

Memorandum

Date: March 20, 2008

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: Additional Funding for Neighborhoods

On December 7, 2007 the Minneapolis City Council unanimously adopted a resolution that commits the City to guaranteeing that at least 70% of the April 19, 2004 Phase II NRP allocations to neighborhoods will be available, regardless of what happens to the revenues of the Common Project. Since that date, several neighborhoods have reached the point where they are at least 3 years from the date of approval of their Phase II Neighborhood Action Plan.

As a result, the budgets that they developed for expenditure of their Phase II NRP funds are being exhausted. Since NRP is a major source of financial support to these organizations and there have been very few discussions of how the “gap” between 70% and 100% will be filled, it is important that options that could help alleviate the immediate need be explored.

NRP has several pools of resources that were committed but have either unexpended balances or program income that could be collected and redistributed to assist neighborhoods and reduce this gap. They will not make a major dent in the deficit but they could help with immediate needs. As a result, I am asking the Board to authorize NRP staff to review and assess the potential impact of:

1. Closing out all remaining Transition Fund projects with uncommitted funds.
2. Transferring all Transition Fund Program Income for reprogramming.
3. Transferring all Affordable Housing Reserve Fund Program Income for reprogramming.
4. Closing out the COPSIRF program.
5. Other options that may result in the recapture of unexpended resources.

Dollars allocated to implementation of approved neighborhood action plans would not be considered for reprogramming at this time. Any funds that would be identified for reprogramming would be recommended for distribution to all neighborhoods in proportion to their participation in the Phase II allocation.

A preliminary review of the impact of these actions is that we may be able to reallocate as much as \$1.5 million.

I am requesting that the Board act on the following resolution:

RESOLVED, That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board ("Board") directs NRP staff to identify sources of revenue from previous actions of the Board that can be potentially reprogrammed to increase the funds guaranteed to neighborhoods in Phase II; and

RESOLVED FURTHER, That the Director report on the staff findings at the April Policy Board meeting, with recommendations and the impact of proposed recommendations on neighborhood allocations.