

**CITY OF MINNEAPOLIS**  
**COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT**  
**DEPARTMENT**

**CITIZEN PARTICIPATION PROGRAM GUIDELINES**

*Approved by City Council February 24, 2006*

**I. CITIZEN PARTICIPATION PROGRAM**

CPED shall provide administrative funding for those eligible groups that desire to deliver citizen participation services in their neighborhoods.

**A. Eligibility**

A neighborhood association must meet all of the following criteria to be considered eligible for CPED citizen participation funding:

1. Represent a geographically defined neighborhood (in its entirety) within Minneapolis as identified by the most current Minneapolis Communities and Neighborhoods Map as amended and approved by the City Council.
2. Represent, and provide for the participation of, the interests of all segments of the entire community, including, but not limited to, homeowners, renters, property owners, business owners, immigrants, non-English speakers, low-income residents and communities of color. Groups that primarily represent the interests of one segment of the community or concentrate primarily on one issue are not eligible.
3. Ensure that membership is open to all residents of the geographically-defined neighborhood, with no barriers to participation or membership (such as membership dues, requiring attendance at a certain number of meetings before voting rights are conferred, etc.). (Please note: In the past, this criterion was tempered by some provisions of the State non-profit law. That law, however, has been amended to relax these tempering provisions. CPED, therefore, intends to ensure that neighborhood groups fully comply with this criterion. Groups should review their bylaws for compliance.)
4. Hold regular open meetings and take positive steps to encourage all interested parties in any issue to attend and participate. Also, all written information of the organization (including books, minutes, membership lists, etc.) must be available for review by any member of the organization. A group may deviate from this rule only in case of labor and legal disputes.
5. The group must be incorporated (or identify an appropriate fiscal agent) and have adopted by-laws. The group must also have a grievance procedure by which its members may have their concerns addressed by the organization, and a conflict of interest policy and procedures.
6. The group must have a board of directors elected annually by the membership of the organization. The board must represent a fair cross-section of the community; neighborhood residents must comprise no less than 60% of the organization's board. An elected board must be in

place for a minimum of one year prior to the beginning of the contract year to be considered eligible for funding.

7. The group must have the ability to properly manage and account for grant funds. This includes, but is not limited to, being current on all reporting to CPED on previous grants.

**B. Citizen Participation Services**

1. The CPED Housing Policy and Development Division and Economic Policy and Development Division\* shall follow administrative procedures that allow for an advisory role for neighborhood organizations in those activities which directly impact on, or are carried out in, the neighborhood.

The administrative procedures shall include the provision of 45-day notice to neighborhood groups on the following activities:

- a. Real Property Acquisition and Disposition/Land Sales, excepting real property acquisitions for the purposes of blight removal when the purchase/ acquisition price of the property is less than \$150,000 for HUD and Hennepin County properties only.
- b. Development proposals
- c. Policies (non-administrative)
- d. Program Guidelines and related programmatic allocations
- e. Development Objectives/Development Criteria
- f. Redevelopment Plans and Modifications
- g. Tax Increment Financing Plans and Amendments
- h. Requests for Proposals (RFPs) for development, and proposals submitted in response to those RFPs
- i. CPED Business Plan

\* The Empowerment Zone and Minneapolis Employment and Training Program sections of the Economic Policy and Development Division shall continue to follow their own federally-required advisory processes.

2. The citizen participation services provided by a neighborhood group shall include, but shall not be limited to, the following list.
  - a. Ensure that residents, businesses and others within the neighborhood are informed of CPED programs, projects, policies and activities. Assist with marketing of available CPED programs, upon the request of CPED. Information will be provided through written materials prepared by the organization and through the dissemination of information (through newsletters and other available media, for example) provided to the organization by CPED.
  - b. Provide opportunities for affected residents, businesses and others within the neighborhood to comment on proposed CPED programs and projects and to provide those comments to CPED staff and to the City.
  - c. Advise and work with CPED staff and City Council Members on matters pertaining to the neighborhood.
  - d. Provide opportunities, on a regular basis, for all residents, and property and business owners to participate in the decision-making

process by attending meetings and serving on committees or task forces.

- e. Communicate regularly with CPED to insure the continuation of an efficient and effective relationship.
- f. Submit to CPED an independent audit done by a professional Certified Public Accountant every two years covering the individual years within that period. (This is required only of groups receiving federal funds of \$300,000 or more in any one year.) If no audit is required, groups must still follow appropriate accounting procedures, including proper check-writing procedures and the provision of proper back-up documentation for all expenses.
- g. Identify and report to CPED any neighborhood residents, businesses, or properties that need, and may be eligible for, CPED programs or projects.

