

MEMORANDUM

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Date: February 17, 2010

Subject: Phillips West NRP Phase II Neighborhood Action Plan

The Phillips West Neighborhood Organization (PWNO) is submitting its NRP Phase II Neighborhood Action Plan (NAP) on behalf of the Phillips West neighborhood for your approval. Phillips West residents and the PWNO Board unanimously approved this plan on January 7, 2010.

The Phillips West NRP Phase I Neighborhood Action Plan was approved in 1995 as part of the People of Phillips Neighborhood Action Plan. When POP was dissolved, residents of the Phillips neighborhood created four new organizations to represent the residents of this central part of the city. Phillips West was recognized as an independent neighborhood by the City of Minneapolis on April 29, 2005 and assumed responsibility for implementing the Phillips West actions approved as part of the original People of Phillips plan. Strategies were implemented in six major areas: Housing, Jobs, Economic Security, Community Safety, Youth and Community Building. The Phase II NAP contains a summary of the neighborhood's accomplishments in each of these priority areas.

With the resources available in Phase II significantly reduced from the Phase I allocation the neighborhood received, the Phillips West Phase II Neighborhood Action Plan has focused on improving the housing stock and home ownership opportunities in Phillips West. Ninety-one percent (91%) of the neighborhood's Phase II allocation is being set aside for a revolving loan program for interior and exterior improvements, down payment assistance for new homeowners and matching grants for 1-4 unit owner occupied structures. These efforts build on the successful strategies implemented in Phase I. The neighborhood is using its remaining resources to support the Phillips West Neighborhood Organization and its plan implementation and community building efforts.

The Phillips West NRP Phase II Neighborhood Action Plan requests a total NRP appropriation of \$623,869. The neighborhood has not requested any funds from the Phase II Plan Development Fund. The plan has been given a clean opinion by NRP's legal counsel and the allocation being requested is consistent with the April 19, 2004 Policy Board resolution.

Based upon the plan development process used by the neighborhood, the opinion by NRP's legal counsel and the request of the neighborhood, I recommend that the Policy Board adopt the following resolution:

WHEREAS: On April 19, 2004 the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board ("Board") approved a Phase II allocation for the Phillips West neighborhood of \$623,869, based on the Phase II revenues projected for NRP;

WHEREAS: The Phillips West neighborhood has conducted an extensive and inclusive planning process;

WHEREAS: The submitted Phillips West Phase II Neighborhood Action Plan requests an allocation of \$623,869 and dedicates more than 90% of that allocation to housing programs, projects, services and activities;

RESOLVED: That the Minneapolis Neighborhood Revitalization Program Policy Board (Board) hereby accepts and adopts the Phillips West NRP Phase II Neighborhood Action Plan dated January 7, 2010;

RESOLVED FURTHER: That the Board hereby authorizes the Director to request that the City Council and Mayor: [a] approve the Phillips West NRP Phase II Neighborhood Action Plan, and specifically those parts of the Plan that fall under City jurisdiction, for their Phase II allocation of up to \$623,869; [b] amend the 2010 General Appropriation Resolution to increase the Fund CNR0 (NRP Fund) appropriation by \$499,095 from existing fund balance for implementation of the approved Plan; [c] authorize the appropriate City officers to reserve the remaining \$124,774 for Plan implementation in a reserve account within Fund CNR0 for future years expenditures on the approved Plan provided that no more than 80% of the amount approved for the Plan (\$499,095) shall be obligated in the first three (3) years after approval of the Plan; and [d] authorize the appropriate City officers to enter into any contracts or agreements necessary to implement the Plan and the activities above.

January 7th, 2010

Bob Miller, Director
Neighborhood Revitalization Program
105 5th Avenue South, Suite 425
Minneapolis, MN 55401

Dear Mr. Miller,

I am pleased to present you with the Phillips West Neighborhood Phase II Action Plan. The Phase II Action Plan includes a Phase I NRP Summary, the Phase II Planning Summary and the Phase II Action Plan.

