February 8, 2000
Whittier Park - 26th & Grand Avenue S.
7:00 p.m.

Agenda

7:00 Introduction
   Welcome and introductions
   Purpose of meeting: To present 5 proposals for NRP Phase II
   and to receive comments

7:10 Background/Where we are
   Update on progress since last citywide meeting in October
   Adoption of the NRP Phase II Goals
   Work of the Program Operations Work team

7:20 Presentation of 5 Proposals for NRP Phase II

7:40 Public Comments and Questions on 5 Proposals
   Public comments and questions
   Comment cards

8:50 Next Steps and Conclusion

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Sponsored by the NRP Policy Board and the Minneapolis Mayor and City Council
Goals for NRP Phase II
Adopted by the NRP Policy Board, 11/15/99

The NRP Policy Board developed the NRP Phase II goals over an eight month period during 1999. Initially, at a public meeting in April, citizens gave their ideas for how the NRP might be different in Phase II. Over the summer, neighborhoods and government jurisdictions provided their input on what the Goals of the NRP should be for Phase II. From all these ideas, the Policy Board developed a draft set of Goals at a retreat in September. Citizens provided comments on the draft at a public meeting in October. The Board revised the draft and adopted the following set of Phase II Goals in November of 1999. These Goals along with additional criteria listed on page 10 of this packet will guide the Board’s program planning for Phase II.

Create a greater sense of community so that the people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and their City.

Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community.

Ensure that neighborhood-based planning remains the foundation of the program, is informed and leads to creative and innovative approaches.

Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals.

Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities.

Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state mandate that 52.5% of NRP funds be spent on housing.
NRP Phase II Planning Timeline
Status as of February 2000

December 1998
NRP Policy Board adopted planning process for NRP Phase II (2001 - 2009)

April 1999
NRP Policy Board initiated monthly meetings of NRP Phase II Steering Committee to guide planning process
Mayor and City Council hosted community meeting on NRP Phase II to solicit initial input in order to develop Goals for Phase II and to provide information on NRP’s financial status

June 1999
NRP Phase II Steering Committee invited jurisdiction, neighborhood, and community interest representatives on the NRP Policy Board to hold discussions with their respective constituencies and prepare comments on NRP Phase II Goals and program operations

August – September 1999
All five participating jurisdictions forwarded comments on Phase II Goals to the NRP Policy Board
300 neighborhood leaders attended 8 neighborhood meetings organized by NRP staff to offer their ideas about Phase II; comments from these meetings were summarized and forwarded to NRP Policy Board
NRP Policy Board held a retreat to draft proposed Phase II Goals

October 1999
Program Operations Work Team convened to develop proposals for how the NRP should operate in Phase II
Second community meeting hosted by Mayor/City Council and NRP Policy Board to receive citizen comments on Draft Phase II Goals

November 1999
NRP Policy Board adopted Goals for Phase II

January 2000
Program Operations Work Team presented 5 proposals for NRP Phase II to the NRP Policy Board; Policy Board approved the public distribution of these models for citizen comment

February 2000
NRP Policy Board and Mayor and City Council host third community meeting to receive citizen comments on 5 proposals for NRP Phase II
NRP staff convenes meetings of NRP participants to comment on 5 proposals
NRP Policy Board considers public input and selects proposal(s) for further development and discussion

March – May 2000
Program Operations Work Team develops detailed operational model(s) for Phase II

May 2000
Evaluation of Phase I, conducted by external consultant Teamworks, is presented to NRP Policy Board
Community input solicited on the detailed model(s); one or more community meeting(s) will be held

May/June 2000
NRP Policy Board adopts one complete operational model for Phase II

July-December 2000
NRP, jurisdictions, and neighborhoods prepare to implement Phase II model

January 2001
Phase II begins
Neighborhoods, through their NRP plans, prioritize how all Phase II program funds are spent. However, a portion of each neighborhood’s allocation that is not spent on housing activities is held back until it is clear that the Program’s statutory Housing Requirement will be met. A method for the timing and release of held back funds will be determined later this spring.

Neighborhoods, through their NRP plans, prioritize how the majority of Phase II program funds are spent. 25-40% of the program’s Phase II funds are reserved for the citywide priorities of affordable housing and commercial corridors. A neighborhood/Policy Board process for distributing the reserved funds will be determined later this spring. Priority will be given to an individual neighborhood or groups of neighborhoods who want to supplement their NRP plan allocations that are directed to these citywide priorities with some of the reserved funds.

Neighborhoods, through their NRP plans, prioritize how a portion of Phase II program funds are spent. 40-60% of the program’s Phase II funds are reserved for the citywide priority of affordable housing. A neighborhood/Policy Board process for distributing the reserved funds will be determined in the second part of Phase II planning. Priority will be given to an individual neighborhood or groups of neighborhoods who want to supplement their NRP plan allocations directed to these citywide priorities with some of the reserved funds.