C. Community and Capacity Building

CPED encourages groups to demonstrate efforts that:

- 1. Build a sense of neighborhood identity within their communities.
- 2. Maintain on-going efforts to ensure inclusion of all ethnic and economic groups.
- 3. Identify the issues of significance which confront their residents, moving beyond self-interest to activities that benefit the neighborhood as a whole.
- 4. Encourage and develop new leadership and attract new members.
- 5. Conduct activities that promote the inclusion of all age, ethnic and economic groups in the decision-making processes of the organization, including renters. Explore new methods to stimulate participation.
- 6. Maintain an organizational structure and election process that maximizes opportunities for all residents to become involved.
- 7. Build bridges among neighbors and diverse communities within the neighborhood and work cooperatively on common issues with other neighborhood groups.
- 8. Expand the group's abilities through self-assessment and evaluation.

D. Grievances Against Contracted Neighborhood Groups

Any neighborhood resident, business owner, or property owner may file a grievance against a neighborhood group with CPED if the following conditions are met:

- 1. the grievance is within the jurisdiction of the City's citizen participation contract with the neighborhood group;
- 2. the person filing the grievance is a member of, or eligible for membership in, the organization, or is otherwise directly affected by the actions of the organization; and
- 3. the person filing the grievance has formally brought the issue to the attention of the neighborhood group in a timely manner and given the organization a chance to respond.

A grievance must be submitted in writing to the Development Finance Division (DFD) of the Finance Department. Upon receipt of the grievance, DFD will undertake an investigation of the complaint and prepare a report of its findings for CPED. A formal response to the grievance will be issued within 45 days of its initial receipt. This response will include the findings of the investigation and a proposed resolution to the grievance.

If the person filing the grievance or the affected neighborhood group is unsatisfied with the department's findings or resolution, they may appeal the matter to the CPED Director. Such an appeal must be received within thirty days of the official response and a Dispute Resolution Meeting will be held within 14 days of the appeal.

If any party is still unsatisfied, a mutually agreed upon third party will be selected to hear the complaint.

#### E. Funding Activities

1. Eligible budget line items for Citizen Participation funds include: personnel (paid staff members may not be members of the Board of Directors), office space, supplies, neighborhood communications, travel, training or other educational pursuits in connection with citizen participation, and consultant fees that directly relate to citizen participation activities.

Neighborhood planning activities, separate from the NRP process, are also eligible and may include the costs of planning materials such as base maps, aerial photos, assessor and building condition information, resident address mailing labels, and photographic film and processing necessary to support planning activities.

Neighborhood celebrations and events may be considered eligible activities if the event's purpose is to increase neighborhood awareness of the organization and increase membership in the organization. Neighborhood groups wishing to use citizen participation funds for events must present a plan for how this will be accomplished.

Board Member reimbursements are allowable expenses and may be provided at a rate not to exceed \$10 per hour. Allowable reimbursement expenses may include typing of agendas, minutes, and correspondence; bookkeeping; and accounting services. All such reimbursements must be approved by action of the neighborhood association's Board of Directors prior to payment.

Each group is responsible for budgeting an adequate amount to cover obligations in its employment agreement(s) (e.g., FICA, worker's compensation, unemployment, withholding, health insurance, etc.). Bank account maintenance charges such as check printing costs and cost-per-check transactions may also be budgeted.

2. Ineligible budget items include:
  - a. undefined line items such as "miscellaneous" and "special projects;"
  - b. projects unrelated to citizen participation;
  - c. donations to other organizations on behalf of the organization;
  - d. food or drink for groups or individuals engaged in citizen participation activities;
  - e. costs of legal action against the City; and

- f. penalties and interest charges (including returned check charges).
3. Staff are considered to be employees or self-employed persons contracted by the neighborhood organization. Organizations may allocate money for short-term use of consultants only with the prior approval of the staff within the Development Finance Division administering the contracts.
4. Funds may be used for small equipment purchases; however, ownership of all equipment purchased with citizen participation funds rests with the City. Upon termination of a citizen participation contract, all equipment must be turned over to the City.
5. Groups may reallocate funds within their approved line item budgets with the approval of the staff within the Development Finance Division administering the contracts. All requests for budget revisions must be in writing.

F. Special Projects

Funds that are allocated but unspent or uncontracted within the previous or current program year shall be retained by CPED to fund special projects of a neighborhood organization that are above and beyond the scope of the group's citizen participation contract, but still contribute to the organization's citizen participation efforts.

**II. NEIGHBORHOOD GROUPS ELIGIBLE FOR FUNDING**

Neighborhood groups funded in previous program years, if they continue to meet the Eligibility Criteria in Section I.A. above, are eligible for participation in the program. If there is no neighborhood group currently under contract to represent a geographically-defined neighborhood (as described in Section I.A.1), neighborhood groups may apply to the CPED Director for funding to provide citizen participation services in that neighborhood. A group must provide evidence that it meets all of the eligibility criteria listed in Section I.A. in order to be considered for funding. If such a request is granted during the program year, the CPED Director may choose to fund the neighborhood group through special projects funds as described in Section I.F. above.