Phillips West has taken pride in the NRP and credits the NRP Phase I plan for increasing community participation and making Phillips West a vibrant neighborhood. Over the course of Phase I there has been tremendous reinvestment in the Phillips West Neighborhood including; 151 new housing units, the expansion of the American Swedish Institute, Phillips Eye Institute, and Children's Hospital. 3 new schools have opened in the Phillips West Neighborhood including Hope Academy, Augsburg Fairview Academy, Urban Ventures after school programming and Cristo Rey High School. Wells Fargo Home Mortgage moved into the old Honeywell building and expanded the campus bringing 4,000 new jobs. There was a Medical Office building built on Chicago that brought 1200 new jobs. Lutheran Social Services razed their building to re-build the Center for Changing Lives and will offer programs in Adoption, Counseling, Refugee Services, Personal Finance, and will house the Phillips West office, Messiah Lutheran Church, Kaleidoscope and a Hennepin County Service Center. The Center for Changing Lives also brought in 48 affordable housing units bringing the total new housing units in Phase I to 199. M & I Bank opened a new branch off of Lake Street. La Hacienda, the Mexican Mall also opened off Lake Street a couple of years ago. There is a new neighborhood coffee shop off of Chicago Avenue and a new Theatre opened on 25th Street.

Thanks to the tools and funding mechanism of NRP the residents of Phillips West have been empowered and key in the planning process for most of these projects. Whether Phillips West has played a financial role in funding portions or some of the above projects but most importantly the residents have negotiated the structures and aesthetics of these developments. Without NRP residents would not feel as empowered as they do today.

We look forward to working with the NRP on our Phase II Phase Action Plan where the focus will be on improving Housing in the Phillips West Neighborhood! I have included a brief synopsis of Phase I, the Phase II Participation Agreement and the Phase II Action Plan.

Sincerely,

Crystal Trutnau, Executive Director

Cc: Barb Lickness

MINNEAPOLIS NEIGHBORHOOD REVITALIZATION PROGRAM

PHILLIPS WEST PHASE II
ACTION PLAN
JANUARY 7TH, 2010

RESPECTFULLY SUBMITTED BY:

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Phillips West Neighborhood Organization NRP Phase II Action Plan:

This plan was developed by the Phillips West Neighborhood Organization (PWNO) and its Neighborhood Revitalization Program (NRP) Phase II Task Force. Over a 1 year period, surveys, meetings and door knocking solicitations were used to gather community input and approval for this plan.

Introduction:

The Phillips West Neighborhood was recognized as an independent neighborhood by the City of Minneapolis on April 29th, 2005. Prior to that, the neighborhood was part of what is now known as the Phillips Community along with Midtown Phillips, East Phillips and Ventura Village. The Phillips West Neighborhood is bordered by 22nd Street East on the north, Lake Street on the south, 35W on the West and Chicago Avenue on the East. The neighborhood has a rich history and contains many large mansion homes and large Victorians. At one time, its main thoroughfares of Park and Portland housed many people of wealth who contributed greatly to the development of this city. In today's world many of these mansions are home to non-profits and other service agencies. Phillips West is lucky to house Park House, the American Swedish Institute and the Zurah Shrine Center. Phillips West also contains large institutional partners such as Wells Fargo Mortgage, Abbott Northwestern Hospital/Clinic, Children's Hospital, Lutheran Social Services and the Phillips Eye Institute. On the east border of Phillips West near Lake Street is the Midtown Exchange, Global Market and the Midtown Safety Center. Phillips residents played an important role in shaping these development projects in a way that would respect the existing neighborhood. Phillips West is proud to reap the benefits of their accomplishments in these projects. Phillips West has three charter schools and one parochial school but no public schools. Phillips West also houses a branch of St. Mary's University. Phillips West has no neighborhood park. That lent itself to a vigorous discussion during the recent Comprehensive Plan that Phillips West completed and was approved by the City.

