



Request for City Council Committee Action from the Office of the Neighborhood and Community Relations Department

Date: June 1, 2015
To: Council Member Cam Gordon, Chair, Health, and Environment & Community Engagement Committee
Referral to: N/A
Subject: **Update on November 17, 2014 HECE Staff Direction to NCR on Unexpended NRP Fund Balances**
Recommendation: Receive and File

Department Information

Prepared by: Robert Thompson, NCR Neighborhood Program Manager
Approved by:
David Rubedor, Neighborhood and Community Relations Director _____
Spencer Cronk, City Coordinator _____
Presenters in Committee: Robert Thompson

Financial Impact:

None

Community Impact

City Goal: *Many People, One Minneapolis.*

Supporting Information:

Background:

In October 2014, NCR reported to the City Council, the NRP Policy Board, and the Neighborhood and Community Engagement Commission that, \$226,094,965.00 was allocated to NRP Phase I and Phase II neighborhood plans between 1991 and 2014. Neighborhood investments earned an additional \$24,583,670.99 in program income, for a total amount of \$250,678,636 obligated through approved NRP Plans. As of the end of July 2014, \$29,163,062 of Phase I and Phase II funds remained unexpended, and \$14,038,309 remained uncontracted.

On November 17, 2014, the Health, Environment and Community Engagement Committee of the Minneapolis City Council directed NCR staff to “engage neighborhood associations and the NCEC in developing policy and procedural recommendations for the Council which would establish guidelines for allowable balances of unspent NRP fund allocations and require any neighborhood association not meeting those guidelines to develop a plan with specific timelines on how they will use those funds, as well as developing reporting and monitoring procedures for the deployment of these resources.” Staff are to present a draft policy recommendation to Council no later than May 31, 2015.

Status of Recommended Guidelines

NCR staff developed draft guidelines (see attached) and created a web page to provide updates on the community engagement process at <http://www.minneapolis.gov/ncr/programs/WCMS1P-139963>. NCR staff has developed an online survey to gather initial input and comments from neighborhood organizations. Updates, feedback, and survey responses will be posted on the web page. As of June 1, 2015, 84 individuals have responded to the survey. NCR staff are reviewing the responses and will post a summary of the comments online by June 5, 2015.

A 45-day review and comment period began on Wednesday, May 13, 2015, and will close on Friday, June 26, 2015. NCR staff have delivered copies of the draft guidelines to all neighborhood organizations by mail and email.

NCR Staff has scheduled two meetings at the Crown Roller Mill Building on the evenings of May 14, 2015 and June 16, 2015 to provide information, answer questions, and listen to suggestions and concerns. The May 14 meeting was attended by 11 residents.

NCR anticipates a final report on NRP Fund Balance Guidelines to be presented to the July meeting of the NRP Policy Board, and to the July 27, 2015 meeting of the Health, Environment and Community Engagement Committee.

A copy of the draft guidelines available for public comment are attached to this RCA.

Review of NRP Funds

BACKGROUND

On November 17, 2014, the Health, Environment and Community Engagement Committee of the Minneapolis City Council directed NCR staff to *“engage neighborhood associations and the NCEC in developing policy and procedural recommendations for the Council which would establish guidelines for allowable balances of unspent NRP fund allocations and require any neighborhood association not meeting those guidelines to develop a plan with specific timelines on how they will use those funds, as well as developing reporting and monitoring procedures for the deployment of these resources. Staff are to present a draft policy recommendation to Council no later than May 31, 2015.”*

Between 1991 and 2010, \$215,374,329.09 was allocated to neighborhood organizations for Phase I and Phase II Neighborhood Action Plans through the Neighborhood Revitalization Program. (This does not include the \$10,000,000 that the City Council reprogrammed in 2010.) As a result of income generated by neighborhood activities over that period of time (\$25,203,380.07), actual obligations through neighborhood NRP plans totaled \$240,577,709.16.

As of March 31, 2015, \$212,900,866.11 of NRP funds had been expended, or 88.62% of all NRP funds obligated through approved Neighborhood Action Plans. The remaining \$27,676,843.05 is a combination of unexpended Phase I, Phase II and program income funds.

A recent analysis by NCR shows that, on average, neighborhood organizations are expending NRP Phase I and Phase II funds within seven years of Neighborhood Action Plan approvals, and that most NRP funds should be expended by the year 2021. Currently, 45 of 70 neighborhood organizations have plans that were approved more than seven years ago.

PROCESS OF REPORT, REVIEW AND COMMITMENT OF NRP FUNDS

- A. Upon approval of this policy, NCR will prepare a status report of each neighborhood’s Phase I and Phase II NRP Action Plans to determine the percentage of funds currently contracted and expended. For neighborhoods without an approved Phase II Plan, a report will be based on the date of approval of their Phase I Plan. The percentage will be calculated for both the neighborhood’s all Phase I and Phase II contracted funds or expenditures divided by all Phase I and Phase II allocations. NCR will review the status report with the neighborhood organization.
- B. For neighborhood organizations past the seven year anniversary of their NRP Phase II Plan Approval, those neighborhood organizations that have not expended at least 85% and contracted at least 95% of the original plan allocation plus program income must either (1) submit a plan for reaching thresholds within one year, (2) complete a robust neighborhood review process (see Robust Community Engagement section below) within 18 months of the report prepared by NCR to affirm or revise current strategies, or (3) request a waiver due to extenuating circumstances (see Waivers section below).

