

CITY OF MINNEAPOLIS

Policy for Expenditure of NRP Funds

Overview of policy
Community Engagement Process
Analysis

Requested Action

1. Approve Policy for Expenditure of NRP Funds.
2. Direct NCR and Finance staff that “any neighborhood for which a Phase II funded contract is amended to remove funds or closed out with a balance remaining in that contract, that neighborhood shall be allowed to contract the amount released back to their Phase II plan as a result of the amendment or close-out of that contract.”



Process

- Once this policy is approved:
 - NCR will prepare a status report of each neighborhood's Phase I and Phase II NRP Plans.
 - Criteria:
 - Was the Phase II Plan approved more than seven years ago?
 - Are at least 85% of neighborhood's NRP funds expended?
 - Are at least 95% of neighborhood's NRP funds contracted?



Process

- If a neighborhood has not reached contracting or expenditure thresholds within seven years of plan approval, they must either:
 - Submit a plan on how they will achieve thresholds within 1 year;
 - Complete a robust neighborhood review process to affirm or revise existing strategies; or
 - Request a waiver.



Process

- All reviews will be submitted to NCR for review and approval.
- The NCR director may submit reviews that reallocate more than \$100,000 to the NRP Policy Board.
- New action plan strategies must be submitted to NRP Policy Board and City Council for approval.



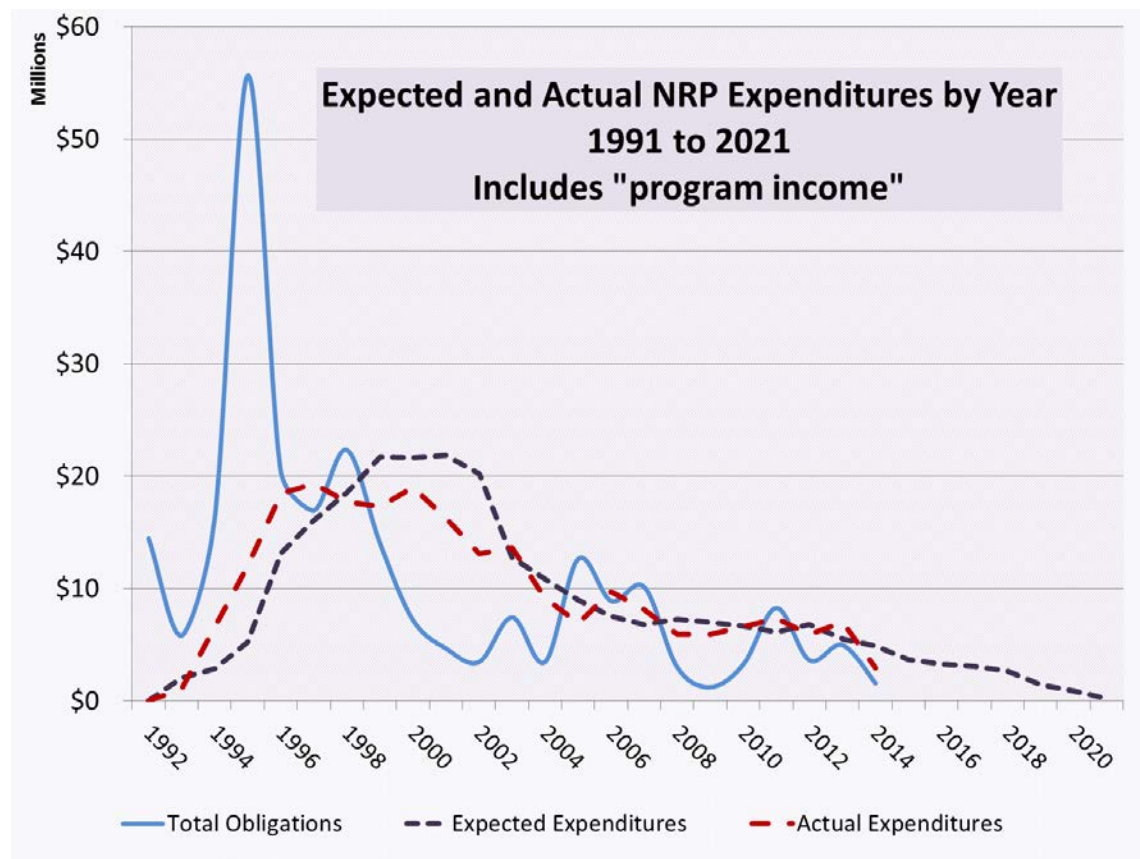
Process

- Neighborhoods that have not yet submitted an NRP Phase II Plan for approval must complete Phase II planning by December 31, 2016.
- A neighborhood that fails to submit a completed review or Phase II Plan may have some or all unexpended NRP funds reallocated to other neighborhoods by action of the NRP Policy Board and City Council.



