning, March 19, 2004; amendments to NRP ordinance regarding business planning (2003 OR-111): August 22, 2003; Council direction to staff and elected representatives to NRP Policy Board regarding NRP business plan, June 18, 2004 (part of committee report on Unified Housing Policy)

Financial Impact (Check those that apply)

- ☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): the NRP Business Plan sets the broad directions for Phase II NRP resources, which total approximately \$85 million
- ☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: All
Neighborhood Notification: N/A; comment going to NRP Policy Board
City Goals: Per ordinance, the NRP business plan is required to be "consistent with city goals, plans and policies, approved neighborhood action plans and applicable laws, ordinances and resolutions"
Comprehensive Plan: see above
Zoning Code: N/A

Living Wage/Job Linkage: N/A

As the committee is aware, NRP released its proposed 2005-2009 business plan in late September, and is seeking public comments through Friday, November 12th. This Plan will help to set broad direction on Phase II resources, which total approximately \$85 million as follows:

Allocations to Phase II Action Plans	\$41.7 million
Phase I Over-obligations	16.3
NRP Central Admin	14.6
Affordable Housing Reserve Fund	9.7
COPSIRF	1.0
YCB	0.6
Neighborhood Set-asides	0.1
Contingency	<u>1.5</u>
Total	\$85.5 million

Staff has reviewed the draft NRP business plan for compliance with relevant Council directions and policies. The following report summarizes the chief policy and procedural concerns staff has noted at this time with the draft. Staff is intending to submit detailed comments to NRP covering these general concerns by the November 12th deadline and is seeking the Committee's direction regarding any modifications or additions to this list of proposed issues and concerns.

Timing

The 2003 NRP ordinance amendments noted above required submission of the business plan to the Mayor by July 1 of this year. While an approved five-year plan has yet to be submitted to the City, a draft of the plan is being circulated for comments, with Policy Board consideration scheduled for later this month. Thus the business plan will not be available for consideration as part of the 2005 budget process, which was part of the reasoning behind the July 1 date in the ordinance.

Relationship of the business plan to the proposed Phase II housing program options

The fundamental notion of business planning is that policymakers engage in a discussion with staff about overall mission and direction prior to developing detailed programmatic options. That is not the current case with NRP's business plan and housing options, since the housing options preceded the business plan and the NRP Policy Board is scheduled to vote on both at the same meeting later this month. Given that housing will be such a large portion of Phase II spending, and given that resources for both NRP and the City have been substantially reduced, staff believes that NRP should consider incorporating the housing options into its business plan, much like departments identify their primary business lines and related service activities.

Goal alignment

When Phase II planning began in 1999, one of the explicit outcomes desired by all parties was alignment of City policymakers and the NRP Board about Phase II goals. After an 18 month process, this was achieved, and the resulting Phase II goal statements were approved by the NRP Policy Board in November 1999 and codified into NRP ordinance amendments in March 2001. These goals remain in the current ordinance. The draft NRP Business Plan proposes several substantial changes to this set of goals, which would put it at variance with the NRP ordinance. At a minimum, there should be a dialogue between appropriate public partners and the NRP Board about this proposed set of changes.

Plan Scope

Staff notes that NRP substantially followed the basic format outlined in the Finance Department's business planning framework. The mission statement, list of primary businesses, service activities, organization chart, key trends, and many other elements are all present in the draft. There are however some elements where further elaboration and development would strengthen the Plan. Two examples include:

Finance Plan

The Finance Plan should be expanded to include all projected Phase II resources, not just the central NRP Admin budget. This would include all capital program expenditures and admin at the neighborhood level as well program income. CPED understands that NRP staff have done these projections for cash flow purposes and is recommending that they be incorporated into the business plan. Program income (e.g. recycled loan repayments) currently is estimated to be approximately \$11 million and is likely to grow substantially in the next few years as Phase I repayments occur and additional Phase II loan programs are added. There needs to be a clear understanding about the reporting obligations and uses of these funds by all parties.

Performance Measures

As is the case with many City departments, a number of the performance measures in the draft plan relate to work output and intermediary efforts. Although sometimes difficult to define and measure, it is critical that outcome measures tied to overall program goals also be a part of the business plan. The Plan would be improved if more attention could be given to this category of measures. CPED staff understands the difficulty of this exercise and are available to assist in this endeavor.

Legislation

Staff notes that one of the proposed key initiatives of the Plan (p.30) is to consider additional legislative changes governing the authority of the NRP Board. Although there is reference to “a collaborative effort of all the jurisdictional partners”, last session’s experience in which the City was surprised by a legislative proposal by the NRP Board Chair was not reflective of such collaboration. IGR staff are aware of this stated intention of NRP but so far as CPED is aware, have not yet been contacted about any specific proposals.

A copy of the draft NRP business plan is attached for reference. Although there may be additional points to be addressed in the CPED comments, the above list constitutes staff’s current intentions about items to be covered. We would welcome any further direction the Committee would like to provide in this regard.

Attachment:
NRP Draft Business Plan

Community Planning & Economic Development

Crown Roller Mill, 105 Fifth Ave. S.
Suite 200
Minneapolis, MN 55401



MEMORANDUM

November 12, 2004

TO: Bob Miller, NRP
CC: Mayor Rybak, Council President Ostrow
FR: Lee Sheehy and Jeff Schneider, CPED
RE: Comments on the draft NRP Business Plan

We appreciate the opportunity to offer comments on your draft business plan. They are intended to help build on your efforts, in order to make the plan even stronger.

There are several reference points for our comments, including:

- July 24, 2000 adoption of the original Phase II Plan by the Policy Board and the subsequent March 2001 incorporation of the Phase II goals into the NRP ordinance;
- January 31, 2003 action by the City Council approving the original Five Year Financial Direction and initiating the business planning process;
- April 2003 business planning handbook distributed by the Finance Department;
- the March 19, 2004 Council action which updated the Five Year Financial Direction and the business planning process;
- August 22, 2003 amendments to the NRP ordinance, which included new language regarding business planning (2003 OR-111);
- June 18, 2004 approval of the Unified Housing Policy which included direction to staff and elected representatives to NRP Policy Board.

It may be helpful to restate the key section of the August, 2003 NRP ordinance amendment which required NRP to prepare a business plan:

Chap. 419.30 (c)(3): [the policy board shall] Prepare and transmit by July 1 of each year to the governmental bodies represented on the policy board an annual recommended budget and five-year plan for use of the Phase II funds and any other funds made available to the policy board consistent with city goals, plans and policies, approved neighborhood action plans and applicable laws, ordinances and resolutions. The policy board submission will constitute its recommendations to the mayor and other appropriate parties for consideration in the budget deliberations for the upcoming year.

We understand that the Plan will help set the broad direction on overall Phase II resources, which total approximately \$85 million as follows:

Phase II Allocation adopted by NRP Policy Board

April 19, 2004

Allocations to Phase II Action Plans	\$41.7 million
Phase I Over-obligations	16.3
NRP Central Admin	14.6
Affordable Housing Reserve Fund	9.7
COPSIRF	1.0
YCB	0.6
Neighborhood Set-asides	0.1
<u>Contingency</u>	<u>1.5</u>
Total	\$85.5 million

Staff has reviewed the draft NRP business plan for conformance with relevant Council directions and policies. The following report summarizes the chief policy and procedural concerns staff has noted at this time with the draft.

Timing

It is regrettable that the draft was not released in July, as required in the ordinance. That date was chosen in part to allow the plan to be considered as part of the Mayor's annual budget recommendation, as well as the Council's budget later in the year. Given that the Policy Board will not be formally acting on the plan until its November 22nd meeting, it will not be available until most of this year's budget process is complete.

Goal alignment

The draft business plan includes a number of proposed changes to these goals which are described as intended to make them more easily understood. While there are several instances of minor wording changes, there are also several substantive changes which would appear to change the policy intent. This is troubling in light of the 18-month Phase II planning effort which produced the original set of Phase II goals.

When Phase II planning began in 1999, one of the explicit outcomes desired by all parties was alignment of City policymakers and the NRP Board about Phase II goals. After many months of task forces and work groups, this alignment was achieved, and the resulting Phase II goals were approved by the NRP Policy Board in November 1999 (as noted on p. 4 of the Business Plan) and codified into the City's NRP ordinance amendments in March 2001. These goals remain in the current ordinance.

The draft NRP Business Plan proposes several substantive changes to this set of goals, which would put it at variance with this ordinance. As the excerpt above stated, the NRP business plan is required to be

“consistent with city goals, plans and policies, approved neighborhood action plans and applicable laws, ordinances and resolutions”

CPED staff believe that as a matter of law, and as a practical matter of maintaining a working relationship between the NRP and the City, the Policy Board should not unilaterally change Phase II goals without explicit agreement from the five governmental partners on the Policy Board. Creating the existing Phase II goals took many months of discussions guided by a steering committee comprised of all key partners of the Board. The changes being proposed are in fact substantive, and there should be much more dialogue between the partners and the NRP Board about the proposed changes before any action is taken.

A comparison of the joint 1999/2001 goals and the proposed new goals follows, and is followed by specific staff comments on each item. One of the proposed changes that is particularly troubling is the deletion of the reference in the partnership goal (#4) to efforts at identifying and accomplishing “shared Citywide goals.” CPED staff believe this concept is key to the success not only of NRP but of the public, private, and non-profit entities that comprise NRP. In the current fiscal environment, we cannot afford not to collectively focus our much diminished resources.

The following section overlays the proposed new language against the original language, and is followed in each case by specific comments.

Original 1999/2001 Phase II Goals (approved by Policy Board and City Council) compared to proposed new goals

- (1) Create a greater sense of community so that the people who live, work, learn and play in ~~the City of~~ Minneapolis have an increased sense of commitment to, and confidence in, their neighborhood and ~~their~~ city.

Comment: minor wording changes only

- (2) Increase the civic involvement of all residents of the City by maintaining and strengthening **neighborhood organizations**. ~~Sustain and enhance neighborhood capability in order to strengthen the civic involvement of~~ **all members of the community.**

*Comment: there appears to be a difference in intended audience and method, with a sharpened emphasis on strengthening neighborhood **organizations** as **THE** method of increasing neighborhood **capability**. The two are not the same. This topic is part of the subject of the current Communications Department’s study on community engagement as well as the related efforts of some Council Members to study the question of the role of neighborhood organizations within the broader arena of civic involvement.*

(3) ~~Continue Ensure that neighborhood-based planning and priority setting as remains the foundation of NRP. the program, is informed and leads to creative and innovative approaches.~~

Comment: during the original Phase II planning process, there was a great deal of discussion and interest on the City's part regarding the need to ensure that neighborhood-based planning was informed by a full understanding of relevant City policies, priorities, appropriate demographic data and related information. It was acknowledged that the City needed to do more in this area. Staff believes this is still a necessary task and should not be deleted.

(4) ~~Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals.~~

Comment: as with the previous change, the deleted phrase was a key point of discussion in the initial round of phase II planning and gaining agreement of the Policy Board and City Council to collectively work on "shared citywide goals" was a key breakthrough in that process, for the very reasons noted earlier. Staff continues to believe that it is critical that the Policy Board and City continue to work at "identifying and accomplishing" shared citywide goals.

(5) ~~Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities.~~

Comment: NRP is proposing to delete this goal. While some observers believe that systematic changes in governmental operations due to ideas generated by neighborhoods have been limited, it seems contrary to the spirit of NRP to delete this goal entirely.

Proposed new (5): Identify and support a continuing and stable source of funding for neighborhood organizations that develop and implement neighborhood action plans.

Comment: Funding of neighborhood groups appears to be a topic where inconsistent expectations of NRP are at play. The founding documents of NRP do not include among the program purposes the ongoing funding of neighborhood organizations, other than as a vehicle to develop neighborhood action plans which are to be implemented by other entities. This proposed goal appears to reflect the belief of some parties that it is NRP's job to fund neighborhood organizations. The question of whether neighborhood organizations should be the sole or preferred vehicle for promoting and sustaining civic involvement, and the related question of public funding for that civic support is one of the topics of the current review of citywide community engagement efforts.

(6) ~~Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state~~

~~mandate that fifty-two and five tenths (52.5) percent of the Chapter 604 funds be spent on housing programs and related purposes.~~

Revised (6): Meet the legislated goal of investing 52.5% of NRP's Common Project revenues in housing related programs, projects, services or activities.