Phillips West is also home to several affordable housing hi-rises. 30% of the population in the neighborhood is over the age of 45. 30% is between the ages of 25-44. The remaining 40% is between the ages of 1-24 with nearly half of that being teens between the ages of 15-24. Median age in the neighborhood is 31. Nearly 40% of Phillips residents are Caucasian with 33% being African American. The remaining residents are a mix of ethnicities the largest of which is Mexican/Latino. 90% of Phillips West lives in homes with 11% being in group homes whether institutionalized or non-institutionalized. 53.5% of the residents live alone with 68% of that number being under the age of 18 and 30% over the age of 65. The average household size is 2.3 and the average family size is 3.97. 84% of the homes are rental with 16% being owner-occupied. It is fair to say that these numbers will change significantly in the 2010 census due to the new housing development projects that occurred with NRP and their numerous institutional partners. The biggest impact will most likely be in the demographic make-up of the neighborhood and in median income.

NRP Phase I Accomplishments:

In 2003, Phillips West requested a plan modification to condense funds that were in several completed strategies and in strategies that were obsolete and would not be implemented after the People of Phillips organization discontinued its plan implementation role. The neighborhood chose to use their NRP funds in 6 categories; Housing, Jobs/Economic Security, Community Safety, Youth and Administration.

Phillips West has completed a Phase I review explaining how each strategy was completed. A quick summary is below:

Housing

Phillips West created a homeowner grant program, and an emergency grant program. The neighborhood also contributed funds to the building costs of 29 new housing units and funded a home rehabilitation program. The neighborhood also participated in the HOMES program. This program was created to foster housing opportunities for low to moderate-income families. In partnership with HUD, (Housing and Urban Development) people were able to purchase houses for \$1 and rehabilitate them at a discount. Under this program 5 families were able to purchase homes in Phillips West.

Jobs/Economic Security

Phillips West used NRP funds to hire a professional planning architect to develop a Comprehensive Land Use Plan that was approved by the Planning Commission and City Council on June 8, 2009. With so many large institutions and a bright future of new development on its commercial corridors it was important to the neighborhood stakeholders to map out its vision for the neighborhood growth. Of particular interest in this planning effort was Chicago Avenue which was recently identified as the "Life Sciences Corridor" by the City of Minneapolis. Unable to articulate its vision for what a life sciences corridor would look like, this and the future of 35W became priorities in the discussion during the planning effort. It was very important to neighborhood stakeholders to have a comprehensive plan developed and approved by the City so that the neighborhood could become pro-active to future development and not re-active as they had been for years. What the approved version of this planning effort will look like is currently under negotiation with the City Community Planning and Economic Development department.

Community Safety

Phillips West in partnership with Midtown Phillips, Powderhorn Park and the Central neighborhoods successfully used NRP funds to reduce crime and increase public safety in new ways that are being replicated by other challenged neighborhoods in the city. This included funding and working to open the Midtown Safety Center on the Chicago Lake commercial corridor and improving the streetscape for safer street. The community safety efforts also extended to the yearly coordination of "Clean Sweep", a day when Phillips West can jointly pick up litter, erase graffiti and rid their personal properties of trash and other clutter. Clean streets deter crime because it says that people care about their community.

Phillips West is also the site of the cities largest National Night Out party spanning several blocks along 27th street. The corporate partners and neighborhood non-profits use this night to do extended outreach to neighborhood residents to inform them what is available in the neighborhood.

Youth

Phillips West used Hennepin County 2nd 7 1/2% funds in addition to funds in the Phase I NRP Plan to provide funding to youth serving agencies to do outreach to neighborhood youth and engage them in positive after school and summer break activities. This has been a successful and on-going effort in the neighborhood.

The neighborhood also uses NRP funds in conjunction with its corporate partners to purchase back packs and school supplies for kids in the neighborhood. More than 1,000 children have been provided with the supplies they need to start school in the fall.

Community Building

Phillips West hosts all community meetings once each month to inform neighborhood stakeholders about issues of importance to them as well as engaging them in each decision-making process the neighborhood is working on.

Once each year, the neighborhood hosts what many residents call "The social event of the year". "Winterfest" is held in January and began in the house of former Board Chair Muriel Simmons in 1999 with 7 people in attendance. Each year the attendance grew until Ms. Muriel's house could no longer hold the event. Since that time the Zurah Shrine Center has graciously offered its facility for this neighborhood event and over 650 people attended the 2009 celebration. Again, corporate partners played a major role in helping "Winterfest" succeed. Donations of money and food help to make this event an important community-building tool.

