

## **Memorandum**

Date: July 20, 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 approved a Staff Direction that limited neighborhood access to the NRP funds available for Phase II plans to 50% of their Phase II allocation.

NRP staff, working with the Development Finance Division of the City's Budget Office, applied these restrictions to the un-contracted funds of Phase II and the result was the freezing of \$12,680,475 of neighborhood 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 the frozen funds for implementation of Phase II Neighborhood Action Plans. The remaining funds (approximately \$ 10,000,000) continue to be frozen. The recommendation was approved by the City Council on April 1. As a result the Policy Board is now able 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 presented a recommendation to the Board on May 23 for a distribution approach that honors and is consistent with the allocation methodology adopted by the NRP Policy Board on April 16, 2004.

The Council action of December 13 impacted neighborhoods very differently, depending upon where they were in the Phase II plan development, approval and implementation process. Some neighborhoods received all of their Phase II funds while others were restricted to 50% of their allocation.

Neighborhoods such as Corcoran, Elliot Park, Lyndale, Stevens Square and Phillips West have completed contracting their Phase II allocations. The Council action had no impact on them. 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. They were minimally affected.

On the other end of the spectrum, however, were neighborhoods such as Nokomis East, Hawthorne, Longfellow, Downtown, Central, Cedar Riverside, Holland, and Webber-Camden. These neighborhoods were in the process of finalizing their Phase II Neighborhood Action Plans or had just begun contracting implementation of their strategies. They were seriously and adversely impacted by the Council action.

To address the inequities created by the action of December 13, 2010, I recommended that the \$2.68 million 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.

Consistent with the policies adopted by NRP, the Board directed me to distribute the proposed methodology and results to all of the neighborhoods for their review and comment. Ten neighborhoods have provided input on the proposed distribution approach and all but one supports the action recommended by staff.

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

**BE IT RESOLVED**, That the Neighborhood Revitalization Program Policy Board (“Board”) has receive 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 has reviewed the comments received from neighborhood organizations during the 45-day review and comment period;

**RESOLVED FURTHER**, That the Board approves the distribution methodology proposed by the NRP staff and endorsed by the neighborhoods and adopts the attached schedule for distribution of the \$ 2.68 million released by the City Council on April 1, 2011;

**RESOLVED FURTHER**, That the Director is authorized to take any and all actions necessary to ensure that these funds are made available to neighborhoods as soon as possible.

**NRP Staff Recommendation for Distribution of Phase II Funds  
Released by the Minneapolis City Council on April 1, 2011**

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

Notes: NRP staff have corroborated these numbers with Bob Cooper of the City of Minneapolis, Development Finance Division.

**"Available for New Contracts" is based on an analysis in early 2011. Recent contracts or amendments have reduced this amount for some neighborhoods. Neighborhoods with \$0.00 "Available for New Contracts" have already contracted over 66.02 % of their Phase II plan.**