Comment: the proposed rewrite simplifies and narrows the goal statement but in so doing deletes any reference to the need for NRP to address a broad range of housing activities for a broad range of residents. During the original Phase II planning process there was a great deal of discussion around the term "lifecycle housing", a term which the City advocated to insure that NRP housing efforts addressed this wide range of activities. Staff recommends retaining either this or a related reference to this concept.

These proposed changes alter the most comprehensive statement of Phase II goal language that exists, something that at least at the outset of Phase II, was a point of common understanding for the Policy Board and the City Council, which each adopted in formal actions. At a minimum, there should be a dialogue between the policy makers about changes to these goals. For example, one avenue for this dialogue might be for the Policy Board to send the business plan or at least key sections of it to each of the five governmental partners on the Board for review and comment. This step was part of the 1999-2000 phase II planning process.

Relationship of the business plan to the proposed Phase II housing program options

The fundamental notion of business planning is that policymakers engage in a discussion with staff about overall mission and direction prior to developing detailed programmatic options. That is not the current case with NRP's business plan and housing options, since the housing options preceded the business plan and the Policy Board is scheduled to vote on both at the same meeting later this month. Given that housing will be more than 2/3 of Phase II spending, CPED staff believes that NRP should consider incorporating the proposed housing options into its business plan. Ideally, these programs would become part of the business plan, along with an indication from NRP about the expected/desired allocation of funds across these programs that is consistent with (or at least complimentary to) City goals and programs.

It has been acknowledged by both NRP and CPED staff that the proposed range of NRP housing activities is different from and narrower than present City housing activities. See the attached matrix prepared by CPED housing staff for the October 28th joint meeting. It would seem appropriate for the parties to engage in a dialogue to sort out our respective roles within the housing arena for the coming years that would result in the best use of our collective housing resources. This dialogue would best occur if it were grounded within the framework of an overall business plan for NRP.

Plan Scope

Staff notes that NRP substantially followed the basic format outlined in the Finance Department's business planning framework. The mission statement, list of primary businesses, service activities, organization chart, key trends, and many other elements are all present in the draft. There are however some elements where further elaboration and development would strengthen the Plan. Two examples include:

Finance Plan

The Finance Plan should be expanded to include all projected Phase II resources, not just the central NRP Admin budget. This would include all capital program expenditures and admin at the neighborhood level as well program income. CPED understands that NRP staff have done these projections for cash flow purposes and is recommending that they be incorporated into the financial projections at the end of the business plan.

As we have discussed, program income (currently estimated at approximately \$11 million) is likely to grow substantially in the next few years as Phase I repayments occur and additional Phase II loan programs are added. There needs to be a clear understanding about the reporting obligations and uses of these funds by all parties. This point has also been noted in the CPED comments on the latest draft of the Housing Funds Options.

Performance Measures

As is the case with many City departments, a number of the performance measures in the draft plan relate to work output and intermediary efforts. Although sometimes difficult to define and measure, it is critical that outcome measures tied to overall program goals also be a part of the business plan. The Plan would be improved if more attention could be given to this category of measures. CPED staff understands the difficulty of this exercise and are available to assist in this endeavor.

Legislation

Staff notes that one of the proposed key initiatives of the Plan (p.30) is to consider additional legislative changes governing the authority of the NRP Board. Although there is reference to "a collaborative effort of all the jurisdictional partners", last session's experience in which the City was surprised by a legislative proposal by the NRP Board Chair was not reflective of such collaboration. IGR staff are aware of this stated intention of NRP but so far as CPED is aware, have not yet been contacted about any specific proposals. CPED suggests that appropriate conversations between NRP and IGR staff occur immediately, prior to adoption of final legislative agendas by either party.

Post – 2009 Issues

The NRP Business Plan raises the concern about the status of the program after the NRP revenue stream officially ends in 2009. We concur that it is not too early to begin planning for the issues related to the continuing obligations and responsibilities of the program as they carry on into the future. Among the issues to be discussed and resolved within the five-year perspective of the business plan are:

- role and staffing of the Policy Board;
- management and monitoring of unexpended capital;
- management and monitoring of continuing program income;
- management and monitoring of ongoing contractual obligations through existing Neighborhood Action Plans; and
- provision of assistance to neighborhood organizations that are still in the planning or implementation stages of Phase II.

We look forward to discussions with NRP and other appropriate parties on these and related issues.

Attachments

Excerpt from October, 28, 2004 Housing Presentation

MINNEAPOLIS HOUSING PROGRAMS

HOUSING CONTINUUM

	← Less than 30% of MMI → \$23,000 household of 4		← 30% to 50% of MMI → \$38,350 household of 4		50% to 80% of MM \$57,500 household of 4
	Emergency Shelter	Supportive Housing	Affordable Rental	Affordable Homeownership	Moderate Income Housing
PRODUCTION		<ul style="list-style-type: none"> • Affordable Housing Trust Fund (AHTF) • Low Income Housing Tax Credits (LIHTC) Other <30% Affordable Rental • Public Housing • Section 8 	<ul style="list-style-type: none"> • Affordable Housing Trust Fund (AHTF) • Housing Revenue Bond (HRB) • Low Income Housing Tax Credits (LIHTC) • Tax Increment Financing (TIF) • Corridor Housing Initiative • Higher Density Corridor Program 	<ul style="list-style-type: none"> • Tax Increment Financing (TIF) • Habitat • Limited Equity Coop Program • Corridor Housing Initiative • Higher Density Corridor Program • Perpetual Affordability • Workforce Housing 	<ul style="list-style-type: none"> • Tax Increment Financing (TIF) • GMHC Home Ownership • Corridor Housing Initiative • Higher Density Corridor Program • Workforce Housing • Lot Redevelopment Program
PRESERVATION	<ul style="list-style-type: none"> • Emergency Shelter Grant (ESG) 	<ul style="list-style-type: none"> • Emergency Shelter Grant (ESG) • Affordable Housing Trust Fund (AHTF) 	<ul style="list-style-type: none"> • Affordable Housing Trust Fund (AHTF) • Low Income Housing Tax Credits (LIHTC) 	<ul style="list-style-type: none"> • Mortgage Foreclosure Prevention Program • Home Ownership Works (HOW) • Home Improvement Programs • Lead Paint • MPHA Homeownership 	<ul style="list-style-type: none"> • Home Improvement Programs • Mortgage Program (City Living) • Lead Paint • American Downpayment Dream Initiative (ADDI)

NOTE: Minneapolis Median HH Income = \$35,708

PROPOSED NRP HOUSING PROGRAMS

HOUSING CONTINUUM

	← Less than 30% of MMI → \$23,000 household of 4		← 30% to 50% of MMI → \$38,350 household of 4		50% to 80% of MM \$57,500 household o
	Emergency Shelter	Supportive Housing	Affordable Rental	Affordable Homeownership	Moderate Income Housing
PRODUCTION		•NRP Affordable Housing Investment Fund (Fund 7)	•NRP Affordable Housing Investment Fund (Fund 7)		•Lot Acquisition and Redevelopment Fur (Fund 8)
PRESERVATION		•NRP Affordable Housing Investment Fund (Fund 7)	•NRP Affordable Housing Investment Fund (Fund 7)	•NRP Purchase and Rehab Perpetual Affordability Fund (Fund 6)	•NRP Home Improvement Program (Fund 1) •NRP Rental Proper Improvement Loan (Fund 2) •NRP Emergency Loan (Fund 3) •NRP Purchase and Major Rehab Loan (Fund 4) •NRP 1 st Time Homebuyer Assistance (Fund 5) •NRP Purchase and Rehab Perpetual Affordability (Fund 6)

NOTE: Minneapolis Median HH Income = \$35,708

DEPARTMENT MISSION STATEMENT – WHAT DO WE DO?

Product of this section: A clearly defined mission statement.

Following the completion of this section, you will have a clearly defined mission statement for your department, which will serve as the first piece of your department's business plan.

A department's mission statement is an obvious start to a business plan. A mission statement is an action-oriented formulation of the function of your department. It clarifies your reason for existence.

Review your existing mission statement and answer the following questions:

	Yes	No
<i>Does it define why we do what we do – why we exist?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Does it focus on the ends (not the means)?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Is it sufficiently broad in scope?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Is it grounded in financial reality?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Does it match our competence?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Does it encourage our commitment?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Does this fit with what our key stakeholders see as our mission?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Is it short and sharply focused?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Is it clear and easily understood?</i>	<input type="checkbox"/>	<input type="checkbox"/>

If you answered "Yes" to all of these questions, your department has a clearly defined mission statement, which will serve as a basis for the business plan.

If you answered "No" to any of these questions, you will need to spend some time rethinking your mission statement. Use these questions as a guide for revising the mission statement. (Note: The team may wish to draft a new mission statement and should consider reviewing the new mission statement with the entire department.)

Note: In addition to refining the department's mission statement, the department may find it helpful to discuss its core values and to include these core values as part of its business plan.

**Minneapolis Neighborhood Revitalization
Program**

(NRP)

Business Plan

(2005-2009)

(Draft)

November 2004

Minneapolis Neighborhood Revitalization Program (NRP)

Executive Summary

The Minneapolis Neighborhood Revitalization Program (NRP) is a legislatively authorized and initiated joint powers program to revitalize the neighborhoods in the city of Minneapolis. NRP staff developed this business plan using a process modeled after the business planning process of the City of Minneapolis. The plan describes NRP's mission, goals, primary business lines, alignment with the goals of its joint powers members, business line details, key trends and challenges and proposed use of resources. The plan is presented in a format similar to the model being used by Minneapolis.

Purpose

This business plan is the first ever formally prepared by NRP and it is being presented at this time so that it may be used as a guide for program and staff activities as the second phase of the program unfolds. The desired outcomes include, but are not limited to:

- Increased citizen participation in the processes and programs of each neighborhood and all levels of government
- Neighborhood Action Plans (NAPs) that reflect the needs and priorities of each neighborhood
- NAPs that are clear, well written and thorough
- Implementation of strategies in NAPs as envisioned by the neighborhood
- Contract and funding agreement preparation, administration, and management practices and processes that are respectful, timely, professional and focused on meeting the needs of the neighborhood at the lowest possible and reasonable cost
- Educated and informed residents interested in and continuously aware of opportunities for improving their neighborhood and city
- Improved and mutually respectful relationships between public staff and neighborhood residents

Process

NRP is a small organization with limited resources to devote to activities that take time away from its primary business lines of providing support to neighborhoods developing or implementing NAPs. Nevertheless, the Business Plan development effort received the direct attention and focused efforts of the Director of NRP and his management team. The Director served as the Team Leader for the Business Plan development effort.

NRP's management team devoted almost 200 hours to reviewing the City's Business Plan development process and handbook, collecting background information, developing plan drafts and reviewing this document. In addition, all NRP staff provided their comments and considerable expertise to prepare this draft for discussion and distribution.

Organizational Overview

History

In 1987, with signs of neighborhood decline in Minneapolis becoming increasingly apparent, then Mayor Don Fraser of Minneapolis and the Minneapolis City Council launched a process that eventually created the Minneapolis Neighborhood Revitalization Program (NRP).

First, a Housing and Economic Development Task Force reported in May 1988 that; a) physical revitalization of the city's neighborhoods would cost over \$3 billion; b) successful revitalization efforts feature flexible, efficient use of public resources and a strategically coordinated approach tailored to specific neighborhoods; and c) the City should initiate a citywide planning effort to revitalize its neighborhoods with the active participation of neighborhood residents.

Second, an Implementation Advisory Committee was established to determine how to finance and execute such a plan. They suggested a neighborhood-based planning process and concluded that " neighborhood revitalization is the most urgent long-term challenge facing Minneapolis over the coming two decades".

By October 1989 a Technical Advisory Committee composed of key local government staff was working out the mechanics of NRP. They developed a process by which the jurisdictions serving Minneapolis could work cooperatively to maximize existing resources to support neighborhood priorities.

The reports of these task forces and committees pointed to some serious problems in Minneapolis neighborhoods and the need for a major revitalization effort. The reports created significant concern and discussion and the need for action found its way to the Minnesota State Legislature.

NRP was authorized by a state statute passed in 1990 that recognized that major cities in Minnesota were encountering the same destabilizing trends as metropolitan areas in other parts of the country. These trends included disinvestment in the existing stock of housing and commercial properties, loss of population, increasing crime, middle class flight, business and job losses to the suburbs and a declining tax base. To reverse these trends, the legislature broadened its definition of allowable uses for tax increment district revenues to include investing in the revitalization of city neighborhoods.