Implementation

None of these activities would have been possible without dedicated staffing to coordinate them. In 1999, Phillips West was merely a region in what was then the Phillips neighborhood. A great deal of time and effort went into going through the process to become a recognized and independent neighborhood. It also required a great effort to start a new organization, become a non-profit 501c3 and recruit and educate a stable board of directors. Phillips West is proud to proclaim that they have not only achieved all the above goals but have also completed implementation of their Phase I NRP Plan.

Phillips West NRP Phase II Action Planning Process:

The Plan:

Total Estimated Allocation for Phase II Plan: \$623,869
100% of Phase II Plan allocation will be spent on Housing Related Programs.

The Planning Process:

The first step taken by Phillips West Neighborhood Organization in the Phase II Plan Development process was to draft a Phase II Participation Agreement. The Participation Agreement summarized our neighborhood demographics, outlined our organization structure, and described the process PWNO would undertake to conduct outreach and develop a Phase II Plan. Developing the Participation Agreement took place over the course of 4 months and was approved by the General Membership March 5th, 2009.

Outreach:

A concentrated effort was made by the Phillips West Neighborhood Organization to ensure that residents had ample opportunities to inform the organization of the neighborhood housing issues that mattered most to them. To accommodate the needs of neighborhood stakeholders, the PWNO utilized a variety of tools to inform stakeholders about the planning process and ensure that residents had every opportunity to get involved. First and foremost, PWNO used their neighborhood mailing/e-list to notify residents of upcoming events related to Phase II such as committee meetings, surveys and voting opportunities. PWNO also had a volunteer group of 20 youth door knock the entire neighborhood to get feedback.

Research:

In order to discover the vision people had for the Phillips West Neighborhood, PWNO utilized many tools. First, PWNO conducted a neighborhood-wide survey that included an overview of Phase I activities and a questionnaire about Phase II housing priorities. We received 86 completed surveys from residents representing a variety of ages, ethnicity, and length of residency. Additionally, we held four Phase II focus groups.

Plan Development:

The information gathered from these research tools was used by the Steering Committee and staff as a guide in developing Phase II housing strategies. After a preliminary plan was drafted the Phase II Steering Committee met and reviewed the final draft and moved it forward to the Phillips West Board for their approval. Residents, businesses and major employers were notified that the draft Phase II Action Plan was ready for approval and were given 45 days to review and provide comments on the proposed plan. Final adoption of the Phase II Action Plan occurred at the Phillips West General Membership Meeting January 7th, 2010.

Phillips West Phase II Action Plan (Housing):

Housing Phase II, Goal I:

Encourage consistent upkeep and maintenance of homes within the Phillips West Neighborhood.

Relates to the following City Goals:

- Maintain the physical infrastructure to ensure a healthy, vital, and safe City.
- Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.
- Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.
- Promote public, community, and private partnerships to address disparities and to support strong, healthy families and communities.

Objective A:

Implement revolving loan programs for both interior and exterior improvements; provide down payment assistance for new homeowners, and matching grants.

Strategy 1: *Administer a variety of housing programs to meet Phillips West resident needs.*

- Home Improvement Revolving Loan Program for 1-4 Unit Owner occupied structures.
- Matching Grant Program for 1-4 Unit Owner occupied structures.
- Down payment Assistance to new Homeowners.

The Phillips West Neighborhood Organization will work with NRP staff to implement the above programs by establishing the program guidelines directly with a third party program administrator.

81% of the Phillips West housing structures are non-owner occupied. As a result the neighborhood is hoping to increase the percentage of owner-occupied structures by targeting its Phase II programs to potential owner occupants. The needs of renters in the neighborhood are being met by offering rental property owner occupants with up to 4 units matching grants to help improve existing rental property and by offering renters down payment assistance to encourage them to purchase homes in Phillips West.

If applications exceed the available dollars, a neighborhood-wide lottery will be held to determine the order in which applications will be processed. To the extent possible, the program will seek other sources of home improvement funds to maximize the use of NRP funds.

