

# Policy for Expenditure of NRP Funds



## PURPOSE:

This policy establishes guidelines for allowable balances of NRP fund allocations, and provides the process by which neighborhood organizations not meeting specified thresholds will develop a plan for review and expenditure of NRP funds in order to meet to those thresholds.

## PROCESS OF REPORT, REVIEW AND COMMITMENT OF NRP FUNDS

- A. 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 of contracted and expended funds will be calculated separately for each neighborhood's Phase I and Phase II funds. Contracted funds and expended funds will be divided by the plan allocation plus program income to determine these percentages. NCR will review the status report with the neighborhood organization.
- B. Organizations past the seven year anniversary of their NRP Phase II Plan approval that have not expended at least 85% and contracted at least 95% of the original plan allocation plus program income (for both Phase I and Phase II) must:

- (1) Submit a plan for reaching thresholds within one year, or
- (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 and a timeline for reaching the 85% expended and 95% contracted thresholds. 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 July 19, 2013.

- C. The neighborhood organization may use Community Participation Program funds in support of the neighborhood's review, planning and approval process.
- D. All reviews will be submitted to NCR for review and 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 must be approved by the NCR Director; the Director may choose to refer any such request, or part of the request, to the NRP Policy Board for final decision. Any request that creates a new strategy 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 will be reallocated to other neighborhoods following review and approval by the NRP Policy Board and City Council.

- F. A neighborhood that fails to submit a completed review for approval as outlined above may have some or all unexpended NRP funds reallocated to other neighborhoods by action of the NRP Policy Board and City Council. Such funds will be reallocated to other neighborhoods following review and approval by the NRP Policy Board and City Council.
- G. Prior to reallocation of NRP funds under items E or F, above, NCR will provide 90-day notice to the impacted neighborhood organization. A neighborhood organization may appeal to the NRP Policy Board (see Appeal Process section, below) within the 90-day notification period. Any reallocation of NRP funds under this policy must be approved by the NRP Policy Board and City Council pending the outcome of an appeal.

A notice of the intent to reallocate funds will also provide notice of a right to appeal and steps required for appeal.

### **ROBUST COMMUNITY ENGAGEMENT**

Robust community engagement will be defined to include the following:

- 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 must not be limited to notices on web sites or email lists.
- 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 10% 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.
- Broad-based neighborhood support for the recommitment of NRP funds to existing strategies, or any proposed NRP fund reallocations can be demonstrated through at least two 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,
  - B. At least three focus groups (with populations representative of the neighborhood),
  - C. A survey or questionnaire of the neighborhood's households that has a minimum response rate of 20%,
  - D. An interview or survey covering a minimum of 350 randomly selected neighborhood households in which the response rate is at least 70%.

### **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 when:

1. Funds are committed by the neighborhood to a project for which implementation is not under the neighborhood organization's control (e.g., a streetscape project) and, when contracted and expended, would bring them above the thresholds;
2. A recent plan modification or contract close-out within the last year, or receipt of program income within the last three years, may temporarily result in the neighborhood being below the thresholds;
3. The unexpended funds are in a current contract that is still active and for which it can be shown that the funds will be spent down in a reasonable amount of time;
4. A review that includes robust community engagement and a timeline for reaching the required thresholds has been completed by neighborhood in the past two years;
5. Other circumstances or reasons for delay beyond the neighborhood organization's control.

Requests for waivers, and the rationale for such requests, shall be submitted in writing to NCR. Approvals of such requests shall be within the authority of the NCR Director. Waivers will be in effect for one year; neighborhood organizations may resubmit a waiver if the circumstances continue to meet the criteria noted above.

When denying a waiver request, the NCR Director will provide written notice to the impacted neighborhood organization. A neighborhood organization may appeal the denial or rescinding of a waiver within 90 days of the date of the notice (see Appeal Process section, below). Notice of the denial will also provide notice of right to appeal and steps required for appeal.

#### **APPEAL PROCESS**

Neighborhood organizations may appeal a denial of a waiver or a proposed reallocation of funds to the NRP Policy Board. The appeal must be addressed to the Chair of the Policy Board within 90 days of receipt by the neighborhood organization of the notice of such action from NCR.

#### **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 seven-year anniversary of Phase II Plan approval. This report will be updated annually.
- Neighborhood organizations will have the opportunity to address or correct any inaccuracies in the status report within 90 days of receipt.
- NCR will be responsible for alerting neighborhood organizations to any approaching deadlines.
- NCR staff will be available to provide guidance to neighborhood organizations as needed on understanding the status report, 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 those neighborhood organizations that will conduct a review process, and will provide guidance and training as necessary to support neighborhood engagement strategies for outreach to under-represented groups. The demographic profile may also identify under-represented groups below the 10% threshold that are important stakeholders in the organization's outreach, and how A&O staff will provide assistance to the neighborhood organization in reaching those under-represented groups.