Two legislative actions form the foundation of NRP. One of the two pieces of legislation provides the parameters for establishing and conducting a neighborhood revitalization program, including what it can invest in, how investments are to be identified, the role of citizens and government and a program structure. The other provides a source of funds that can be used to turn the plans developed by neighborhoods into reality. Neighborhood priority setting and plans are the statutory foundation for expending NRP funds.

The Minneapolis Neighborhood Revitalization Program officially started on February 15, 1991 with the selection of six neighborhoods to begin developing their NAPs. The initial expectation in the legislation and in the rhetoric surrounding the initiation of the program was that \$400 million would be invested in neighborhoods over the twenty-year period of the program (1990-2009).

When the program began in 1991 it had to develop its operating procedures and practices at the same time that neighborhoods were being selected to develop their action plans. Questions such as what does a NAP look like, when can a neighborhood begin planning, what process would be used to approve a plan, what happened after a plan was approved, how were plan strategies implemented and how much money should be spent in a particular neighborhood had to be answered while the program was beginning its operations. If NRP were a ship, it would have been constructed after it was launched.

NRP staff conducted its own internal and informal business planning effort in 1994 when it split the program into two ten-year phases. They did this because of the capacity limits of neighborhood organizations and the limited implementation capacity in the governmental jurisdictions. This also gave neighborhoods an opportunity to learn the planning process, achieve successes, analyze their results and initiate a second plan. In 1999 the NRP staff management team again conducted an internal and informal business planning effort to design Phase II. The public and Policy Board processes and decisions relating to Phase II came out of that process.

Over the past five years, NRP continued to help neighborhoods improve despite the uncertainties and questions. Three separate random sample surveys conducted between 1999 and 2001 found that almost 70% of the residents in the samples knew about NRP. The program has come a long way and this Business Plan will help it through its next phase.

Mission Statement

The Mission Statement of NRP is drawn from its founding documents: the NRP statute, the Joint Powers Agreement and the Bylaws of the Minneapolis Neighborhood Revitalization Program Policy Board.

The Mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to improve the quality of life in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

Goals

In Phase I (the first ten years of NRP) the program had four official goals to help it accomplish its mission:

Phase I Goals

- **Build neighborhood capacity**
- **Redesign public services**
- **Create a sense of community and place**
- **Increase intra and intergovernmental collaboration**

In addition to these goals, the Teamworks evaluation report on Phase I identified three additional goals that were distilled from a review of official documents by the NRP Evaluation Task Force, a Policy Board authorized and appointed work team. The three other goals were to:

- **Improve the lives of the citizens of Minneapolis and enhance neighborhood stability;**
- **Bring neighborhoods to a level at which they will attract private investment; and**
- **Improve the physical characteristics of neighborhoods, especially as embodied in infrastructure and housing.**

On November 15, 1999 the Policy Board adopted goals for Phase II by expanding its description of the four initial goals for the program and adding two new goals.

NRP Goals for Phase II

- **Create a greater sense of community so that the people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and their City.**
- **Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community.**
- **Ensure that neighborhood-based planning remains the foundation of the program, is informed and leads to creative and innovative approaches.**
- **Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals.**
- **Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities.**

- **Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state mandate that 52.5% of NRP funds be spent on housing.**

Nearly five years have passed since the date the Phase II goal statements were developed and approved. The environment for NRP and its participating jurisdictions has changed considerably.

As part of the Business Plan development process the NRP management team tested the Phase II Goals against the criteria for reviewing existing mission statements and descriptions of primary business lines in the City of Minneapolis Business Planning Handbook. The team found the wording for the adopted Phase II goals to be long, overly broad, unfocused, unclear and difficult to understand. A future reexamination of these goal statements by the Policy Board, its participating jurisdictions and the neighborhoods would be appropriate.

~~The team spent time rethinking the wording of the goals to focus them and make them more easily understood. The revised Phase II goals proposed for NRP retain the essence of the 1999 statements and are as follows:~~

~~NRP Goals for 2005-2009~~

- ~~• Create a greater sense of community so that people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and City.~~
- ~~• Increase the civic involvement of all residents of the City by maintaining and strengthening neighborhood organizations.~~
- ~~• Continue neighborhood-based planning and priority setting as the foundation of NRP.~~
- ~~• Strengthen the partnerships among neighborhoods and between neighborhoods and jurisdictions.~~
- ~~• Identify and support a continuing and stable source of funding for neighborhood organizations that develop and implement neighborhood action plans.~~
- **Meet the legislated goal of investing 52.5% of NRP's Common Project revenues in housing or housing-related programs, projects, services or activities.**

Current Organizational Chart

NRP's current Organizational Chart can be found in Attachment A to this Plan.

Business Lines Summary

Primary Business Lines

NRP has **five** primary business lines:

- 1. Assist neighborhoods with development of NAPs.**
- 2. Review, modify and approve NAPs prepared by neighborhoods.**
- 3. Oversee, monitor and evaluate implementation of approved NAPs and their strategies.**
- 4. Manage NRP's financial resources and expenditures.**
- 5. Educate, inform and train residents for participating effectively in neighborhood improvement efforts.**

More information, discussion and detail for each business line occurs in the Business Line Overview section of this Plan.

Alignment with Jurisdictional Goals

NRP is operated under a Joint Powers Agreement between Hennepin County, the City of Minneapolis, the Minneapolis Public Schools, the Minneapolis Public Library, and the Minneapolis Park and Recreation Board. As neighborhoods develop and implement their NAPs they help accomplish the mission, realize the vision, and achieve the goals of the jurisdictions that are signatories to the Joint Powers Agreement.

Hennepin County

- 1. NRP and neighborhood investments support the Mission and help realize the Vision of Hennepin County.**
- 1.1. The Mission of Hennepin County is to “enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.”**

NRP invests its resources in neighborhood priorities that enhance the health, safety and quality of life of Minneapolis residents and their neighborhoods.

Neighborhoods are investing over \$12 million of their Phase I funds in human and social service programs, projects, services and activities. This is in addition to the \$6 million of NRP funds being invested by the County (its “second 7.5%” monies) in neighborhood focused human and social services from NAPs.

Investments in health related programs, projects, services and activities included the investments of [the Nokomis East Neighborhood Association \(NENA\)](#) and [the Standish Ericsson Neighborhood Association \(SENA\)](#) in the Nokomis Healthy Seniors Program, Near North's support of Turning Point, the contributions of five northwest neighborhoods to construction of the Camden Physicians Clinic, Seward's support of the Seward Co-Op and Deli, contributions to the Block Nurse programs in Longfellow, Prospect Park and Marcy Holmes and the support provided by Sumner Glenwood and Near North for the Glenwood Lyndale Clinic. The partnership initiated by Corcoran with Longfellow, Bancroft, Standish-Ericsson, East Phillips, Powderhorn Park and Seward that developed and helped fund the Midtown Market is another example. The Market improves health and quality of life by offering shoppers a vast array of produce, meats and other locally grown and made products.

Neighborhoods are investing over \$7 million of their NRP Phase I funds in strategies that address crime and public safety. Strategies ranged from buying back police hours for targeted patrols and problem solving to the innovative Slow Down on 50th Street Program in the Fulton and Lynnhurst neighborhoods and the Drive 30 In Our Neighborhood campaign of the St. Anthony West and Sheridan neighborhoods. Resident walking patrols, support for the mounted patrol, investments in police bikes and bike patrols, anti-prostitution projects, graffiti removal, crime prevention speakers, motion detector lights, blue phones, home security and personal safety workshops, and thermal imaging equipment for the fire department were other neighborhood public safety related initiatives. One million dollars of the limited resources available to neighborhoods for Phase II has been set aside to help mitigate reductions in the officer strength of the Minneapolis Police Department, focusing the saved hours on neighborhood and police identified issues.

Every strategy in a NAP is intended to improve the quality of life in the neighborhood. The sum total of all of these individual plans is the revitalization of the City's neighborhoods and an improved quality of life for every resident.

Multi-neighborhood collaborations and partnerships with public and non-profit agencies and organizations are used to avoid unnecessary duplication of services, enhance collaboration and cooperation and leverage NRP dollars.

Fiscal responsibility is an NRP and neighborhood priority because neighborhoods suffer the loss of resources from poor fiscal management. NRP has used the Office of the State Auditor to conduct stringent objective examinations of neighborhood management of its revenues and expenditures. The standards NRP applies to neighborhoods and the penalties available for enforcement are the strictest in the state and far exceed the requirements of any other public body.

1.2. Hennepin County envisions “a future where residents are healthy and successful and where our communities are safe and vibrant”. They “will strive to meet and exceed expectations by engaging people and communities in developing

innovative solutions to challenges” and they “will partner with others to enhance the quality of life in Hennepin County and the region”.

NRP is the most successful program for “engaging people and communities in developing innovative solutions to challenges” in the metropolitan region and one of the most innovative programs of this type in the world. In 1996 NRP was awarded the prestigious National Award of excellence by the U. S. Department of Housing and Urban Development. NRP was one of only 25 programs recognized in the U.S. as part of the Habitat II Conference. In 2002, NRP was selected as one of the 100 Best Urban Revitalization Programs in the world by the United Nations.

The search for creative solutions to tough problems led Elliot Park, Stevens Square and Loring Park to form the Central City Neighborhood Partnership and initiate a restorative justice model for dealing with nuisance and quality of life crimes. The program has been so successful that it is now being replicated in other neighborhoods. Neighborhoods in Phillips partnered with the County to redesign Franklin Avenue and restore much needed luster to a troubled thoroughfare. They also invested part of their Phase I dollars in the \$3.4 million reconstruction of Franklin Avenue from Chicago Avenue to 16th Avenue. Seward invested more than \$800,000 of its NRP funds to help neighborhood businesses along their section of Franklin grow and prosper. This investment also helped transform Franklin Avenue.

NRP has partnered with the County to provide contract management services for neighborhood human and social service programs and the County has very effectively and fairly managed its “second 7.5%” funds from NRP. These funds have been used to support Neighborhood Early Learning Centers throughout the City, mortgage foreclosure prevention programs, Way to Grow, after school and summer youth programs, Spanish language computer programs, safety centers, adult and youth employment and training programs, literacy initiatives, senior chore services, the Midtown YWCA, the Humboldt Greenway Senior Housing Project, and other neighborhood supported human and social service initiatives.

NRP and neighborhood investments are direct contributors to achieving the Mission and realizing the Vision of Hennepin County.

Minneapolis

2. NRP and neighborhood investments have a strong alignment and are direct contributors to all eight of the Goals for the City of Minneapolis.

2.1. Build communities where all people feel safe and trust the City's public safety professionals and systems.

NRP and the neighborhoods have been strong supporters of public safety services and initiators of prevention efforts. Forty four (44) neighborhoods believed in this goal enough to include funds for police buy back or other public safety services in their Phase I NAPs. NRP and the neighborhoods contributed more than \$7.2 million to safety professionals and related systems in Phase I, and the NRP Policy Board set aside \$1 million of its scarce Phase II funds in 2003 to help mitigate the impact of resource shortfalls on the Minneapolis Police Department. Two hundred ninety two (292) strategies in Phase I NAPs addressed public safety measures. In addition to police services, neighborhoods have funded prevention strategies that include youth activity programs, graffiti removal, pedestrian lighting, resident walking patrols, and "Get to Know Your Neighbor" events. Addressing livability issues through development and implementation of NAPs is a primary business line of NRP. Neighborhoods are among the strongest supporters of the MPD, Minneapolis Fire Department and CCP/SAFE.

2.2 Maintain the physical infrastructure to ensure a healthy, vital and safe City.

No single public or private organization has invested more money or effort in maintaining the physical infrastructure of the City over the past 10 years than NRP and the neighborhoods.

Some of the most recent, extensive and successful streetscape improvements to major corridors, i.e. Nicollet Avenue, Hennepin Avenue, [Lake Street](#), Central Avenue, Chicago Avenue, Humboldt Avenue and Franklin Avenue, were initiated and/or significantly supported by neighborhoods with their NRP funds. In each of these major efforts, multi-neighborhood collaborations greatly contributed to the planning and implementation.

Integrated infrastructure development has been a theme of NRP for more than eight years and the partnerships that NRP helped create at Whittier (school, park, neighborhood and early learning center), Harrison (school, park and neighborhood), Cityview (school, park and neighborhood), Windom (school, park and neighborhood), Phelps (park, non-profit agency and five neighborhoods) show that NRP and the neighborhoods have done more than talk about collaboration and integration - they have helped make it happen. It is the strong belief of NRP staff that no public facility of any jurisdiction should be constructed or remodeled without complete examination and exploration of options for multi-jurisdictional use.