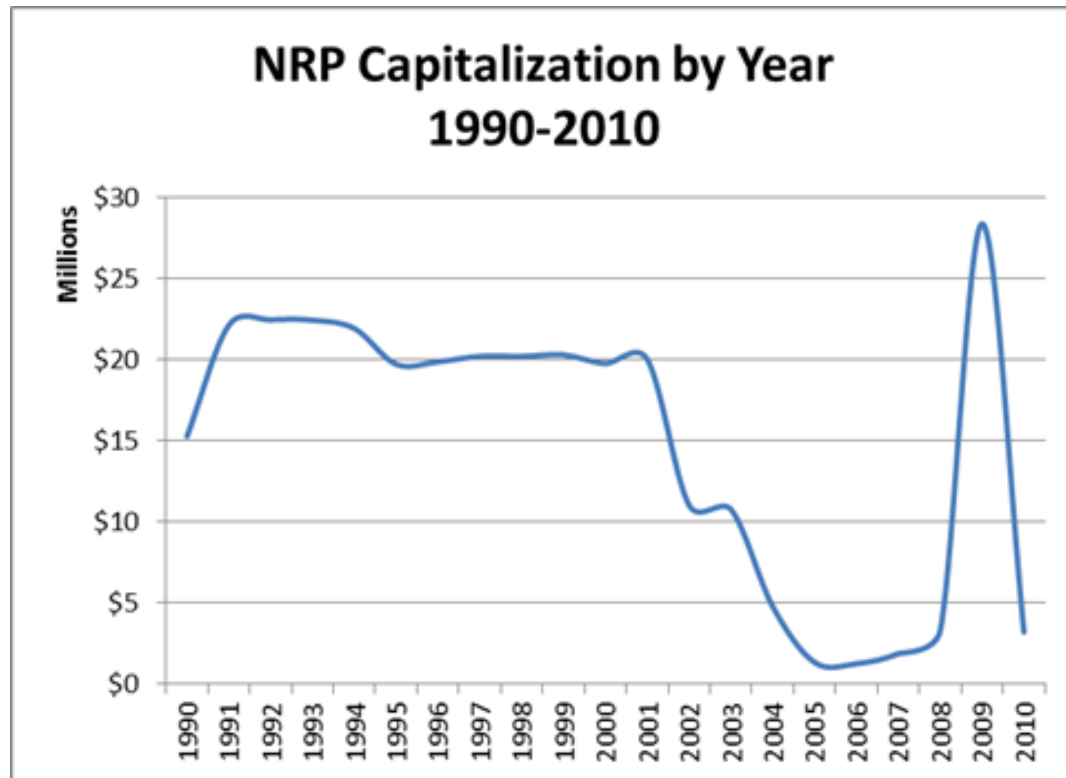
Analysis

- NCR analysis shows that seven-years is based on past performance:

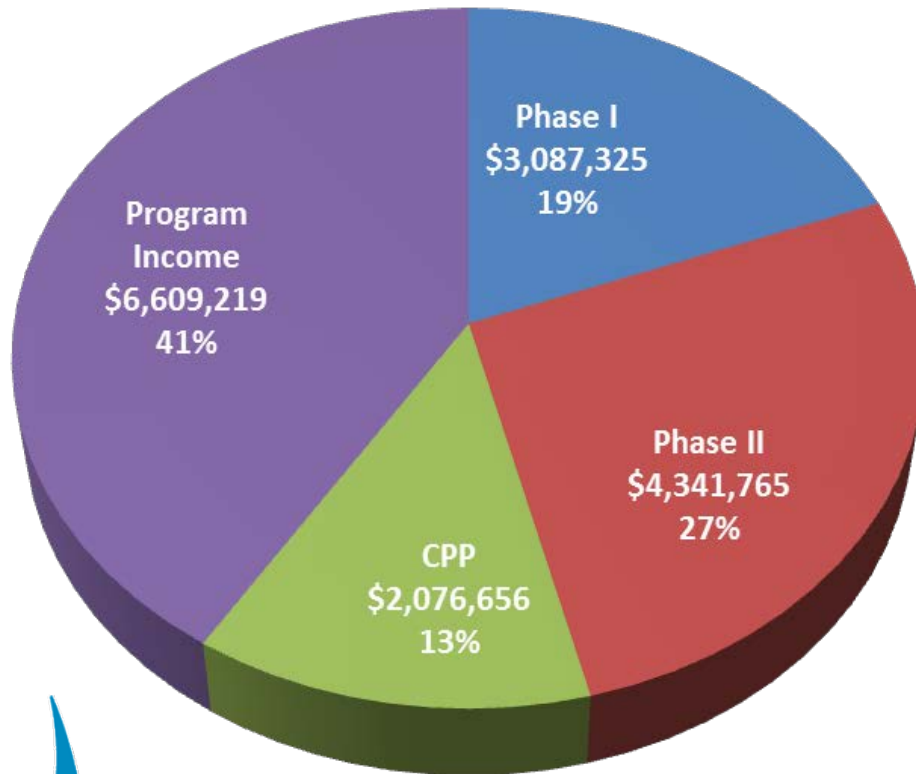


Analysis

- NRP Policy Board and City enacted policies to slow rate of Phase II plan approval and expenditures in response to Revenue Projections.



Analysis



- Neighborhood organizations generated \$24.8 million of program income from 1995 to 2014.
- Program income is an important component of the existing NRP Fund Balance.
- 41% of fund balance in 2014 was program income generated by use of NRP funds.

Analysis

- Given revenue projections of mid-2000s and other uncertainties, neighborhoods often reallocated program income to make up for lack of Phase II funds.