Neighborhoods, through their NRP plans, prioritize how the majority of Phase II program funds are spent. 25-40% of the program’s Phase II funds are reserved for the citywide priorities of affordable housing and commercial corridors. A neighborhood/Policy Board process for distributing the reserved funds will be determined later this spring. Priority will be given to an individual neighborhood or groups of neighborhoods who want to supplement their NRP plan allocations that are directed to these citywide priorities with some of the reserved funds.
Proposal A: 
Continue Phase I

1. **Description of Proposal:**
   All Phase II program funds are allocated directly to neighborhoods. Neighborhoods, through their NRP plans, prioritize how all their NRP funds are spent.

2. **Who Plans and Sets Priorities?**
   Every neighborhood does its own planning, and every neighborhood receives an allocation of NRP funds. Neighborhoods, at their own initiative, can do joint neighborhood planning or can pool funds with other neighborhoods or public agencies for a community or citywide project.

3. **How are NRP funds distributed?**
   All Phase II program funds are allocated directly to neighborhoods. A formula will be used, similar to Phase I, that is based on neighborhood characteristics such as population and housing condition, to determine how much money each neighborhood gets.

4. **How is the Housing Requirement* addressed?**
   Neighborhoods will be given information about the Housing Requirement to encourage them to spend funds on housing. However, there would be no neighborhood housing investment requirements. Neighborhoods would independently identify and address housing needs and their investment decisions will determine if the Housing Requirement is achieved.

5. **How are citywide priorities addressed?**
   The NRP program will encourage neighborhoods to invest their funds in citywide priorities, but there will be no requirement that neighborhoods do so and no setting aside of NRP funds program-wide for such projects.

* The state legislation that created NRP requires that 52.5% of all NRP funds be spent on housing and housing-related activities.
Proposal B:
Hold Back a Portion of Neighborhoods’ Funds
Until Housing Requirement is Assured

1. Description of Proposal:
   All Phase II program funds are allocated directly to neighborhoods. Neighborhoods, through their NRP plans, prioritize how their NRP funds are spent. A portion of each neighborhood’s allocation not spent on housing activities is held in reserve until it is clear that the NRP Program’s Housing Requirement will be met.

2. Who Plans and Sets Priorities?
   Every neighborhood does its own planning, and every neighborhood receives an allocation of NRP funds. Neighborhoods, at their own initiative, can do joint neighborhood planning or can pool funds with other neighborhoods or public agencies for a community or citywide project. If it is determined that the Housing Requirement is not being met by the total NRP program, then some restrictions may be placed on the release of the neighborhoods’ held-back funds.

3. How are NRP funds distributed?
   All Phase II program funds are allocated directly to neighborhoods. A formula will be used, similar to Phase I, that is based on neighborhood characteristics such as population and housing condition, to determine how much each neighborhood gets.

4. How is the Housing Requirement addressed?
   Some funds for each neighborhood are held in reserve until the NRP Program’s Housing Requirement is met.

5. How are citywide priorities addressed?
   The NRP program will encourage neighborhoods to invest their funds in citywide priorities, but there will be no requirement that neighborhoods do so and no setting aside of NRP funds program-wide for such projects.
Proposal C:
Provide Incentives for Community or Citywide Priorities

1. **Description of Proposal:**
   All Phase II program funds are allocated directly to neighborhoods. Neighborhoods, through their NRP plans, prioritize how all their NRP funds are spent. Incentives are built into the Program to encourage neighborhoods to address community or citywide priorities.

2. **Who Plans and Sets Priorities?**
   Every neighborhood does its own planning, and every neighborhood receives an allocation of NRP funds. Jurisdictions, neighborhoods and foundations offer incentives to encourage neighborhoods to plan at a joint neighborhood, community or citywide level.

   Incentives might include the following: a jurisdiction dedicates resources to a particular project and requests that neighborhoods contribute NRP funds; a foundation initiates and funds a project and requests neighborhoods’ participation; a neighborhood or group of neighborhoods proposes a project and other neighborhoods, a jurisdiction or a foundation contribute funds. The Program would encourage and facilitate these partnership opportunities.

3. **How are NRP funds distributed?**
   All Phase II program funds are allocated directly to neighborhoods. A formula will be used, similar to Phase I, that is based on neighborhood characteristics such as population and housing condition, to determine how much each neighborhood gets.

4. **How is the Housing Requirement addressed?**
   To address the Housing Requirement, this proposal can use the method from either Proposal A (education and promotion) or Proposal B (hold back funds until it is sure that Housing Requirement will be met).