In addition to these general types of infrastructure investments, neighborhoods used significant portions of their Phase I funds to accomplish or assist with capital improvements to parks, schools and libraries.

Neighborhoods contributed almost \$15 million to park improvements and the parks improved included Matthews, Loring, Van Cleve, Powderhorn, Linden Hills, Phelps, Armatage, Harrison, Jordan, Pearl, Keewaydin, [Richard Green](#), Columbia, Stewart, Mueller and dozens more.

Neighborhoods committed \$6 million to improving the schools. In addition the schools invested all of the \$6 million in their second 7.5% funds on school improvements. Pratt, Southwest, Cityview, Harrison, Jordan, Lucy Craft Laney in Cleveland, Lyndale, Armatage, Kenny, Anderson, Kenwood, Windom, Bancroft, Barton, Bethune, Hale, Burroughs, Henry, Victory Park, Tuttle, Bryn Mawr, Jefferson, Waite Park, Washburn, Willard and Hall were just some of the more than 70 MPS campuses that were improved with funds from NRP and the neighborhoods.

Neighborhoods also helped fund library improvements. Hosmer, Bottineau and East Franklin are just a few examples. [The renovation of Hosmer was a multi-neighborhood effort led by the Central Neighborhood Improvement Association \(CNIA\) that not only saved the library from closing and demolition but restored its lost luster and created a renovated facility that now has one of the largest circulation's in the Minneapolis Public Library System.](#)

Teamworks, in their evaluation of NRP's Phase I, found that "The manner in which public facilities evolved from intergovernmental collaboration with NRP was 'more, better, and sooner.' NRP's collaborative projects were different. The addition of neighborhood input and funding fundamentally changed the nature of the collaborative projects in terms of size, quality, design, location, and timing."

Teamworks also found that "NRP's role in fostering collaboration was critical. The collaborating parties sanctioned NRP staff to serve as a broker, facilitator, mediator or innovator. The respect and attention paid by these staff to each collaborator at key intervals lubricated these deals."

2.3 Deliver consistently high quality City services at a good value to our taxpayers.

NRP is not a City agency or department but it has contributed significantly to this goal by involving public staff in the development and implementation of neighborhood strategies. This provides a direct and facilitated opportunity for City services to be provided to the owners of their enterprise: the residents.

NRP has often been requested to assist neighborhoods when difficulties with communication or performance of public staff occur. We work at being sensitive to our unique position as professionals trusted by residents and public servants who work for a governmental entity.

NRP staff are always available to the neighborhoods. They work days, evenings, nights, weekends and holidays if they are needed. NRP's operating philosophy is that NRP and its staff are here to support the neighborhoods. The credibility and respect given to NRP staff by the neighborhoods has been earned with hard work, enthusiasm and commitment. The respect that neighborhoods have for NRP staff is an indicator of how NRP's performance is perceived.

NRP has maintained this level of service while reducing its staff by 54% over the past eight years. As the City moves more toward a fee for service approach for the services that it provides to its public, the monitoring of performance will become an even bigger part of NRP's activities. The role of NRP will be to help ensure that neighborhoods are receiving the services they were promised and deserve at a reasonable cost. This is especially important since NRP is the primary funding source for almost every neighborhood organization in the City.

2.4 Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Economic development investments in Phase I were second only to housing. Sixty two (62) neighborhoods invested a total of \$20.9 million in economic development efforts. This is a high priority of neighborhoods and they have created façade improvement programs, contributed to the City's 2% working capital loan fund, invested in streetscapes that support economic growth and customer safety and promoted and funded mixed use developments. Safe, attractive and livable neighborhoods help create an attractive economic development environment.

The Central Neighborhood Improvement Association (CNIA) was one of the first organizations to recognize and invest in the potential of a revitalized Lake Street. Their investment in streetscape, façade and building renovations at 4th and Lake helped show that change was possible and could redirect an important commercial corridor.

2.5 Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.

Fifty two percent (52%) of the funds contracted to implement neighborhood strategies in Phase I, i.e. more than \$85 million, were committed to housing or housing related programs, projects, services and activities.

NRP has helped homeowners (especially those with lower incomes) and rental property owners make improvements to their properties that modernize them, address code compliance issues, make them safer, improve their attractiveness in today's markets and help them fit into the character of the neighborhood.

NRP is one of the primary sources of support for improving the largest supply of affordable homes, i.e. those that already exist. A 2002 report prepared for NRP by the four major administrators of neighborhood home improvement programs (Center for Energy and Environment (CEE), Northside Neighborhood Housing Services, Greater Metropolitan Housing Corporation Housing Resource Centers, and Southside Housing Services) indicated that more than 4,000 homes and rental properties had received improvement loans or grants from neighborhood NRP funds. Twenty eight percent (28%) of the loans and grants closed by CEE and Northside (the two program administrators with the greatest number of neighborhood NRP programs) went to assist households with incomes of 50% or less of MMI.

Teamworks found that “NRP expenditures had a significant impact on the increase in repairs and improvements in the Minneapolis housing stock between 1992 and 1997. NRP activity raised the level of city wide permit work, and greater NRP spending in a given neighborhood increased its permit activity relative to other communities.” Teamworks estimated that neighborhoods with NRP activity had 311 more permits per year than a neighborhood with no NRP expenditures. In the Central neighborhood, more than 140 boarded, vacant, or substandard properties were improved. In Jordan, more than 400 home improvement loans helped upgrade properties. In Seward, almost 40% of the existing structures received updating and assistance.

Teamworks also found that, between 1990 and 1999, “NRP expenditures made a significant difference in the size of increase in homeownership rates in Minneapolis neighborhoods. All neighborhoods together gained more homeowners that they would have without NRP. Neighborhoods with more NRP spending experienced greater increases in homeownership rates.”

NRP set aside \$9.7 million from the funds that would have been available to neighborhoods in Phase II to invest specifically in affordable housing projects. Neighborhoods have been major contributors to and supporter of projects such as Grant Park and East Village, Lofts on 3rd Avenue and Monroe Village.

Housing will continue to be a focus of NRP in Phase II and the proposed housing funds are intended to provide even greater opportunities for leveraging and new partnerships.

2.6 Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis.

Neighborhoods are advocates for historic preservation, the environment and a clean and sustainable Minneapolis. They contributed almost \$4 million to these efforts in Phase I.

Neighborhood efforts have been varied and creative and have ranged from the stenciling of storm drains to holding collection events for used tires. Neighborhoods

were committing dollars and hours to environmental protection efforts long before the City adopted it as a goal.

In 1992, the Fulton neighborhood, in one of the very first NRP funded projects, purchased and planted almost 800 trees. More than 50 neighborhood volunteers walked every block in the neighborhood and identified sites for the new trees. The new trees replaced those that had been lost in a 1981 tornado and never replaced. Neighborhoods and NRP have been the major funders for the restoration of the City's urban forest.

Neighborhoods are also working on planting and stabilizing the shoreline at Lake Nokomis, the preservation of the Mississippi Gorge and Minnehaha Creek and the restoration of the creek bed along Bassett's Creek. Loring Park's NAP advocated for and was the major funder of the extraordinary revitalization of Loring Park.

In addition, neighborhoods helped save the Van Dusen mansion, the Hinkle Murphy mansion and Longfellow House.

Neighborhood Clean Sweeps and litter pickup events have been held every year for the past decade. On a single day this year, more than a dozen neighborhoods sponsored cleanup and graffiti removal events.

2.7 Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

NRP has used its position as a multi-jurisdictional partnership to accomplish the type of efforts the City is interested in promoting. In Phase I, neighborhoods allocated \$10.9 million, in addition to the \$6 million of the County's second 7.5% monies, to support services to individuals and families.

Neighborhood support provided to the immunization partnership at North Star Elementary school, Way to Grow, Harriet Tubman and the neighborhood early learning center at Whittier are only a few of the investments by neighborhoods that address this goal. Neighborhoods have also been major supporters of programs supporting the elderly, including the Block Nurse program in Marcy Holmes, Prospect Park and Southeast Como, Monroe Village in the Holland neighborhood, Nokomis Healthy Seniors in the Nokomis community and Longfellow Healthy Seniors in the Longfellow community.

Future neighborhood efforts to address these concerns will be hampered by the reduced resources available to neighborhoods for Phase II and the investment required to meet the NRP program's mandated housing percentage.

2.8 Strengthen City government management and enhance community engagement.

Community engagement is the building block of NRP. It is a primary business line of NRP and a goal that NRP accomplishes more successfully than any other governmental jurisdiction or agency. In Phase I, neighborhoods invested \$7.4 million in community building strategies in their NAPs.

NRP has involved thousands of Minneapolis residents in their neighborhoods. There is, of course, room for improvement and NRP is working to do even better at reaching the most difficult to reach. In June, July and August, as an example, NRP conducted workshops for neighborhoods on “Reaching the Hard to Reach”. NRP is also working with the Somali community to complete and distribute a video seminar on meeting behavior and Roberts Rules of Order.

NRP has involved more people in the civic business of Minneapolis than ever before and that record needs to be acknowledged and appreciated. A Minneapolis Opinion Research Institute (MORI) random sample survey of Minneapolis residents conducted as part of the Teamworks evaluation of Phase I found that “whether they attend NRP meetings or not, a significant majority of residents throughout the city are aware of the program. According to the MORI survey, an impressive two-thirds (66 percent) of Minneapolis residents are aware of NRP. The range among neighborhood types is narrow: 64 percent in redirection neighborhoods, 67 percent in revitalization neighborhoods, and 69 percent in protection neighborhoods.”

Enhancing citizen participation is an area in which NRP can assist the City. NRP is an owner-oriented culture, not a customer-oriented culture. Residents created and own government and they should be involved in helping to set the agenda for what their creation accomplishes.

NRP and neighborhood investments are strongly aligned with, and direct contributors to, every City of Minneapolis Goal.

3. NRP and neighborhood investments support the Minneapolis Public Schools and their Mission of “ensuring that all students learn” and are strongly aligned with, and direct contributors to, the following MPS goals.

3.1 Enriching and Accelerating Academic Achievement for All Students.

Neighborhoods supported the use of \$1.5 million of the schools “second 7.5%” NRP funds to implement the community schools program in Minneapolis. They have also helped improve the educational environment for students by funding or supporting improvements at more than 70 district schools. The improvements have ranged from renovating and improving play areas to funding computer labs and books.

Neighborhoods have also been critical contributors to the design and functionality of recently constructed facilities such as Cityview, Harrison, Jordan and Cleveland's Lucy Craft Laney.

3.2 Welcoming and Engaging Students, Families and Community in Education.

Neighborhoods have invested more than \$6 million of their Phase I funds in schools and educational programs. This is in addition to the \$6 million of "second 7.5%" NRP monies used by the schools to support educational programs, services, projects and activities. Most of the MPS' "second 7.5%" monies were invested in capital improvement projects.

Neighborhoods have worked with the project architects and the staff of MPS to make newly constructed and remodeled educational facilities part of the fabric of the neighborhood. They participated in the planning, design and improvements at many of the schools in the MPS system that received capital improvements including Armatage, Lyndale, Anderson, North Star, N.E. Middle School, Windom, Hale, Longfellow, Southwest and Bancroft.

Neighborhood and community functions were added to schools through partnerships between neighborhoods and the schools. The computer lab at Southwest was a partnership with Linden Hills and Fulton. The saved, restored and revitalized Pratt School was a result of the tireless efforts of the Prospect Park East River Road Improvement Association and their investment in this historic landmark. The Windom School improvements and community center was the result of the partnership between the Windom neighborhood, the schools and the parks. The computer lab at Waite Park was funded by the Waite Park neighborhood. The Harrison School, Park and Community Center was a partnership between the Harrison neighborhood, the schools and the parks.

These and many other school changes were initiated to improve the learning environment for students, their families and the community. Neighborhoods invested their NRP funds to provide a quality education for every Minneapolis child.

Through NRP, neighborhoods have been fully engaged in supporting and improving Minneapolis Public Schools.

NRP and neighborhood investments are strongly aligned with, and direct contributors to, helping every MPS child learn.

4. NRP and neighborhood investments support the Minneapolis Public Library and their Mission of linking "people in the city and beyond with the transforming power of knowledge".

Libraries are important neighborhood cultural and community centers and the residents of the neighborhoods have invested heavily in their improvement.