**III. DETERMINING FUNDING LEVELS**

Citizen participation funds shall be used to fund neighborhood groups in target-areas and non-target areas, and to provide opportunities for training for neighborhood volunteers, leaders and staff.

**Training**

Citizen participation funds may be allocated to provide for training opportunities for the volunteers, leaders and staff of neighborhood groups. If sufficient funds are not available to provide training, the CPED Director may allocate funds for this purpose from special projects funds as described in Section I.F. above.

**Target-area Neighborhoods**

Target-area neighborhood groups (as defined by the attached map of CDBG-eligible areas as contained within the approved HUD Consolidated Plan) will be allocated CDBG funds, less those funds set aside for training, according to the following formula:

- (a) 50% of the funds will be allocated on a per capita basis to each target-area neighborhood (as determined by the most recent neighborhood Census data that is available); and
- (b) 25% of the funds will be allocated to each target-area neighborhood based on the number of sub-standard housing units (as determined by the most recent data available from the City Assessor) in that neighborhood; and
- (c) 25% of the funds will be allocated to each target-area neighborhood based on the number of households in that neighborhood (as determined by the most recent neighborhood Census data that is available) that earn less than 80% of the Metropolitan Median Income (MMI).

### **Non-target Area Neighborhoods**

Non-target area neighborhood groups (as defined by the attached map of CDBG-eligible areas as contained within the approved HUD Consolidated Plan) will be allocated General Funds, less those funds set aside for training, on the basis of \$2,000 per non-target area neighborhood group. Any funds remaining after the base allocation will be allocated on a per capita basis to each non-target area neighborhood. Neighborhood population figures will be based on the most recent neighborhood Census data that is available. Non-target area neighborhood groups that did not enter into a citizen participation contract in the previous program year must complete and return all necessary paperwork, including documentation that they meet the eligibility criteria in Section I.A., by June 1 of the new program year. Funds allocated to those neighborhood groups that are not eligible or do not complete the paperwork by that date will be available for special projects as defined in Section I.F.

### **Additional Considerations**

There shall be a \$20,000 maximum allocation to any neighborhood group. Subject to budget availability, there will be a \$2,000 minimum allocation to each neighborhood group. If there are not sufficient funds allocated to the program to maintain a \$2,000 minimum allocation per neighborhood group, the CPED Director is authorized to reduce the minimum allocation in order to stay within the overall allocation to the program.

### **One-time Funding for 2006**

For 2006 only, the Mayor and City Council have allocated additional funds, on a one-time basis, for the Citizen Participation Program. These funds will be allocated in the following ways:

1. One-time "transition assistance" will be provided to the 11 formerly target-area neighborhood groups (Bancroft, Beltrami, Cedar-Riverside, Folwell, Lowry Hill East, Marcy-Holmes, Seward, Sheridan, Webber-Camden, Whittier and Windom Park) to enable those groups to adjust more easily to their new status as non-target area neighborhoods; this assistance is set at one-half of the difference between their 2005 target-area allocation and their 2006 non-target area allocation.
2. One-time "transition assistance" will be provided to all target-area

neighborhood groups that receive less funding in 2006 than in 2005 due to the new funding formula; this assistance is set at one-half of the difference between their 2005 and 2006 allocations.

3. One-time "transition assistance" will be provided to any non-target area neighborhood group whose 2006 allocation decreases by more than \$1,000 compared to its 2005 allocation due to the new funding formula; this assistance is set at one-half of the difference between their 2005 and 2006 allocations.
4. Any remaining funds shall be allocated to support efforts to increase neighborhood group outreach to new arrivals and non-English speaking communities.

#### **IV. CONTRACTS**

After the City Council adopts the budget in December of each year, the Development Finance Division will prepare for the CPED Director's approval [as authorized by the CPED ordinance 415.40(c)(6)], based on the funding level allocation methodology described in Section IV, the recommended allocations to neighborhood groups. Upon CPED Director approval, neighborhood groups approved for funding will enter into a contractual relationship with the City beginning January 1 and ending December 31 of the program year. City standard form contracts will be used and the scope of services will delineate neighborhood organization and CPED responsibilities consistent with the approved program guidelines.

#### **V. MONITORING OF GROUPS**

CPED and DFD will receive Community Organization Report Forms from neighborhood groups on a regular basis and approve the release of funds within the terms and conditions defined by the contract; and

#### **VI. ADMINISTRATION**

Administration of the program will be the responsibility of the Development Finance Division of the City's Finance Department.