Partners:

- NRP
- Housing Administrator
- Property Owners & Potential Property Owners
- Other Home Improvement Resources

Resources:

NRP: \$436,708.30

2010: \$120,000

2011: \$120,000

2012: \$ 96,708.30

20% Hold-back: \$100,000

Contract Manager: DFD

Strategy 2: *Provide staff support to ensure the successful implementation of the various housing programs outlined in the Phase II plan.*

Phillips West staff will:

- Coordinate, educate and market the various housing programs to neighborhood residents.
- Create a resource center to help residents understand their options for housing.
- Work with people interested in moving to Phillips West to help them understand the various programs that might be available to them as either potential homebuyers or renters.
- Work with non-profits and other governmental agencies to leverage additional investments in housing dollars and to provide services to the diverse resident population that lives in or would like to live in Phillips West.
- Work with MPHA in an effort to educate the residents of the public housing hi-rises in the neighborhood regarding their options for possible home ownership or alternative subsidized rental opportunities.
- Work with the various senior housing facilities in the neighborhood to engage their residents in an effort to educate them about the various senior housing options available in the neighborhood especially with regard to those that have special needs.

Resources:

NRP: 131,010.49

2010: \$40,000

2011: \$40,000

2012: \$26,236.69

20% Hold-back: \$24,773.80

Contract Manager: NRP

Strategy 3: *Provide affordable housing opportunities for Phillips West residents in partnership with Lutheran Social Services and Powderhorn Residents Group.*

Partners:

- NRP
- CPED
- Powderhorn Residents Group
- Lutheran Social Services

Resources:

\$100,000 AHRF allocation for Lutheran Social Services Center for Changing Lives
(Affordable Housing Reserve Fund)

B. \$100,000 AHRF allocation for Powderhorn Residents Group New Village Limited Partnership
(Affordable Housing Reserve Fund)

Contract Manager: CPED

Community Safety Phase II, Goal 2: Continue to build a safe healthy community for all stakeholders.

Objective A:

Increase efforts to strengthen the neighborhoods' relationship with the police department and other organizations to sustain the relationships that were developed during Phase I of NRP.

Strategy 1: *Community Oriented Public Safety Initiative Reserve Fund (COPS)*

Utilize directed patrolling services as outlined in the COPS proposal and contract with the Mpls. Police Department (3rd precinct)

Resources:

\$29,250 (COPSIRF Funds)

Contract Manager: Minneapolis Police Department

Strategy 2: *Continue partnerships that were built during Phase I NRP with the Midtown Safety Center, Allina, 3rd precinct police and other organizations in the neighborhood*

Resources: 0

Contract Manager: DFD

Phillips West Phase II Action Plan (Plan Oversight):

Phase II, Goal 3:

Provide neighborhood-level administrative support to implement the Phillips West Neighborhood Organization NRP Phase II Neighborhood Action Plan.

Relates to the following City Goal:

- Strengthen City government management and enhance community engagement.

Objective A:

Provide Phillips West Neighborhood Organization with the resources needed to assist with and monitor implementation of the Phillips West NRP Phase II Neighborhood Action Plan.

Strategy 1: *Phillips West Neighborhood Organization will provide staff, office space, office supplies, equipment, and storage needed to support the implementation of the Phillips West NRP Neighborhood Action Plan. Support activities will include but not limited to the following:*

- Establishing an NRP subcommittee within PWNO to coordinate the neighborhood's ongoing role in NRP plan implementation.
- Helping neighborhood committee chairs work with appropriate governmental agencies to implement NRP funded projects- including the development of any required scopes of services, budgets, RFP's, etc.
- Engaging contracted staff, when needed, to assist committee chairs in the implementation and monitoring of NRP funded housing projects.
- Communicating with neighborhood residents about all aspects of plan implementation- including notice of NRP subcommittee meetings, plan modification proposals, planned or completed NRP projects, etc.
- Coordinating with adjoining neighborhoods, as needed, to implement NRP funded housing projects.
- Assisting with fundraising and coordination for the various activities sponsored by the Phillips West Neighborhood Organization. (Note: The non-housing administrative activities of the PWNO staff will be covered remaining Phase I funds - Any future funds required for general administrative costs or community building activities will be funded when program income from Phase II becomes available)