NRP and the neighborhoods have helped design and fund improvements to the East Franklin and Linden Hills libraries, among many others; initiated the award winning renovation of the Hosmer Library in Central (to which Central, Bryant and Bancroft contributed); and helped fund the construction of the new Pierre Bottineau Library in Sheridan (to which St. Anthony West, St. Anthony East and Sheridan contributed).

The neighborhoods of NENA are helping fund “Saturday hours at the Library” to keep the Nokomis Library open during periods that it would otherwise be closed because of budget reductions. Whittier and Prospect Park provided funding for a new Book Mobile for the public library system to make reading materials readily available to residents in any Minneapolis neighborhoods.

NRP and neighborhood investments are strongly aligned with, and direct contributors to, helping the Minneapolis Public Library “link people in the city and beyond with the transforming power of knowledge”.

- 5. NRP and neighborhood investments support the Minneapolis Park and Recreation Board in their Mission, “on behalf of all current and future citizens of the City of Minneapolis, to permanently preserve, protect, maintain, improve and enhance the City’s parkland and recreational opportunities” and are strongly aligned with, and direct contributors to, the following MPRB goals.**

- 5.1 Make the Park and Recreation system an outstanding example of balance, sound conservation, and ecological practice that leads the way for a healthy environment.**

Neighborhoods have included conservation and environmental improvement programs, projects, services and activities in their NAPs. In Phase I, they invested almost \$4 million in these environmental efforts.

Neighborhoods have used strategies such as the stenciling of storm drains, planting of new trees, establishing community gardens and advocacy for and initiation of the Blue Water Commission to help improve the environment.

The Buckthorn Bust conducted by Linden Hills and the Fulton Rainwater Management Project are examples of the willingness of neighborhoods to use their energy and resources to help build a healthy environment. The improvements at Loring Park, Powderhorn Park and Lake Nokomis would not have occurred without resident support and NRP funds.

These are just a few of the examples of the level of neighborhood commitment to environmental improvement. The park and recreation system is a major amenity of Minneapolis and it is greatly prized by neighborhood organizations and residents.

5.1.1 Ensure recreational opportunities that contribute significantly to the quality of life for Minneapolis residents.

Neighborhoods invested more of their Phase I NRP funds in park and recreation improvements than in any area other than housing and economic development - more than \$14.5 million in capital improvements, programs, projects, services and activities.

A complete list of neighborhood investments in this important element of Minneapolis would be too extensive to include in this plan. Examples include: the gym and activity center at Phelps Park (a collaboration of Bryant, Central, Powderhorn Park, Bancroft, and the Boys and Girls Clubs); the gym at Pearl Park; the improvements at Victory Park and School; the accessible playground at Hiawatha Park; the improvements to the Lake of the Isles walking and biking paths; the tot lot at Linden Hills Park; the revitalization of Harrison Park; the construction of the Harrison School, Park and Community Center and the park building at Brackett Park.

Park and recreation improvements have been an area of significant neighborhood investment.

5.2 Foster a sense of community, which promotes respect for and participation in community life.

Building a sense of community is a goal that NRP shares with the Minneapolis Park and Recreation Board, and it is a priority with neighborhoods.

Neighborhoods are much more than bricks and mortar. Without an effort to bridge the gaps between individuals and encourage participation by all in community life, the brick and mortar investments will be wasted. The revitalization of neighborhoods requires a holistic approach, and neighborhoods recognized this in Phase I.

Neighborhoods invested almost \$7.4 million in community building in Phase I. The programs, projects, services and activities that these funds supported are as varied as the neighborhoods that made the investment. Neighborhoods have invested in multicultural community events, developing and producing neighborhood newsletters, assembling and distributing welcome packets, producing neighborhood histories and organizing their neighborhood and blocks.

When NRP began in 1991, very few residents of the City knew the name of the neighborhood where they lived. Today, that name is used in real estate ads, newspaper articles and television stories. Neighborhoods have become the building block for a renewed sense of community.

NRP and neighborhood investments are strongly aligned with, and direct contributors to, helping the Minneapolis Park and Recreation Board “preserve,

protect, maintain, improve and enhance the City’s parkland and recreational opportunities”.

Key Trends and Challenges

1. Trends

Neighborhoods in the city have improved greatly since NRP was initiated in 1990. The investment of NRP resources during the first ten years helped reverse years of neglect and decline in neighborhoods and provided resources that were used to leverage investments by other public and private sources. In Elliot Park alone, the neighborhood's investment of \$4.4 million from NRP helped leverage over \$151 million in other public and private investment in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing NRP have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government, in general, have greatly reduced the revenues available to NRP for Phase II. Government at all levels has had to cope with having fewer resources to provide the same or greater levels of service to meet the continually changing needs of residents, businesses and neighborhoods. As the city's housing stock and infrastructure ages, continuing reinvestment will be required to make the neighborhoods and the city competitive with other options available to current and potential residents.

The population of the city has grown less than 4% over the past 20 years but the composition of that population has changed significantly. The senior population in the city declined by almost 30% between 1990 and 2000 and the population under 5 years of age declined by 7%. The growth in population that occurred between 1990 and 2000 was in the 5-24 and 45-64 age brackets. These demographic changes, and the growth in the minority and new American populations, affect the investment needs in neighborhoods.

While the needs in the City and neighborhoods continue to grow, resident incomes continue to lag significantly behind those of other Hennepin County residents. The per capita income in Minneapolis in the 2000 Census was \$22,700. The per capita figure for Hennepin County's suburbs was \$32,000 and the overall County per capita was \$28,800. Minneapolis residents had less income available to meet their needs than did other residents of Hennepin County.

In Phase I a major effort was made to organize every neighborhood to facilitate development of their NAPs. The reduced resources of NRP in Phase II and the limited private support for the operating needs of neighborhood organizations will threaten the continued existence of the infrastructure needed to support such efforts.

2. Challenges

2.1 Renew interest and commitment.

Phase II was initially planned to begin in 2001. On February 24, 2001, more than 400 residents braved one of that winter's worst storms to celebrate neighborhood achievements in Phase I, honor exemplary projects and receive information and training that would help them in Phase II. With the changes adopted by the legislature in 2001 the program had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to move into Phase II as they completed their Phase I plans were forced to wait, and uncertainty about resource availability led to questions about city commitment, the value of resident-based planning and the interest in citizen participation.

As the time required to answer the questions about future revenues grew longer, residents turned to other areas of interest, neighborhoods lost volunteers, projects were placed on hold or canceled and questions were raised about whether there would even be a Phase II.

Adoption of the revised Chapter 419 of the Minneapolis City Ordinances in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents and neighborhoods now need to be encouraged to recommit to their neighborhood and the city, based on this renewed commitment to NRP.

2.2 Fewer resources.

The funding available for Phase II has changed dramatically. In June 2000, as NRP was about to begin its second decade, it was projected, based on the legislation establishing NRP, the city ordinance implementing the program and the revenues anticipated from the tax increment districts in the Common Project, that approximately \$180 million would be available for Phase II. With the legislative changes enacted in 2001 and the results from the Brookfield loan negotiations, the revenues available from the Common Project dropped to less than \$85 million.

With the requirement that most of these revenues will need to be spent on meeting the state mandated housing investment goal of the program, neighborhood opportunities for addressing other resident priorities have been greatly reduced. Obtaining resident participation and maintaining partnership commitments will be more difficult, and the opportunity to leverage NRP resources will be severely impacted.

2.3 Working with government.

In Phase I, NRP resources were an incentive for jurisdiction and department participation with neighborhoods. Government interest in neighborhood priorities was often driven by the funds neighborhoods had available to support neighborhood improvement projects.

NRP funds bought residents and neighborhoods a place at the table. The reduced revenues available for NRP, the need to invest heavily in housing, and the reduced level of resources generally available to government will adversely affect the ability of neighborhood's to gain the attention and support of government for meeting their priorities.

2.4 Determining NRP's future.

NRP's revenue stream officially ends in 2009. After that date, there is presently no commitment to any future investment in neighborhood improvement. A deliberate discussion needs to occur about the impact this will have on neighborhoods and the value that neighborhoods and the City have received from NRP.

If that discussion and assessment finds that NRP and neighborhood based priority setting and planning have had no impact on the livability of neighborhoods or the City, NRP should expend its available resources according to approved NAPs and be terminated. If the results of the discussion and assessment indicate the need for continuation of NRP and support for neighborhood planning, the form and structure of that continuation needs to be decided before 2009.

Business Lines Overview

Primary Business Line

1. Assist neighborhoods with development of Neighborhood Action Plans (NAPs).

NAPs are the building blocks of the NRP program and are developed and written by the neighborhoods. Each NAP provides a vision for the neighborhood, identifies the priorities for achieving that vision, and identifies and contains specific action steps (strategies) for implementation.

NAPs are blueprints for revitalizing neighborhoods and a requirement for the expenditure of NRP funds reserved for the neighborhood. The NRP statute requires that NAPs be prepared and approved before any NRP expenditures occur.

NRP staff provide guidance on development of an NAP, monitor the public participation process, help the neighborhood obtain any needed professional or technical support as the strategies are being considered, and assist, as needed and requested, with preparation of the draft plans.

1.1 Service Activities

1.1.1 Include resident directed decision making and resident based planning in all aspects of NRP.

Resident participation and engagement is needed to produce NAPs that truly reflect the needs of the neighborhood and address its challenges and opportunities. NRP is committed to true neighborhood empowerment and the involvement of residents in all aspects of the program.

NRP staff support neighborhood organizations and the involvement of their residents. Part of the role of neighborhood organizations is to remind agencies and jurisdictions of the need for the participation of residents in decision-making processes that affect them. When requested, NRP has helped its participating jurisdictions in their efforts to secure resident and neighborhood organization input and assistance.

1.1.2 Assist with development of participation agreements.

Participation Agreements are contracts with the neighborhood that detail how the NAP development process will occur. They are the first step in developing an NAP and must be approved before the neighborhood begins its formal NAP development process.

The Participation Agreement describes the outreach efforts that the neighborhood will make, the organization of the planning process, the responsibilities of the neighborhood organization and its staff and committees, the plan review and approval

process, the process for addressing grievances and contains a budget and timeline for the plan development process.

1.1.3 Facilitate the provision of technical and professional support to the neighborhood.

During the plan development process neighborhoods conduct significant research on the problems they have identified, assess opportunities for neighborhood improvement and identify the possible strategies for addressing the problems and taking advantage of the opportunities. Professionals and technical experts can be important resources during this process. Neighborhoods, however, often do not know who an appropriate resource person may be or how to get them involved with the strategy development discussion.

NRP staff use their knowledge of the various government entities and staff and the non-profit and private sectors to identify possible resources. They invite appropriate governmental staff, early in the plan development process, to provide information to, and participate with, the neighborhood in the development of the NAP.

1.2 Customers and their Expectations

1.2.1 Customers

The primary customers for this business line are the neighborhoods and their residents. Secondary customers are the various organizations that will be asked to be resources.

1.2.2 Expectations

The primary expectation of this business line is that it will provide the neighborhoods and residents the information, guidance and tools needed to create high quality NAPs that reflect the needs and concerns of the neighborhood and provide solutions that will help the neighborhood improve.

Some of the factors that may impact NRP's ability to meet demand are:

- Reduced resources for Phase II.
- Reduced interest by residents because of reductions in the Phase II allocations.
- Limited investment options for neighborhoods as a result of the need to meet the housing mandate.
- Reduced interest by residents because of the more limited options for investment of their Phase II NRP funds.
- Staff reductions in NRP.
- Demands on the time of potential resource persons
- Decreased interest in partnerships from government and other entities because of the reduced level of Phase II resources or their other jurisdictional priorities.

1.3 Relationship to the Businesses of Other Organizations

NRP is ~~solely~~ responsible for assisting neighborhoods with development of their plans. It is also a responsibility of NRP, and the neighborhoods, to involve appropriate staff from other organizations in the development of their NAPs at the appropriate times. As part of this responsibility NRP will provide City and staff of other jurisdictions with information that will allow them to arrive prepared at neighborhood meetings that they are invited to attend. Every effort will be made by NRP staff to bring resource staff from departments such as CPED, the Minneapolis Police Department, and Public Works and jurisdictions such as the Park Board, Library Board and the Minneapolis Public Schools into neighborhood strategy development discussions while the discussions are in their early stages.