5. **How are citywide priorities addressed?**
   Incentives built into the Program are the primary means used to encourage investment by neighborhoods in citywide priorities. Possible incentives are described above in #2. The Program would encourage and facilitate these partnership opportunities.
Proposal D: Reserve Some NRP Funds for Citywide Priorities of Affordable Housing and Commercial Corridors

1. Description of Proposal:
   Neighborhoods, through their NRP plans, prioritize how a majority of Phase II program funds are spent. 25-40% of the program’s Phase II funds are reserved for the citywide priorities of affordable housing* and commercial corridors*. A neighborhood/Policy Board process for distributing the reserved funds will be developed later this spring.

2. Who Plans and Sets Priorities?
   Neighborhoods, through their NRP plans, decide how all their NRP funds are spent. The 25-40% of funds that will be reserved in a pool for affordable housing and commercial corridors will be distributed differently. The specific neighborhood/Policy Board process for distribution will be developed later this spring. Priority will be given to an individual neighborhood or groups of neighborhoods who want to supplement their NRP plan allocations that are directed to these citywide priorities with some of the reserved funds.

3. How are NRP funds distributed?
   60-75% of Phase II program funds will be allocated to individual neighborhoods using a formula similar to that of Phase I. 25-40% of NRP funds will be allocated to a citywide pool for affordable housing and commercial corridor projects. A method for distributing these funds will be developed later this spring.

4. How is the Housing Requirement addressed?
   By reserving some NRP funds citywide for affordable housing, the Program will be making progress toward achieving the statutory Housing Requirement. In order to address any remaining Housing Requirement, this proposal can use the method from either Proposal A (education and promotion) or Proposal B (hold back funds until it is sure that the Housing Requirement will be met).

5. How are citywide priorities addressed?
   25-40% of the program’s Phase II funds are reserved for the citywide priorities of affordable housing and commercial corridors.

* NOTE on Commercial Corridors and Affordable Housing:

If the Policy Board chooses to implement Proposal D or E, it will have to define a process for allocating the NRP funds reserved for the priorities of “Commercial Corridors” and “Affordable Housing”. This will include defining what “Commercial Corridors” and “Affordable Housing” are, i.e. what kinds of projects would be eligible for these funds?

In general terms, commercial corridors and affordable housing have been characterized as the following:

Commercial Corridors: In general, the City characterizes “Commercial Corridors” as those streets that are primarily commercial in character and traverse the City, serving to connect a number of neighborhoods. These streets, with their traditional storefronts and attention to the pedestrian as well as public transit, are unique to the City. These streets are an asset to Minneapolis and, in general, are in need of revitalization. Some examples include Lake Street, Franklin Avenue, Central Avenue, West Broadway, Hennepin Avenue.

(Continued on page 9)
Proposal E: Reserve Substantial NRP Funds for Affordable Housing

1. Description of Proposal
   Neighborhoods, through their NRP plans, prioritize how a portion of Phase II program funds are spent. 40-60% of the program’s Phase II funds are reserved for the citywide priority of affordable housing*. A neighborhood/Policy Board process for distributing the reserved funds will be determined later this spring.

2. Who Plans and Sets Priorities?
   Neighborhoods, through their NRP plans, decide how all their NRP funds are spent. The 40-60% of funds that will be reserved in a pool for affordable housing will be distributed differently. The specific neighborhood/Policy Board process will be developed later this spring. Priority will be given to an individual neighborhood or groups of neighborhoods who want to supplement their NRP plan allocations that are directed to these citywide priorities with some of the reserved funds.

3. How are NRP funds distributed?
   40-60% of Phase II program funds will be allocated to individual neighborhoods using a formula similar to that of Phase I. 40-60% of Phase II program funds will be allocated to a citywide pool for affordable housing projects. A method for distributing these funds will be developed later this spring.

4. How is the Housing Requirement addressed?
   By reserving some NRP funds citywide for affordable housing, the Program will be making progress toward attaining the statutory Housing Requirement. If the amount of funds in this citywide pool does not enable the Program to completely meet the Housing Requirement, this Proposal can use the method from either Proposal A (education and promotion) or Proposal B (hold back funds until it is sure that Housing Requirement will be met).

5. How are citywide priorities addressed?
   40-60% of the program’s Phase II funds are reserved for the citywide priority of affordable housing.

* NOTE on Commercial Corridors and Affordable Housing (continued from page 8):

Affordable Housing: In general, the City characterizes “Affordable Housing” as housing which costs no more than 30% of household income for households earning below 50% of the metropolitan area median income (currently $31,800 per year for a family of 4). For example, affordable housing for a family of four earning $31,800 would cost no more than $795 per month. The kind of housing that is affordable is quite varied. It might be a single family unit standing alone in a neighborhood; a series of two-story town house units clustered on part of a block; a unit or two in a four-unit or eight-unit apartment building in a neighborhood. Affordable housing can be new construction, renovated existing housing, or existing housing that is converted to affordable.
Criteria for Evaluating the 5 Proposals for NRP Phase II

What’s important to me about the NRP, and is that reflected in the 5 proposals? How are the 5 proposals different? What does each proposal emphasize?