Resources:

NRP: \$56,148.21

2010: \$20,000

2011: \$20,000

2012: 16,148.21

Partners:

- Phillips West Neighborhood Organization
- Minneapolis Neighborhood Revitalization Program

Contract Manager: NRP

PHILLIPS WEST PHASE II ACTION PLAN

ACTIVITY	2004/05-EARLY ACCESS		ACTION PLAN		NRP	PROGRAM INCOME	PHASE I ROLLOVER	CHANGES
	NRP HOUSING	NRP OTHER	NRP HOUSING	NRP OTHER	PHASE II TOTAL			
HOUSING (page 8)								
I.A.1. Housing Programs			436,708.30		436,708.30			
I.A.2. Housing Staff			131,010.49		131,010.49			
I.A.3. Affordable Housing Reserve Fund		<i>see * below</i>			-			
2.A.1. Community Oriented Public Safety Initiative		<i>see ** below</i>			-			
PLAN OVERSIGHT (page 11)								
3.A.1. Phase II Implementation Support				56,148.21	56,148.21			
TOTAL	0	0	567,718.79	56,148.21	623,867.00	0.00	0.00	
ACTION PLAN REQUEST	0		623,867		623,867			
APPROVED AFFORDABLE HOUSING FUND *	200,000				200,000			
APPROVED COPSI RESERVE FUND **	29,250				29,250			
ADMINISTRATIVE FUNDS IN PLAN	0		56,148		56,148	9.00%		
ADMIN FUNDS FOR HOUSING					56,148			
TOTAL HOUSING ALLOCATION					623,867	100.00%		
AMOUNT AVAILABLE IN 1ST 3 YEARS ***			499,095		499,095			

* - Lutheran Social Services Center for Changing Lives and Powderhorn Residents Group New Village Limited Partnership were funded through the NRP Affordable Housing Reserve Fund (Housing I.A.3.). As such, they are considered an Early Access project (allocated \$100,000 for each project). However, the allocations are not included in the total Action Plan Request, nor are they included in the calculation of the neighborhood's Housing Allocation.

** - The East Phillips, Midtown Phillips, Phillips West and Ventura Village Community Oriented Public Safety Initiative (Housing 2.A.1.) was funded through the NRP Community Oriented Public Safety Initiatives Reserve Fund (COPSIRF) for a total of \$117,150; Phillips West's portion of the allocation is \$29,287.50. Final expenditures for this initiative are \$117,000; Phillips West's share of these expenditures is \$29,250. Since the allocation is from the Community Oriented Public Safety Initiatives Reserve Fund, the allocation is not included in the total Action Plan Request calculated above, nor does it count against the neighborhood's Phase II allocation.

*** - On March 22, 2004, the NRP Policy Board adopted a policy that requires each neighborhood to limit its Phase II Neighborhood Action Plan obligations to no more than 70% of their neighborhood allocation during the first three years following approval of its action plan. On April 28, 2008, the Policy Board approved the reallocation of unspent NRP funds to Phase II Neighborhood Action Plans, increasing the amount of funds available to neighborhoods during the first three years following action plan adoption to 74.15%. On October 27, 2008, the Policy Board revised its 2004 policy to allow neighborhoods to have access to 80% of their neighborhood allocation during the first three years following approval of its action plan.

PHILLIPS WEST PHASE II ACTION PLAN

ACTIVITY	COMMENTS				CONTRACT ADMINISTRATOR			
HOUSING (page 8)								
I.A.1. Housing Programs					DFD			
I.A.2. Housing Staff					NRP			
I.A.3. Affordable Housing Reserve Fund					CPED			
2.A.1. Community Oriented Public Safety Initiative					Police			
PLAN OVERSIGHT (page 11)								
3.A.1. Phase II Implementation Support					NRP			

Phillips West Phase II Action Plan (Phillips West 2.xls)

Date Created: February 4, 2010

Last Revision: February 16, 2010

Prepared By: Robert Cooper, Finance, 673-5239