1.4 Performance Measures

The following outcome measures will be used for this business line:

- % of City residents with knowledge of NRP
- % of City residents with knowledge of NRP and a favorable opinion of NRP
- % of residents volunteering for community improvement activities

The following effectiveness measures will be used:

- Number of residents participating in development of NAPs
- Number of residents participating in NRP workshops/classes
- Average length of time required for preparation of an NAP
- % of invited resource persons that attend neighborhood meetings

1.5 Key Initiatives

The following initiatives are being planned or are in process to help address the challenges and trends identified for this Business Line:

Promises Kept and Progress Continued

Promises Kept and Progress Continued is a public awareness campaign that NRP will be launching in 2005 to publicize the results from Phase I and the need and opportunity for continued progress in Phase II.

NRP needs to help neighborhoods renew interest and commitment to Phase II and civic participation. The time between the enthusiastic kickoff for Phase II in 2001 and the approval of allocations for neighborhoods this past April has significantly and adversely affected resident belief in the potential of NRP to help improve their neighborhood.

Citizen Participation

The City of Minneapolis is beginning a major reexamination of its citizen participation processes to develop a more user friendly, open, and consistent system for the future. Two findings in the 2003 Resident Survey conducted by the City demonstrate the importance of this effort. Resident's attitudes towards the City performance with regards to "communicating with its citizens" and "effectively planning for the future" showed a significant decline in satisfaction between 2001 and 2003.

Staff from NRP are assisting with this effort and will be helping to obtain active participation by the neighborhoods.

2. Review, modify and approve NAPs prepared by neighborhoods.

2.1 Service Activities

2.1.1 Conduct reviews of draft plans.

After the neighborhood approves its draft NAP, the plan is reviewed by NRP staff and forwarded to NRP's external counsel for a legal opinion on conformance with the NRP statute.

NRP staff secure a legal opinion from NRP's external counsel that certifies that each proposed plan strategy is an eligible program, project, service or activity under the NRP statute and provides a copy of this opinion to the City for its files and use in developing needed contracts or funding agreements.

NRP staff also suggest modifications to ensure clarity and conformance with the statute. NRP staff also help prepare the plan for review by the MRT and entry into PlanNet NRP, NRPs neighborhood plan database.

2.1.2 Manage the plan approval process.

The approval process for an NAP can be time and energy consuming for neighborhoods. NRP staff work to make the process as considerate and respectful as possible by providing information to the neighborhood before they begin the process, identifying possible problem areas in the plan draft, encouraging neighborhood representative attendance at the MRT and Policy Board review of the plan, providing assistance with making MRT suggested changes to the plan before the Policy Board presentation, and preparing all needed transmittal and descriptive documents.

2.1.3 Provide jurisdictions and agencies neighborhood approved NAPs for review.

Jurisdiction, department and agency staff participate in the review of NAPs through the Management Review Team. NRP provides these organizations and their representatives to the MRT with proposed NAPs before the MRT meeting at which

the plans are to be reviewed and solicits their comments, concerns, questions and suggestions at a pre-MRT briefing one week before the MRT convenes. This process is used to help neighborhoods address jurisdictional staff concerns before the plan is presented for formal review and approval.

2.2. Customers and their Expectations

2.2.1 Customers

The primary customers for this business line are neighborhood organizations, residents and the NRP Policy Board. Secondary customers are the other organizations that will be involved in the review and approval process.

2.2.2 Expectations

The primary expectation of this business line is that it will:

- provide the reviewers and decision makers with a high quality NAP that addresses the needs and concerns of the neighborhood
- process NAPs in an efficient and timely manner
- answer questions that reviewers and approval bodies may have about the level of involvement of their agency, department or jurisdiction in implementation
- secure agency, department, and jurisdiction commitment to implementation of the NAP strategies that involve their organization.

Some of the factors that may impact NRP's ability to meet demand are:

- Reduced resources for participating jurisdictions.
- Staff reductions in NRP.
- Absence of commitment and involvement by policy makers and top managers from the agencies, departments and jurisdictions.
- Limited interest in partnerships from governmental and other entities because of the reduced level of Phase II resources or other jurisdictional priorities.

2.3 Relationship to the Businesses of Other Organizations

NRP is responsible for helping neighborhoods navigate the complex and time consuming plan approval process. Other agencies and jurisdictions are responsible for participating in the MRT, performing their reviews of NAPs, identifying resource availability and providing commitments to assist with implementation. These tasks need to be performed in a respectful and timely manner.

Implementation of NAPs occurs within the context of the daily business of NRP's participating jurisdictions. This competition for attention and priority can be, at times, frustrating and difficult for neighborhoods to understand and accept.

2.4 Performance Measures

The following outcome measures will be used for this business line:

- % of Neighborhoods with Approved Phase II NAPs
- % of Each Neighborhoods Allocations Approved
- % of Each Neighborhoods Allocations Contracted
- % of Each Neighborhoods Allocations Expended

The following effectiveness measures will be used:

- % of Strategies in NAPs Submitted by the Neighborhoods that are Approved
- Number of strategies rejected by legal counsel
- Average length of time required for approval of an NAP after it is submitted to MRT

2.5 Key Initiatives

The following initiatives are being planned or are in process to help address the challenges and trends identified for this Business Line:

Revising the Legal Review Process

In Phase I, external counsel reviewed neighborhood plans after they had been submitted to the NRP office for approval. This gave counsel and NRP staff limited time to address questionable strategies before they were presented to MRT.

This process is being changed. External counsel is now reviewing plans informally before the neighborhood acts so that any legality issues can be addressed before neighborhoods take an action that must be corrected later. A formal opinion will still be provided before MRT action occurs.

Plans will now be entered into PlanNet NRP as they are developed and approved. This critical management tool was developed during Phase I, but most plans had to be entered years after the dates of their approval. Entry into PlanNet is now part of the plan review process. All approved plans should be available through PlanNet NRP, and the website (www.nrp.org), within one month of their approval by the Policy Board and City Council.

NRP will also be providing NAPs to MRT members at least 10 days prior to the MRT briefing so that any issues raised can be addressed before the MRT meeting. The effectiveness of this change will be heavily dependent on MRT members conducting their plan reviews in a timely manner and providing their comments before the briefing meetings. It is hoped that these process changes will help obtain the recommitment of public staff to participating in the MRT and working with the neighborhoods.

3. Oversee, monitor and evaluate implementation of approved NAPs and their strategies.

3.1 Service Activities

3.1.1 Prepare and manage neighborhood organization contracts for overseeing, monitoring, and evaluating NAP implementation.

The City Attorney has opined that NRP staff cannot manage implementation contracts for strategies contained in an NAP unless they are for planning, oversight or evaluation. NRP staff serve as the contract administrator for the neighborhood organization activities associated with these functions and develops the scopes of services and budgets for the needed contracts. In this role they review reimbursement requests, monitor performance and ensure that implementation of the plan is occurring as approved.

3.1.2 Assist with development of appropriate contracts for implementing strategies in approved NAPs.

NRP staff coordinate governmental and private efforts in the development of contracts and implementation of NAPs. NRP staff serve as the contact for the involvement and participation of appropriate implementing departments, private for-profit vendors and jurisdictions.

The purpose is to work with neighborhoods and these organizations to clearly define the approved programs, projects, services or activities, and draft appropriate scopes of service, program guidelines and budgets prior to preparation of needed contracts or agreements.

3.1.3. Oversee and monitor implementation.

NRP staff ensure that scopes of services, budgets and outcomes prepared by the various implementing departments, private for-profit vendors and jurisdictions are consistent with the intentions of the neighborhood and the NAP and that funding is available, if needed, for each program, project, service or activity.

NRP also reviews the results of closed contracts and the evaluations of the services provided.

3.2. Customers and their Expectations

3.2.1 Customers

The primary customers for this business line are neighborhood organizations, the Development Finance Division (DFD) of the Minneapolis Finance Department and other organizations that will be involved in implementation.

3.2.2. Expectations

The primary expectation of this business line is that it will:

- involve implementing organizations early to ensure that any questions that they have about the level of involvement of their agency, department or jurisdiction are addressed
- provide the implementers of approved NAP strategies with needed information and details about the NAP and its strategies
- process contracts in an efficient and timely manner
- provide timely, effective and respectful contract management services
- finalize agency, department and jurisdiction commitment to implementation of the NAP strategies that involve their organization.

Some of the factors that may impact NRP's ability to meet demand are:

- Reduced resources for participating jurisdictions.
- Staff reductions in NRP.
- Absence of commitment and involvement by policy makers and top managers from the agencies, departments and jurisdictions.
- Limited interest in partnerships from governmental and other entities because of the reduced level of Phase II resources or other jurisdictional priorities.

3.3 Relationship to the Businesses of Other Organizations

NRP and DFD are responsible for helping neighborhoods and the organizations that will be implementers of the strategies in approved NAPs reach agreement on the contracts or funding agreements needed to proceed with implementation. This business line should be one of the lines of the Minneapolis Finance Department.

NRP's relationship with the DFD team performing this function (previously as part of MCDA) for the City has always been close and mutually respectful. A continued close working relationship will be required to ensure that the complex process of going from plan approval to implementation proceeds smoothly.

3.4 Performance Measures

The following outcome measures will be used for this business line:

- % Increase in Median Sale Price for Homes in Minneapolis by Neighborhood (Comparison between 1970-1980, 1980-1990, 1991-2000 and 2001-2009)
- Stability Trend for Minneapolis Home Owners

The following effectiveness measures will be used:

- % of Strategies in NAPs implemented within Five Years of the NAP Approval Date
- % of Implemented Strategies Involving Government Partners that Receive Positive Evaluations in the Neighborhood Strategy Closeout Report
- % of Implemented Strategies with Public Partners
- % of Implemented Strategies with Funds from their Public Partner
- Number of Dollars Leveraged by Neighborhood Phase II Investments
- Amount of Time Required to get Final Signatures from Time Scope of Service and Budget are Received

3.5 Key Initiatives

The following initiatives are being planned or are in process to help address the challenges and trends identified for this Business Line:

Expand the Use of External Counsel

NRP is paying a significant fee to the City for City Attorney time for drafting and preparing routine contracts and contract amendments.

NRP has reduced its attorney costs by more than 75% over the past eight years by making effective use of external counsel and executing a retainer that ensures that the work is performed at a fixed cost using the lowest cost appropriate personnel. Expansion of the use of external attorney services to draft and prepare routine contracts and contract amendments will also reduce the potential for an actual or perceived conflict of interest when a city attorney prepares a contract between a city department and a neighborhood or is asked to opine on matters that impact the other jurisdictions to the Joint Powers Agreement.

Several years ago the City Attorneys Office recused itself from acting as NRP's counsel when it was asked to do so by the NRP Director because of its potential conflict of interest. This conflict has never been more present than in these days of scarce resources and immense pressures to reduce costs and extract revenues from every available source.

NRP followed the advice of the City Attorney and secured its own external counsel and the service provided has been available in a timely manner as need has arisen. An outside firm offers the opportunity for cost effective and timely attorney and paralegal support that acts in the best interests of NRP. Expansion of the present arrangement will be pursued in 2005.

The City Attorneys Office, however, will still prepare development and real estate contracts for projects in which NRP is participating.

Contract Administration

Last October, the City Attorney opined that NRP did not have the authority, in its legislation, to manage or administer contracts implementing strategies in NAPs. The use of NRP as a contract administrator and manager had been proposed by NRP to make the contracting process more responsive, significantly more cost effective and more consistent with the intent of neighborhoods in developing their approved NAP strategies.

NRP and the neighborhoods have no options on how their contracts are managed, by whom, what costs are assessed and for what services. The result is that neighborhood resources are being used to pay government staff costs for services the neighborhoods are required to use. In times of limited resources it is imperative that the most cost effective, efficient and responsible administrative approaches be used when providing services to tax paying constituents.

~~By the Policy Board's December 2004 meeting, will develop~~ a legislative initiative ~~will be developed~~ to correct this situation. A collaborative effort of all the jurisdictional partners to support this legislative change is in the best interests of NRP and the neighborhoods and can lead to a successful and limited statute change that is restricted to correcting this problem. NRP will work with the intergovernmental relations staff of the jurisdictions to prepare the legislation for jurisdiction review, comment and support and submission to the State Legislature.

Staff Organization

NRP's staff members are specialists with assigned neighborhoods. Each staff member is responsible for assisting their neighborhoods with all of the steps required to develop a NAP, assisting them during the detailed planning phase to clearly define the intent of their NAP strategies prior to the development of Scopes of Service, budgets and contracts or funding agreements, and administering contracts with the neighborhood for planning, oversight, and evaluation activities. With the planned changes in staff size, the increased emphasis on overseeing, monitoring, and evaluating implementation, and the increasing importance of specialized support activities such as training and development and PlanNet NRP, a review of the office organizational structure is appropriate.

