

Memorandum

Date: May 18, 2011

To: NRP Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: Distribution of Released NRP Phase II Funds

On December 13, as part of the approval process for the 2011 Budget, the Minneapolis City Council discussed and approved a Staff Direction impacting NRP funding for neighborhoods. The Staff Direction passed by the Council directed the **“Finance and NCR departments to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.”**

When NRP staff, working with staff from the Development Finance Division of the City’s Budget Office, applied these restrictions to the un-contracted funds of Phase II, the result was the freezing of \$ 12,680,475 NRP Phase II dollars. At the Committee of the Whole meeting on March 9 the City Council received a report from its Neighborhood Funding Working Group that recommended releasing \$2,680,000 of NRP fund balance for implementation of Phase II Neighborhood Action Plans. The remaining funds (approximately \$ 10,000,000) continue to be frozen. The recommendation went to the Ways and Means Committee on March 28 for approval and to the City Council on April 1. The Council accepted and adopted the actions of the Committee of the Whole and the Ways and Means Committee.

As a result of this resolution, the Policy Board has the opportunity to distribute the released monies back to the neighborhoods.

After carefully considering various options for distributing the \$ 2.68 million being released from the December 13, 2010 action of the Council, I am recommending a distribution approach that honors and is consistent with the allocation methodology adopted by the NRP Policy Board on April 16, 2004 and provides assistance to the neighborhoods that were most adversely impacted by the Council and Mayor action.

The restrictions imposed without neighborhood notification or any public or NRP input, provide neighborhoods with Phase II dollars that range from 50% to 100% of their Phase II allocation, depending on where they were in the plan development, approval and implementation processes.

Neighborhoods such as Corcoran, Elliot Park, Lyndale, Stevens Square and Phillips West have completed contracting their Phase II allocations. Others, such as Northeast Park, Audubon, East Calhoun, Lowry Hill East, Seward, Waite Park, Logan Park, Bryn Mawr, Kenny, Whittier, Ventura Village, Folwell and Kenwood have already contracted more than 80% of their Phase II allocation. On the other end of the spectrum, however, Nokomis East, Hawthorne, Longfellow, Downtown, Central, Cedar Riverside, Holland, and Webber-Camden were seriously and adversely impacted by the Council action. They are at the bottom of the range.

To address the inequities created by the action of December 13, 2010, I am recommending that the \$ 2.68 million now being released be provided to the neighborhoods most adversely impacted by the Council action so that the range neighborhoods receive of their Phase II allocation narrows from the current 50-100% to 66-100%. Under this plan, 38 neighborhoods would receive additional funds for implementing their Phase II plans. The neighborhoods that would receive the released funds and the amount that they will receive are shown in the attached table. This approach narrows, but does not eliminate, the inequities created by the Council and Mayor action.

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

BE IT RESOLVED, That the Neighborhood Revitalization Program Policy Board (“Board”) receives the recommendation (attached) of the NRP Director regarding the distribution of the \$2.68 million released by the Minneapolis City Council on April 1, 2011 from the NRP funds frozen on December 13, 2010;

RESOLVED FURTHER, That the Board directs NRP staff to distribute this proposal to neighborhoods for their review and comment for at least 45 days;

RESOLVED FURTHER, That the Director return to the Board with the public comments and any suggested changes for action at the July Policy Board meeting.

Impact of City of Minneapolis 2011 Budget Actions
on the Status of NRP Phase II Neighborhood Funding
(NRP Staff Recommendation, based on April 1, 2011, City Council Action)

