

Minneapolis Neighborhood Revitalization Policy Board

MINUTES OF THE REGULAR MEETING OF

March 24, 2003

Present and Voting:

Ron Ravensborg, Cam Gordon, Carol Pass, Nicholas Kakos, Mark Stenglein, Peter McLaughlin, Gail Dorfman, R.T. Rybak, Paul Ostrow, John Erwin (Park Board Alternate), Joanne Walz (Alternate for Emmett Carson), Byron Laher (Alternate for James Colville), and Diane Hofstede, chair, presiding

Alternates Attending:

Julia Burman, Greg Bastien, Zachary Korb, Debbie Evans, David Fey, Barret Lane

Absent:

Rep. Joe Mullery, Bob Fine, Sharon Henry-Blythe, Emmett Carson, James Colville, Bill McCarthy, Angela Sterns

Staff:

Bob Miller, Carsten Slostad

Others Present:

Bob Cooper, Jeff Schneider, Michael Norton, Emily Ero-Phillips, Jennifer Ringold, Pat Born, Gary Arntsen, Gretchen Nichols, Lee Sheehy, Steve Brandt

I. CALL TO ORDER

Diane Hofstede, chair, called the meeting to order at 4:40 p.m. in Conference Room C-2350 in the Hennepin County Government Center.

II. APPROVAL OF THE AGENDA

Upon a motion by Nicholas Kakos and seconded by Byron Laher the agenda was adopted.

III. APPROVAL OF THE MINUTES

Upon a motion by Nicholas Kakos and seconded by Byron Laher the minutes of the February 24, 2003 meeting were adopted.

IV. PRESENTATIONS & REPORTS

1. Presentation on the Status of LGA Reductions for the City of Minneapolis

Council President Paul Ostrow introduced Pat Born, Director of Finance for the City of Minneapolis, who distributed a summary of the proposed LGA (Local Government Aid) reductions for the City and reviewed with the Policy Board how these reductions will impact the City's financial situation.

2. Presentation on NRP Phase II Funding and Ordinance Changes.

Council President Paul Ostrow introduced Council Member Barret Lane who has been working on the Board's request for information on Common Project revenues and the City's commitment of revenues to Phase II.

Council Member Lane began his presentation by informing the Policy Board members that a final draft of the proposed amendments to Minneapolis Ordinance Chapter 419, which he introduced to the City Council on March 21, will not be ready for a few more days. He will post the final version on his web-site.

In researching the request to come up with an amount available for continued funding of NRP Phase II, it became clear that calculating a dollar figure would require definitive answers to a number of policy issues. His proposal serves as a framework to make those decisions and resolve the issue of NRP funding for Phase II. He suggested that the statutory roots of NRP be used to establish a baseline for the funding of Phase II. After that, the amount to be reserved for NRP will become a policy maker discussion. He then reviewed the effect the proposed ordinance amendments would have and recommended that a task force be formed to review the ordinance, collect public input and coordinate with the City Council's public hearing process.

Paul Ostrow then moved and Mark Stenglein seconded the following language:

RESOLVED: *That the NRP Policy Board create a task force to review the proposed ordinance and facilitate presentation and public comment on the proposal for a 45-day comment period.*

Speaking to the motion, Greg Bastien commented that the 45-day period was too short to get the work accomplished and that a longer period be considered. Paul Ostrow agreed to change the language to "*an appropriate period*". Discussion regarding the charge to the task force and whether or not it would bring back a recommendation then occurred.

It was finally agreed and accepted by Paul Ostrow to add the following language:
“following the completion of the public comment period, the NRP Policy Board will be making a recommendation”

[NRP / PR#2003-04]

The motion was then restated as follows and was adopted.

RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board create a task force to review the proposed ordinance and to facilitate presentation and public comment on the proposal for an appropriate comment period. Upon completion of the comment period, the task force will report back to the Policy Board, which will subsequently make a recommendation on the proposal.

V. POLICY ITEMS

1. Report of the Nominating Committee and Election of Officers

[NRP / PR#2003-05]

Debbie Evans reported on behalf of the committee and presented the following slate of officers for 2003: Diane Hofstede, chair; Nicholas Kakos, vice-chair; and Byron Laher, secretary. Upon a motion by Mark Stenglein and seconded by Joanne Walz this slate of officers was duly elected.

2. Commercial Area Development Draft Request for Proposals

Bob Miller pointed out that this draft was the same draft that was approved by the Policy Board and then suspended in 2001 when the change in funding occurred. A proposed resolution to get this out in conjunction with the Empowerment Zones and the MCDA Commercial Corridors RFP's was included in the meeting materials. Nicholas Kakos moved and Gail Dorfman seconded that this item be tabled until the next meeting. The motion to table passed.