NRP will conduct this reexamination in 2005.

4. Manage NRP's financial resources and expenditures.

4.1 Service Activities

4.1.1 Monitor and evaluate program expenditures.

NRP is responsible for the expenditures of NRP funds and for the management of the public resources that have been provided to the program. NRP monitors and evaluates program activities and expenditures to ensure consistency with approved contracts and the strategies in NAPs. Staffs from implementing departments are the providers of information required by NRP.

In addition, NRP works to minimize administrative costs for NRP's central office and the neighborhoods by seeking group purchase discounts, special professional service arrangements and elimination of duplicate activities.

4.1.2 Meet the program goal of investing 52.5% of NRP's funds in housing or housing related programs, projects, services or activities.

The NRP statute includes a program goal of investing 52.5% of NRP's resources in housing and housing related programs, projects, services or activities. In Phase I, 52% of the contracted funds from NAPs were committed to housing. For all NRP funds approved, the percentage was approximately 48%. In Phase II, the program will need to make up the difference. NRP staff have developed a proposal to establish housing strategy options that may help achieve this goal. Progress on achieving the housing goal will be monitored and assessed as Phase II proceeds.

4.2. Customers and their Expectations

4.2.1 Customers

The primary customers for this business line are neighborhood organizations and the NRP Policy Board. Secondary customers are the other organizations involved in implementation.

4.2.2. Expectations

The primary expectation of this business line is that it will:

- provide information to the Policy Board and neighborhoods about the level of consistency with approved plans, strategies and contracts.
- provide information on a consistent basis on the status of executed contracts and the level of plan implementation.
- receive information from contract managers and implementing organizations in an efficient and timely manner.
- achieve a housing and housing related investment level of at least 52.5% by 2009.

Some of the factors that may impact NRP's ability to meet demand are:

- reduced resources for participating jurisdictions.
- staff reductions in NRP.

- absence of commitment and involvement by policy makers and top managers from the agencies, departments and jurisdictions.
- program-wide set asides that reduce funds for all neighborhoods.

4.3. Relationship to the Businesses of Other Organizations

NRP is responsible for determining the information needed from implementing organizations and informing them of the reporting requirements for strategies in approved NAPs. The implementing organizations and the contract managers are responsible for providing the requested information in the correct format and in a timely manner. NRP, with assistance from DFD, will be monitoring the financial status of the overall program and providing regular reports to the Policy Board.

4.4 Performance Measures

The following outcome measures will be used for this business line:

- % of Total NRP Dollars Spent on Housing and Housing Related Activities
- Number of Dollars Leveraged by Neighborhood Phase II Investments
- Number of Years of the Program with a Negative Cash Flow
- % of Audits of Neighborhoods with an Unqualified Opinion

The following effectiveness measures will be used:

- % of Neighborhood Homes Improved Using NRP Funds
- Number of Affordable Housing Units Developed with NRP Assistance
- Number of Affordable Housing Units Improved with NRP Assistance
- Number of Affordable Housing Units Rehabbed with NRP Assistance

4.5. Key Initiatives

The following initiatives are being planned or are in process to help address the challenges and trends identified for this Business Line:

Audits

For the past ten years one of the most impressive and important relationships that NRP has had with any jurisdiction or public office is its arrangement with the Office of the State Auditor (OSA).

The OSA provides a highly skilled and committed audit team that focuses on providing the uncompromisingly professional reviews that NRP wants and needs of the neighborhood groups with whom it contracts. These reviews are used to assess neighborhood management of its financial resources and operations and to help volunteers and staff correct problems that they may have been unaware of.

In the beginning, every audit report contained a management letter with significant and numerous findings. The NRP Director attended every exit conference to emphasize his support of the audit team and the need for the audit findings to be addressed. When the Policy Board adopted its revised Audit Policy in 1997, all neighborhoods with \$50,000 in annual revenues or more were required to have a complete audit every year.

Last year, the auditors suggested that the revenue limit be raised, and as a result, the threshold for conducting an audit was increased to \$100,000. This year, the auditors have informed the Director that his participation in audit exit conferences is no longer needed because the findings have been minimal.

To help address the issue of administrative costs, another increase in the threshold will be proposed in December of 2004. The proposal will be to increase the annual revenue threshold for an audit to \$200,000. The impact that this change will have on the auditors workload and costs will be discussed with the audit team immediately so that they may plan appropriately for next year.

Housing Funds

In February 2004, NRP staff presented a creative proposal to the Policy Board to establish a number of housing funds into which neighborhoods could invest some of their Phase II dollars. This approach was proposed to make it easier for neighborhoods to contribute to meeting NRP's housing goal while reducing the administrative costs for NRP and the neighborhoods.

The fund concept ~~received extensive comment and support, and it has been significantly revised for consideration by the Policy Board and the neighborhoods. If action occurs by the end of this year, the funds would be in existence by the end of 2005. This schedule will allow them to will be reviewed by the end of 2004 and the approved funds will -be considered -available~~ as options for consideration by the neighborhoods developing their Phase II plans by the end of 2005.

Central Office Administration

NRP's management has always known and been keenly aware that a dollar spent on its central administrative office was a dollar that could not be used in a neighborhood. Keeping costs down and working to reduce staff to the minimum level necessary has been an NRP management team priority for many years. The staff level has been reduced by 54% since 1995 (from 24 to the 11 proposed in the Director's 2005 Budget). It was done because it was the right thing to do, it was good business and assumed that uncertain financial times would occur.

NRP was never about creating another component of an already significant bureaucracy. It was about empowering citizens, changing the direction of neighborhoods, restoring hope and a sense of place and investing wisely to create a better future. NRP was about accomplishing its mission, and passing the torch to an

enlightened public service that would recognize and treat its residents as the owners of government, not its customers. Owners give their time, energy, enthusiasm and talents to help their neighbors and local government staff make their neighborhood and the City a better place to live, work, learn and play.

NRP's management team had originally hoped to close its central office in 2003. That option disappeared with the chaos caused by the uncertainty of the level of revenue available for the program and the continually changing level of political support for neighborhood empowerment.

The greatest failure, by far, of NRP has been its inability to influence and change the attitudes and approaches to service in the leadership levels of existing bureaucracies. Relationships to date have been based on money because the money in the neighborhoods allowed them to finally have a say in the future of the environments in which they lived. It gave them a seat at the table and made government, developers and other organizations pay attention.

Unless a solution is found to the future funding of neighborhoods and the initiation of some form of neighborhood empowerment system with teeth (i.e. a continuing source of money to address the priorities of residents) occurs by the end of 2008, the NRP central office will permanently close on December 31, 2009.

The NRP office budget will be reduced each year between 2005 and 2009 and staff will be reduced accordingly. In 2009, the management team will seek positions for the remaining staff with NRP's participating organizations. It is NRP management's plan to accomplish this result without layoffs or terminations. For those that doubt that it can be done, they need only look at the record to see what NRP has already accomplished.

This is not an admission of defeat or failure. It is instead a wake up call for all organizations and residents who value what has been accomplished and recognize the potential impact of its loss.

5. Educate, inform and train residents for participating effectively in neighborhood improvement efforts.

Training and development is necessary to create a greater sense of community, increase civic involvement, and make meaningful partnerships between neighborhood organizations and the City. The reduced resources available from NRP and other sources mean that neighborhoods will need a more diverse leadership with greater skills to help carry them into the future.

5.1 Service Activities

5.1.1 Provide citywide training opportunities to improve management of neighborhood organizations

NRP offers quality training that provides neighborhood volunteers and staff with specific skills to manage healthy organizations. Workshops provide concrete knowledge and tools for better financial management and oversight, staff and volunteer management, outreach and recruitment, project development and management, meeting management, board roles, and creating partnerships.

5.1.2 Provide neighborhood specific training, support, and facilitation

NRP staff provides training and support designed to meet specific neighborhood needs. NRP staff provide customized board training, facilitate board retreats, assist with development of organization annual plans, and facilitate annual meetings and other events.

5.1.3 Provide individual training to meet specific needs

NRP staff provides assistance to neighborhood staff and volunteers to help develop or improve individual skills in bookkeeping, computer maintenance, problem solving, and meeting facilitation.

5.1.4 Provide NRP specific training manuals, reference materials and guidelines

NRP provides training manuals, reference materials and guidelines to assist neighborhoods in building better organizations and communities, and producing NAPs. Documents are available on the NRP website, or through the NRP office.

5.1.5 Create formal educational opportunities for leadership development

NRP partners with the Metropolitan Alliance of Community Centers (MACC) and the University of St. Thomas to provide existing and emerging leaders with formal training on the skills and knowledge necessary to lead communities and neighborhood organizations. NRP also delivers a “LeadershipPlenty” curriculum developed by Pew Partnership for Civic Change and the University of Richmond.

5.2 Customers and Expectations

5.2.1 Customers

Primary customers for this business line are the neighborhoods and their residents, particularly current or upcoming leadership, and neighborhood staff. Secondary customers will be various organizations and constituencies that are potential neighborhood partners, such as community centers, non-profits, government offices, and vendors, and members of under-represented communities.

5.2.2 Expectations

The primary expectation of this business line is that it will:

- Develop and sustain neighborhood organizations that can effectively plan and oversee implementation of NAPs;
- Support existing and emerging leaders at the neighborhood level;
- Provide specific, measurable skills to help neighborhood staff and volunteers implement strategies in NAPs;
- Create stronger partnerships between neighborhoods, jurisdictions, funders, and other institutions

Some of the factors that may impact NRP's ability to meet demand are:

- Staff reduction in NRP;
- Reduced resources available to potential training partners such as MACC

5.3 Relationship to the Business of other organizations

NRP training will rely on partnerships with City departments and other institutions that share NRP's goals. NRP training will provide training opportunities that support City goals and objectives, and builds relations between City staff and neighborhood volunteers. City staff are responsible for working with NRP staff to identify likely intersections of City goals and goals identified in NAPs, and developing and leading workshops about specific City activities.

5.4 Performance Measures

The following outcome measures will be used for this business line:

- Number of training events organized by NRP;
- Number of participants attending NRP training events;
- Number of discrete individuals trained by NRP.

The following effectiveness measures will be used by NRP

- Scores on evaluations provided by participants at training events;
- Direct written feedback from neighborhood leaders, staff and volunteers

5.5 Key Initiatives

The following initiatives are being planned or are in process to help address the challenges and trends identified for this Business Line:

LeadershipPlenty

The LeadershipPlenty curriculum, developed by the Pew Partnership for Civic Change and the University of Richmond curriculum builds relationships around

community issues while developing leadership skills in participants. The curriculum is delivered in nine modules, with a weekend retreat on race relations. Each module is up to six hours long, and uses participatory exercises to learn and practice leadership skills, and to change mindsets about community. NRP, with their Community Leadership Institute (CLI) partners was selected as a LeadershipPlenty participant in 2003. NRP and its partners sent six trainers to a “train-the-trainer” conference hosted by Pew Partnership in Richmond, Virginia. The CLI team trained by Pew Partnership has presented one session of LeadershipPlenty, and more will be delivered after January, 2005.

The LeadershipPlenty curriculum starts with the premise that there is an abundance of leaders in communities, and the real key is connecting them. A major goal of this initiative will be to develop emerging leaders, particularly from under served communities, and to connect them with existing leaders.

The local LeadershipPlenty partnership lead by NRP and MACC now includes several partners: the University of St. Thomas, City of Lakes AmeriCorps, American Indian OIC, Waite House, and Family and Children Services.

Resources and partners are available to assist with presenting this curriculum. Pew Partnership has developed a Spanish language edition of LeadershipPlenty. The Metropolitan Alliance of Community Centers sent two native Spanish speaking trainers to Atlanta, Georgia to attend a special “train-the-trainer” conference for the Spanish edition. At least two presentations of the Spanish curriculum will be delivered locally by NRP and its partners, in an initiative lead by Family and Children Services.

The Northwest Area Foundation has developed an American Indian edition of the curriculum that has specific adaptations for the Indian community. NRP staff and American Indian OIC staff are working with the Northwest Area Foundation to develop an agreement on use of the curriculum. American Indian OIC staff has asked NRP to assist with at least two presentations of the American Indian version of the curriculum.