Neighborhood	Phase II Allocation	Additional Funds to be Unfrozen	Amount of Phase II Plan Available	Pct. of Phase II Plan Available	Available for New Contracts	Unavailable for New Contracts
Nokomis East	\$1,620,848.00	\$259,615.29	\$1,070,039.29	66.02%	\$1,070,039.29	\$550,808.71
Hawthorne	\$1,593,541.00	\$255,241.46	\$1,052,011.96	66.02%	\$984,123.46	\$541,529.04
Longfellow	\$2,306,477.00	\$149,195.71	\$1,522,672.71	66.02%	\$149,195.71	\$783,804.29
Downtown East, West	\$913,167.00	\$146,264.25	\$602,847.75	66.02%	\$602,847.75	\$310,319.25
Central	\$812,586.00	\$130,153.94	\$536,446.94	66.02%	\$536,446.94	\$276,139.06
Cedar-Riverside	\$704,577.00	\$112,853.87	\$465,142.37	66.02%	\$465,142.37	\$239,434.63
Holland	\$684,021.00	\$109,561.36	\$451,571.86	66.02%	\$451,571.86	\$232,449.14
Webber-Camden	\$652,678.00	\$104,541.07	\$430,880.07	66.02%	\$135,077.07	\$221,797.93
CARAG	\$636,557.00	\$101,958.93	\$420,237.43	66.02%	\$420,237.43	\$216,319.57
McKinley	\$580,058.00	\$92,909.35	\$382,938.35	66.02%	\$368,493.35	\$197,119.65
Windom Park	\$563,421.00	\$90,244.56	\$371,955.06	66.02%	\$371,955.06	\$191,465.94
Lind-Bohanon	\$521,140.00	\$83,472.30	\$344,042.30	66.02%	\$180,629.30	\$177,097.70
Loring Park	\$502,173.00	\$80,434.31	\$331,520.81	66.02%	\$151,914.81	\$170,652.19
EPIC	\$489,220.00	\$78,359.60	\$322,969.60	66.02%	\$322,969.60	\$166,250.40
Cleveland	\$448,446.00	\$71,828.72	\$296,051.72	66.02%	\$191,355.72	\$152,394.28
East Isles	\$387,253.00	\$62,027.29	\$255,653.79	66.02%	\$230,653.79	\$131,599.21
Marshall Terrace	\$363,456.00	\$58,215.66	\$239,943.66	66.02%	\$239,943.66	\$123,512.34
St Anthony East	\$362,535.00	\$58,068.14	\$239,335.64	66.02%	\$239,335.64	\$123,199.36
Bryant	\$295,498.00	\$47,330.66	\$195,079.66	66.02%	\$195,079.66	\$100,418.34
North Loop	\$293,007.00	\$46,931.67	\$193,435.17	66.02%	\$183,435.17	\$99,571.83
Lynnhurst	\$285,619.00	\$45,748.31	\$188,557.81	66.02%	\$188,557.81	\$97,061.19
Victory	\$480,270.00	\$44,984.05	\$317,061.05	66.02%	\$44,984.05	\$163,208.95
Beltrami	\$271,232.00	\$43,443.91	\$179,059.91	66.02%	\$179,059.91	\$92,172.09
Fuller Tangletown	\$336,708.00	\$42,864.37	\$222,285.37	66.02%	\$42,864.37	\$114,422.63
Bancroft	\$265,505.00	\$42,526.60	\$175,279.10	66.02%	\$57,593.10	\$90,225.90
Cedar-Isles-Dean	\$261,420.00	\$41,872.30	\$172,582.30	66.02%	\$172,582.30	\$88,837.70
West Calhoun	\$258,994.00	\$41,483.72	\$170,980.72	66.02%	\$170,980.72	\$88,013.28
Midtown Phillips	\$243,645.00	\$39,025.23	\$160,847.73	66.02%	\$160,847.73	\$82,797.27
St Anthony West	\$224,642.00	\$35,981.47	\$148,302.47	66.02%	\$135,537.47	\$76,339.53
East Harriet	\$218,316.00	\$34,968.22	\$144,126.22	66.02%	\$45,810.22	\$74,189.78
Shingle Creek	\$323,905.00	\$30,439.00	\$213,833.18	66.02%	\$30,439.00	\$110,071.82
Nicollet Island/East Bank	\$176,119.00	\$28,209.42	\$116,268.92	66.02%	\$113,768.92	\$59,850.08
Bottineau	\$224,069.00	\$23,055.19	\$147,924.19	66.02%	\$23,055.19	\$76,144.81
Linden Hills	\$530,161.00	\$21,851.72	\$349,997.72	66.02%	\$21,851.72	\$180,163.28