VI. ACTION ITEM

1. Affordable Housing Reserve Funds

Bob Miller pointed out two modifications made to the Affordable Housing Reserve Fund RFP based upon the comments received at the last meeting of the Policy Board. Based upon the previous action of the Policy Board, he explained the process and the amount of dollars available for this RFP. Paul Ostrow explained the City Council's position on the direction the Policy Board had taken at the last meeting with the set-aside of dollars to explore a "mortgage guarantee" program.

Peter McLaughlin then distributed a resolution to try to address these concerns, moved it for discussion and Mark Stenglein seconded the motion. Nicholas Kakos then moved a substitute motion to authorize two million dollars at this time for the Affordable Housing Program and continue to set-aside two million dollars for the Rental Program. His motion failed to receive a second.

Discussion then began on the following resolution:

BE IT RESOLVED: *That the Board authorizes the Director to request: 1) that the City Council appropriate \$4,000,000 to the Minneapolis Community Development Agency's Fund CNRO (NRP Program Funds) to the fund the NRP's 2002 Affordable Housing Reserve Fund;*

BE IT FURTHER RESOLVED: *that the Minneapolis Neighborhood Revitalization Policy Board (Board) authorizes the Director to issue a Request for Proposals for \$3 million from this fund for projects that meet the following criteria:*

- *New Construction*
- *Renovation of vacant rental or ownership housing*
- *Preservation of existing, occupied rental or ownership housing*
- *Payment to owners to reduce costs to the target level of affordability*
- *Programs/projects, which have the effect of freeing existing ownership housing for occupants who meet the target income (e.g. a program which pairs new housing opportunities of seniors with selling their vacated homes to low-income families).*

BE IT FURTHER RESOLVED: *that \$1 million of the 2002 AHRF shall be set aside for initiating a "Renters to Owners" program;*

BE IT FURTHER RESOLVED: *that the Board may reallocate funds set aside or used for the "Renters to Owners" program for additional AHRF projects if the "Renters to Owners" program is not feasible, fails to meet its objectives, or is successful and no longer needed within 5 years of its initiation;*

BE IT FURTHER RESOLVED: *that the City Council and the MCDA Board of Commissioners authorize the appropriate City and MCDA officers to execute any needed contracts to implement this action;*

BE IT FURTHER RESOLVED: *that NRP staff coordinates the schedule for submission of responses, review of applications and awarding of funds for AHRF projects with the schedule for awarding funds from the Affordable Housing Trust Fund of the City, Empowerment Zone and MHFA: and,*

BE IT FURTHER RESOLVED: that NRP staff evaluate the proposals submitted in response to the RFP in accordance with the criteria adopted by this Board and present a recommended approval list with award amounts to this Board for approval.

Cam Gordon expressed his concern that there was not sufficient time to review this resolution and moved to table it until the next meeting. Nicholas Kakos seconded his motion. A vote was taken and the motion to table was defeated.

An extended discussion on the resolution then occurred. Peter McLaughlin asked Paul Ostrow if he was willing to discuss the “Renters to Owners” proposal further and expressed his willingness to table the motion until the next meeting if there was interest in further discussion. Paul Ostrow agreed to meet and discuss this portion of the resolution further. Peter McLaughlin then moved to table the motion with Cam Gordon seconding. Before a vote could be taken David Fey asked if the RFP could go forward without a dollar amount at this time so it could be part of the combined RFP process. Cam Gordon withdrew his second because it was his understanding that only a portion of the resolution was being tabled. David Fey then recommended that Peter McLaughlin consider moving only the second resolving clause and deleting the dollar amount. Peter McLaughlin agreed to do this with the addition of a clause to continue the discussion of the “Renters to Owners” program.

[NRP / PR#2003-06]

The final resolution, which was then adopted, is as follows:

BE IT RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board (Board) authorizes the Director to issue a Request for Proposals for projects that meet the following criteria:

- New Construction
- Renovation of vacant rental or ownership housing
- Preservation of existing, occupied rental or ownership housing
- Payment to owners to reduce costs to the target level of affordability
- Programs/projects, which have the effect of freeing existing ownership housing for occupants who meet the target income (e.g. a program which pairs new housing opportunities of seniors with selling their vacated homes to low-income families).

BE IT FURTHER RESOLVED: That there be a dialogue among all interested parties concerning the feasibility of a “Renters to Owners” program.

VI. ADJOURNMENT

The meeting was adjourned at 7:30 p.m.

Carsten Slostad, Secretary Pro Tem

ATTEST: Diane Hofstede, Chair