NRP is exploring a partnership with the Northwest Area Foundation to expand the training opportunities for North Minneapolis neighborhood volunteers and staff. The foundation has been a strong supporter of LeadershipPlenty, and is identified by Pew Partnership as the only other organization able to certify additional trainers. The model NRP has suggested to the Northwest Area Foundation is that entire neighborhood boards, along with staff and emerging leaders, receive the LeadershipPlenty training, including the retreat on racism. Neighborhood will be encouraged to engage potential partners, such as adjoining neighborhoods and community centers, in LeadershipPlenty training.

Other Models for Providing Service

NRP is unique. The marriage of responsibility (for involving residents and creating a plan of action) with resources (for implementing the approved plans) was unique in 1990 and it has remained unique. The program has won international recognition as one of the best practices in the world for urban revitalization and it has been extensively documented in textbooks, newspaper articles, and professional journals.

The City of Minneapolis has tried other approaches in the past (for example, Citizens Advisory Councils and Community Planners) to engage its residents but none of them achieved the rekindling of civic spirit that occurred with NRP. There are other citizen engagement models in existence but many of them (including, but not limited to, St. Petersburg, Los Angeles, and Seattle) drew inspiration from NRP. NRP is an innovation that has been lauded by researchers and the only limitation on the results that can be achieved is the funding available for the pursuit.

There are, of course, other ways to involve residents, obtain their priorities and respond to their needs. The issue is much more significant than changing an organizational chart, reassigning staff, establishing a new program or conducting a public relations campaign.

The issue is **"What type of City and government do residents want?"** If residents want to be involved and are committed to their neighborhoods and community it is in the best interest of government to find a way to involve them that they can and will own. Public hearings on major issues conducted downtown in the middle of the day, in the middle of the week, at sites with limited parking availability are not designed to allow the voices of ordinary citizens to be heard. Those meetings are staged for advocates and special interests. Websites are excellent ways to provide information but they do not result in extensive two-way dialogue and are not available to or used by many residents.

NRP made the focus of its activity the places where people live. It has given ordinary citizens and not just activists the opportunity to identify their priorities and do something about them. Any alternative model should contain the same ingredients that make NRP so important, relevant and successful: responsibility, accountability, power and control.

NRP Resource Plan

NRP receives its revenues from the tax increment revenues of the Common Project and the revenues of the Development Account of CPED and the City. As a result of the revisions to Chapter 419 (which established the Neighborhood Revitalization Program authorized by statute) of the Minneapolis Code of Ordinances adopted by the Mayor and City Council in August 2003, NRP receives its revenues after debt obligations, pay-as-you-go notes, future debt service and other contractual obligations are paid. The tax law changes of 2001 significantly reduced the revenues generated by the Common Project. The result was a reduction of more than 50% in the revenues available to NRP for Phase II.

Part of NRP's historic revenue stream has been the interest earned from the reserve of funds appropriated and obligated, but not yet expended, for support of approved neighborhood NAPs. In 2003, this amounted to \$1,475,247. The City has treated this revenue as part of its annual commitment to NRP. With the 2003 interest earned, interest earned on the reserve has accounted for \$33,488,247 of the funds the City has provided to NRP.

The revenue projections for NRP have been changing regularly and significantly. In June 2003, while the revisions to Chapter 419 were being discussed, the Finance Department of the City projected that the income generated for NRP from the Common Project would be \$58.7 million. In the December 2003 CPED Business Plan, the projection was lowered by \$1 million as a result of the October 2003 Brookfield settlement. In March 2004, the Finance Department issued a new projection of \$54.5 million.

At that time, the NRP Policy Board decided that it could no longer wait for additional projections. In April 2004, the Board made allocations to neighborhoods based on the March estimate. The April 2004 action of the Board recognized the uncertainty of future revenues and authorized expenditure of up to 70% of a neighborhood's allocated and approved NAP funds during the first three years following plan approval. This serves as an insurance policy against significant declines in future revenues.

The uncertainties about commitments to NRP and the City's neighborhoods after 2009, and the form that those commitments may take, require that NRP be prepared with two different financial and workforce scenarios: one for an environment in which no new revenues for NRP are received after 2009 and another if new sources of revenue are identified and revenues continue after that date. In either case, the size of the NRP central office will decline. The difference is in the degree of budget and workforce reduction.

Two five-year plans for NRP are attached. For both scenarios, NRP's primary business line performance goal is to have at least 75% of the 71 possible Phase II NAPs approved by the Policy Board by December 31, 2009.

In Attachment B, the five-year financial plan for NRP's central office shows a steadily declining level of expenditure through 2009. These projections are consistent with the figures used to determine the dollars available for allocation to neighborhoods during the Board's deliberations in March and April 2004. **In Attachment B there are no new revenues for NRP after 2009 and the NRP office closes on December 31, 2009.** After that date the City would be responsible for all remaining NRP related activities, including but not limited to development of any outstanding neighborhood plans, managing the plan approval process, detailed planning for implementation, contract development, contract administration and management, resource management and problem resolution.

Attachment C assumes that a new revenue stream has been identified, neighborhoods are funded at a significant level to develop and implement new neighborhood action plans and a central processing and management function is needed and continues after December 31, 2009. Even in this scenario, the office operates at a reduced staffing level and cost. The reduced level of need is based on expected and continued growth in neighborhood capacity, improved City response and receptivity to neighborhood initiatives, and more extensive partnerships with jurisdictions and other entities. By that time, refinement of processes that work well should be the order of the day. The major differences between the scenarios in Attachments B and C occur after 2009.

In both attachments staff salaries and fringe benefits between 2005 and 2009 are assumed to increase in a manner consistent with the salary and fringe benefit changes that occur at the City and Hennepin County. The number of FTE's in the office in Attachment B will decline from its present level of 12 to 6 in 2009 and 0 thereafter. In Attachment C, the staff level declines by 27% from the requested FTEs in the Director's 2005 Budget proposal. Under both scenarios, NRP's management staff will work to accomplish the downsizing without layoffs or terminations.

The planned downsizings respond to the historic workload patterns that occurred in the Phase I plan development, approval and implementation processes. With the contracting and process changes that are proposed in this plan, contract development should include more development support and contract development activities.

Office equipment and computer replacements and upgrades will occur as needed but no major budget implications are expected.

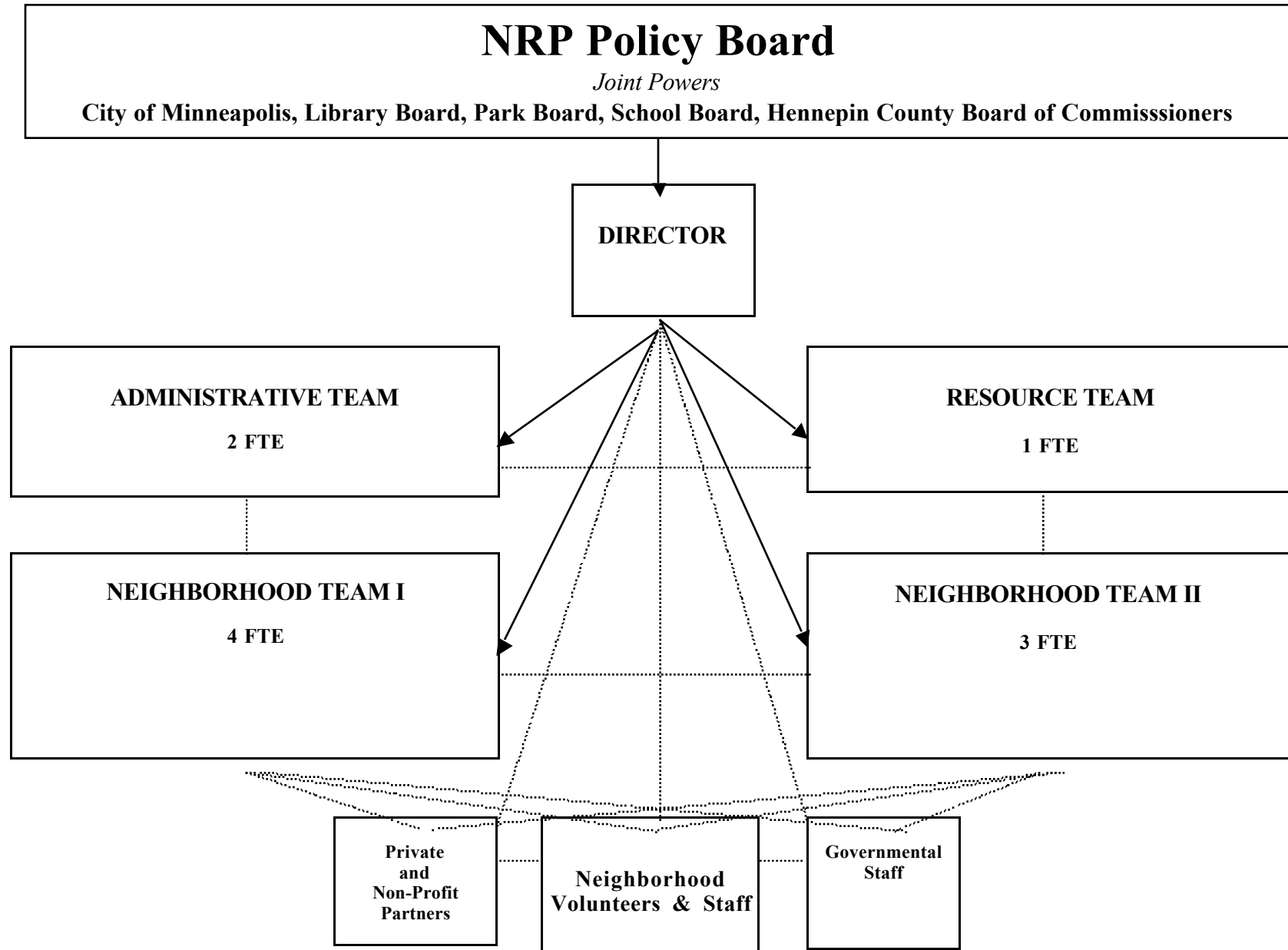
Conclusion

For 14 years, NRP has helped create healthy neighborhoods and a healthy City. It has accomplished this by involving and empowering residents of the City and giving them an opportunity to make investments in their own future. Residents have the opportunity to turn their vision of their neighborhood and City into reality.

This plan lays out two scenarios for the future: one with NRP and one without. By the end of 2008 a decision must be made on which scenario will be the basis for the next five year plan.

Now to then, the NRP Policy Board and the NRP office will make Phase II as positive an experience as possible for neighborhoods and their residents. The Program will continue to focus on improving the quality of life in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

2004 NEIGHBORHOOD REVITALIZATION PROGRAM STAFF ORGANIZATIONAL CHART



						Attachment B to NRP Business Plan		
			NRP Expenditures (Projected)					
			2005-2009					
			(Scenario 1)					
Description	2002 Actual	2003 Actual	2004 Budget	2005 Proposed	2006 Projected	2007 Projected	2008 Projected	2009 Projected
Total Expenditures	\$ 1,750,482	\$ 1,683,934	\$ 1,708,348	\$ 1,505,912	\$ 1,343,700	\$ 1,131,000	\$ 842,000	\$ 566,000
Personnel Subtotal	\$ 769,503	\$ 768,923	\$ 761,148	\$ 798,900	\$ 746,000	\$ 682,000	\$ 542,000	\$ 316,000
Authorized FTEs	13.0	12.0	12.0	11.0	10.0	9.0	8.0	6.0
Scenario 1: No new NRP or neighborhood revenues after January 1, 2010. NRP office closes December 31, 2009 and City assumes responsibility for all remaining NRP related business activities.								
9/18/04								

						Attachment C to NRP Business Plan		
			NRP Expenditures (Projected)					
			2005-2009					
			(Scenario 2)					
Description	2002 Actual	2003 Actual	2004 Budget	2005 Proposed	2006 Projected	2007 Projected	2008 Projected	2009 Projected
Total Expenditures	\$ 1,750,482	\$ 1,683,934	\$ 1,708,348	\$ 1,505,912	\$ 1,343,700	\$ 1,131,000	\$ 842,000	\$ 920,000
Personnel Subtotal	\$ 769,503	\$ 768,923	\$ 761,148	\$ 798,900	\$ 746,000	\$ 682,000	\$ 542,000	\$ 590,000
Authorized FTEs	13.0	12.0	12.0	11.0	10.0	9.0	8.0	8.0
Scenario 2: New NRP or neighborhood revenues are identified and reserved for NRP use after January 1, 2010. NRP office remains open and continues to have responsibility for all NRP business activities.								
9/18/04								