Reviews submitted under (2) above must identify how Phase I funds, Phase II funds and program income are reallocated to new or existing strategies. Any reallocations of NRP funds as a result of the neighborhood process must be done in accordance with the “Changing Approved Neighborhood Plans” policy adopted by the City Council as recently as July 19, 2013.

- C. The neighborhood organization may use Community Participation Program funds in support of the neighborhood's review and approval process.
- D. All reviews will be submitted to NCR for approval. NCR staff will provide quarterly updates of all reviews and reallocations developed under Section B to the NRP Policy Board. Any reviews that reallocate more than \$100,000 or create new strategies will be presented to the NRP Policy Board and City Council for final approval, as required by the *Changing Approved Neighborhood Plans Policy*.
- E. Neighborhoods that have not yet submitted an NRP Phase II Plan for approval must complete Phase II planning by December 31, 2016. Allocations for neighborhoods without a Phase II plan after that date may be reallocated to other neighborhoods.
- F. A neighborhood that fails to submit a completed review for approval as outlined above may have any unexpended NRP funds reallocated to other neighborhoods by action of the NRP Policy Board and City Council. Such funds will be reallocated to neighborhoods that have exceeded contracting and expenditure thresholds.

ROBUST COMMUNITY ENGAGEMENT

Robust community engagement will be defined to include some or all of the following processes:

- Broad and regular communication to the neighborhood as a whole, including notification by mail, newsletter, door-to-door flyers, or some comparable method designed to reach, or is reasonably accessible to, all households and stakeholders. Communications and notifications should not be limited to notices on web sites or email lists.
- Broad-based neighborhood support for the recommitment of NRP funds to existing strategies, or any proposed NRP fund reallocations can be demonstrated through one of the following methods identified in the *Changing Approved Neighborhood Plans Policy*, as adopted by the City Council on July 19, 2013:
 - A. At least one neighborhood-wide general attendance meeting, promoted through broad means (such as flyers, newspaper ads/articles, church bulletins, broadcast emails, etc.) for which adequate notice (i.e., 21 days or more) has been given and at which a recorded vote is taken or a consensus decision is reached on the proposed change, or
 - B. At least three focus groups (with populations representative of the neighborhood), or
 - C. A survey or questionnaire of the neighborhood's households that has a minimum response rate of 20%, or
 - D. An interview or survey covering a minimum of 350 randomly selected neighborhood households in which the response rate is at least 70%.
- Targeted outreach to and participation of under-represented communities. A process such as focus groups, open houses, surveys, use of translation equipment at community meetings, etc., targeted to specific under-represented groups should be used in neighborhoods when those populations exceed 15% of the neighborhood population (based on most recent Minnesota Compass data). This would include racial or ethnic groups as defined by the U.S. Census, renters, individuals with disabilities, youth, seniors and non-English speaking or limited English proficiency groups.

WAIVERS

Neighborhoods that have not expended at least 85% and contracted at least 95% of the original plan allocation plus program income may request a waiver of the neighborhood plan review process if:

1. Funds committed by the neighborhood to a project for which implementation is not under the neighborhood organization's control (e.g., a streetscape project) would bring them above the thresholds if contracted;
2. A recent plan modification, contract close-out or receipt of program income within the last year that may temporarily result in the neighborhood being below the thresholds;
3. Other unexpected circumstances or reasons for delay beyond the neighborhood organization's control.

Requests for waivers, and the rationale for that request, shall be submitted in writing to NCR. Approvals of such requests shall be within the authority of the NCR Director. NCR will review waivers on an annual basis.

Neighborhood organizations may appeal a denial of a waiver to the NRP Policy Board. The appeal must be addressed to the Chair of the NRP Policy Board within 60 days of receipt by the neighborhood of the NCR status report.

NCR'S ROLE AND RESPONSIBILITY

- NCR will prepare a status report for each neighborhood organization to identify the percent of Phase I and Phase II NRP funds contracted and expended, and date of 7 year anniversary of Phase II Plan approval.
- The neighborhood organization will have the opportunity to address or correct any inaccuracies in the status report.
- NCR will be responsible for alerting neighborhood organizations to any approaching deadlines.
- NCR neighborhood specialists will be available to provide guidance to neighborhood organizations as needed on community outreach and engagement activities, neighborhood census data, and options for reuse and redirection of funds.
- NCR staff will create and provide a neighborhood demographic profile for neighborhood organizations that will conduct a review process, and will provide guidance and training as necessary to support neighborhood engagement strategies.