University	\$100,000.00	\$16,017.25	\$66,017.25	66.02%	\$66,017.25	\$33,982.75
Sumner-Glenwood	\$25,000.00	\$4,004.31	\$16,504.31	66.02%	\$16,504.31	\$8,495.69
Fulton	\$387,299.00	\$3,385.15	\$255,684.15	66.02%	\$3,385.15	\$131,614.85
Near North, Willard Hay	\$1,845,711.00	\$1,406.66	\$1,218,487.66	66.02%	\$1,406.66	\$627,223.34
Columbia Park	\$175,525.00	\$0.00	\$118,020.00	67.24%	\$0.00	\$57,505.00
Lowry Hill	\$448,754.00	\$0.00	\$305,500.00	68.08%	\$0.00	\$143,254.00
Jordan	\$906,958.00	\$0.00	\$634,211.00	69.93%	\$0.00	\$272,747.00
Hale, Page, Diamond Lake	\$835,143.00	\$0.00	\$606,912.00	72.67%	\$0.00	\$228,231.00
Field, Regina, Northrop	\$1,093,966.00	\$0.00	\$805,852.54	73.66%	\$0.00	\$288,113.46
Prospect Park	\$347,866.00	\$0.00	\$256,641.00	73.78%	\$0.00	\$91,225.00
Sheridan	\$438,317.00	\$0.00	\$329,822.00	75.25%	\$0.00	\$108,495.00
Kingfield	\$770,934.00	\$0.00	\$585,834.00	75.99%	\$0.00	\$185,100.00
Southeast Como	\$556,043.00	\$0.00	\$433,901.00	78.03%	\$0.00	\$122,142.00
Windom	\$291,018.00	\$0.00	\$229,097.00	78.72%	\$0.00	\$61,921.00
Armatage	\$375,682.00	\$0.00	\$296,403.07	78.90%	\$0.00	\$79,278.93
Marcy Holmes	\$683,948.00	\$0.00	\$542,500.77	79.32%	\$0.00	\$141,447.23
Harrison	\$846,641.00	\$0.00	\$681,641.00	80.51%	\$0.00	\$165,000.00
Powderhorn Park	\$687,638.00	\$0.00	\$557,637.99	81.09%	\$0.00	\$130,000.01
Standish Ericsson	\$1,087,274.00	\$0.00	\$891,101.70	81.96%	\$0.00	\$196,172.30
Northeast Park	\$252,685.00	\$0.00	\$212,065.00	83.92%	\$0.00	\$40,620.00
Audubon Park	\$630,862.00	\$0.00	\$540,449.56	85.67%	\$0.00	\$90,412.44
East Calhoun	\$334,613.00	\$0.00	\$292,560.00	87.43%	\$0.00	\$42,053.00
Lowry Hill East	\$747,852.00	\$0.00	\$659,268.00	88.15%	\$0.00	\$88,584.00
Seward	\$450,139.00	\$0.00	\$405,500.00	90.08%	\$0.00	\$44,639.00
Waite Park	\$447,124.00	\$0.00	\$409,913.32	91.68%	\$0.00	\$37,210.68
Logan Park	\$418,010.00	\$0.00	\$390,779.00	93.49%	\$0.00	\$27,231.00
Bryn Mawr	\$270,080.00	\$0.00	\$253,861.69	93.99%	\$0.00	\$16,218.31
Kenny	\$266,533.00	\$0.00	\$255,469.00	95.85%	\$0.00	\$11,064.00
Whittier	\$2,466,446.00	\$0.00	\$2,375,115.00	96.30%	\$0.00	\$91,331.00
Ventura Village	\$688,753.00	\$0.00	\$663,754.00	96.37%	\$0.00	\$24,999.00
Folwell	\$730,376.00	\$0.00	\$717,068.11	98.18%	\$0.00	\$13,307.89
Kenwood	\$100,000.00	\$0.00	\$99,000.00	99.00%	\$0.00	\$1,000.00
Corcoran	\$410,440.00	\$0.00	\$410,440.00	100.00%	\$0.00	\$0.00
Elliot Park	\$678,504.00	\$0.00	\$678,504.00	100.00%	\$0.00	\$0.00
Lyndale	\$643,703.00	\$0.00	\$643,703.00	100.00%	\$0.00	\$0.00
Stevens Square	\$376,427.00	\$0.00	\$376,427.00	100.00%	\$0.00	\$0.00
Phillips West	\$623,867.00	\$0.00	\$623,867.00	100.00%	\$0.00	\$0.00
American Indian	\$537,208.00	\$0.00	\$537,208.00	100.00%	\$0.00	\$0.00
TOTALS	\$41,808,603.00	\$2,680,475.02	\$31,808,602.95	76.08%	\$8,965,693.52	\$10,000,000.05

Notes: NRP staff have corroborated these numbers with Bob Cooper of the City of Minneapolis, Development Finance Division.
Neighborhoods with \$0.00 "Available for New Contracts" have already contracted over 66.02 % of their Phase II plan.