The NRP Policy Board members will be asking themselves a series of questions about the proposals to better understand their implications. Some of the questions relate directly to the 6 Goals of NRP Phase II. Other questions are about issues of importance to the NRP, such as how well broad participation in the program is encouraged and how the program works for neighborhoods, given the great diversity of neighborhoods in the City.

As you review the 5 proposals, ask yourselves whether the proposals fulfill the Goals for NRP Phase II, AND the following questions:

1. Does the proposal promote participation by people of color, low-income persons, tenants, and other under-represented populations? In addition, does it promote a diversity of ideas?

2. Is the proposal simple and clear enough to encourage neighborhood volunteer participation?

3. Does the proposal accommodate the unique needs of individual neighborhoods?

4. Does the proposal accommodate jurisdictional goals?

5. Will the proposal be understandable and flexible enough to be implemented by neighborhood organizations with varying levels of expertise?

6. Will the proposal require increased staff time from public agencies in order to implement?

7. Does the proposal leverage additional capital investments by public and private agencies?

8. Is accountability built into the proposal resulting, for example, in measurable outcomes?
The following two graphs summarize the projected uses of NRP funds in the first and second phases of the program. Phase II includes a smaller amount of funding because it covers nine years (2001–2009) compared to Phase I, which covers eleven years (1990–2000) and because $9.6 million of Phase II revenues have been allocated to Action Plans in Phase I.

Projected Phase I NRP Allocations

Total = $229.6 million*

1990 - 2000

* Program funds include both Action Plan allocations and any approved Fund Reservations as contemplated by proposals D and E.

Projected Phase II NRP Allocations

Total = $170.4 million

2001 - 2009

* Includes Action Plans approved as of 12/31/99.

** Housing related activity was 49% of Action Plan funds in Phase I. However, overall Phase I housing expenditures were 46% of overall Phase I funds (the whole “pie”). Overall Phase I housing expenditures include housing related expenditures made in the four other activities listed above. The state statute governing NRP requires 52.5% of all NRP funds to be spent on housing related activities.
Hosted by the NRP Policy Board and the Minneapolis Mayor and City Council

Mayor Sharon Sayles Belton
Council President Jackie Cherryhomes
Council Vice President Joe Biernat
Council Member Paul Ostrow
Council Member Joan Campbell
Council Member Barbara Johnson
Council Member Jim Niland
Council Member Lisa Goodman
Council Member Brian Herron
Council Member Kathy Thurber
Council Member Lisa McDonald
Council Member S. Dore Mead
Council Member Sandra Colvin Roy
Council Member Barret Lane

NRP Policy Board
Chair Jackie Cherryhomes, City Council President*
Jason Anundsen, Revitalization Neighborhood Representative
Sharon Sayles Belton, Mayor*
Emmett Carson, The Minneapolis Foundation
Karen Clark, Minnesota House of Representatives
James Colville, United Way of Minneapolis Area
Judy Farmer, Minneapolis Board of Education
Diane Hofstede, Minneapolis Library Board*
David Jennings, Greater Minneapolis Chamber of Commerce
Dick Johnson, Minneapolis Central Labor Union
Nicholas Kakos, Protection Neighborhood Representative
Peter McLaughlin, Hennepin County Board
Clareyse Nelson, Redirection Neighborhood Representative
Gretchen Nicholls, At-Large Neighborhood Representative*
John a. powell, Institute on Race & Poverty
Edward Solomon, Minneapolis Park and Recreation Board
Mark Stenglein, Hennepin County Board*
Mary Tambornino, Hennepin County Board

Alternates
Earnest Belton, Minneapolis Park and Recreation Board
Walt Gutzmer, Redirection Neighborhood Alternate
Ken Kelash, Central Labor Union*
Byron Laher, United Way of Minneapolis Area
Barret Lane, Minneapolis City Council
Kevin Ogburn, Revitalization Neighborhood Alternate
Kathryn Roberts, The Minneapolis Foundation
Judy Schwartau, At-large Neighborhood Alternate
Denise Stephens, Greater Minneapolis Chamber of Commerce
Ron Thaniel, Alternate for Mayor Sayles Belton
Linda Wejcman, Alternate for Karen Clark

* Members of the NRP Phase II Steering Committee, charged with developing options for NRP Phase II for consideration by the NRP Policy Board.