

## Understanding the Neighborhood Fund Balances

### Sources of neighborhood program funds:

- Between 1991 and the end of July 2014, \$240.9 million of TIF funds and other redevelopment revenues were committed to neighborhoods through approved NRP Phase I, NRP Phase II, and the Community Participation Program plans.
- Neighborhood organization investments generated an additional \$24.6 million in revenue. This is referred to as “program income.”
- \$10 million of Phase II NRP funds were reprogrammed to fund two years of the Community Participation Program starting in 2012.
- The total of these commitments is \$265.5 million.

### Neighborhood expenditures:

- Total expenditures for NRP Phase I, Phase II, and CPP total \$231,186,411 or 87% of obligated funds as of the end of July, 2014.
- By program, 93% of NRP Phase I obligations have been expended, 65% of Phase II obligations, and 67% of CPP obligations as of the end of July.

### The Neighborhood Fund Balance

- The unexpended \$33.9 million represents the neighborhood fund balance.
- 86% of the current fund balance consists of unexpended NRP Phase I and Phase II funds, and program income.
- 53% of the fund balance is currently under contract.

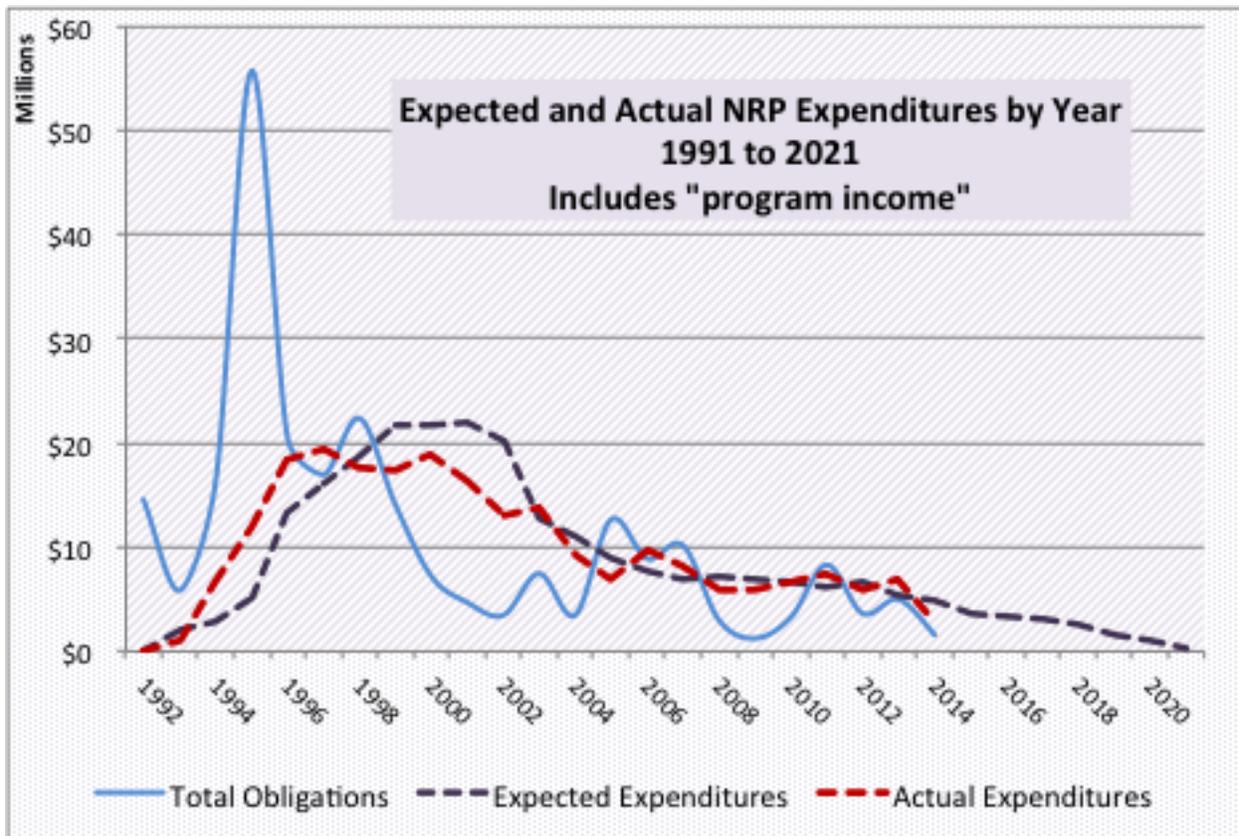
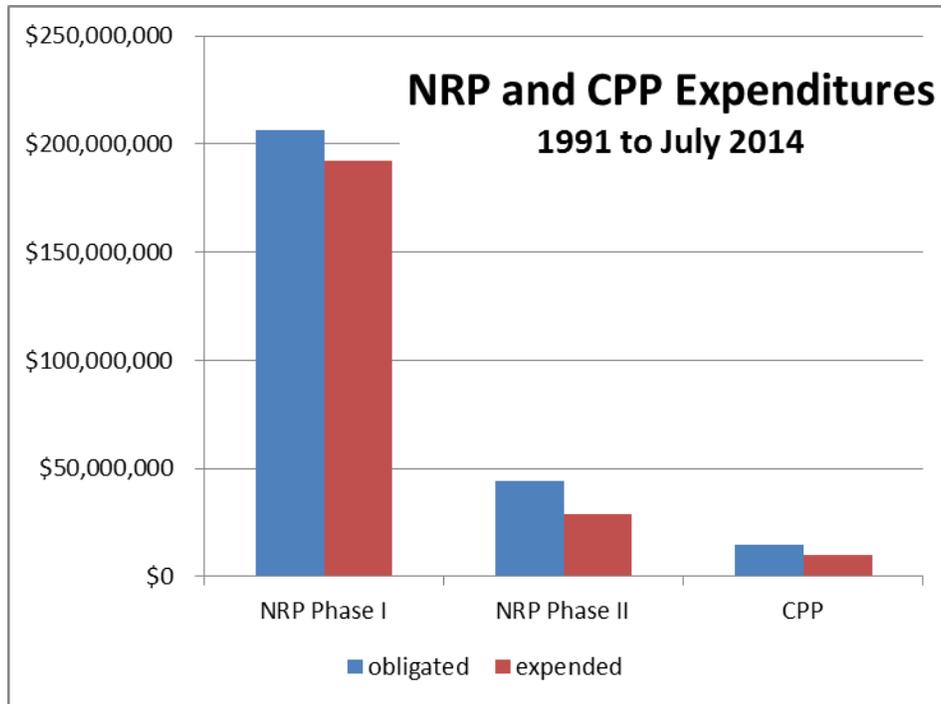
### How fast are NRP Phase I and Phase II being expended?

- NRP Phase I and Phase II plans were developed as two ten-year programs, with neighborhood organizations required to submit ten-year plans.
- Assuming that neighborhood organizations expended funds within seven years of plan approval (rather than ten years) than actual year-by-year neighborhood expenditures overall are almost exactly in line with what should be expected.
- NRP Phase I and Phase II funds will be nearly exhausted by 2021 at current rates of expenditure.

### Neighborhood organizations experienced significant cuts in Phase II NRP allocations in the last fourteen years.

- Original Phase II allocations were proposed to be \$180 million.
- Tax reform enacted by the State Legislature in 2001 significantly reduced available TIF revenues.
- Non-plan “set-asides” totaled \$43,740,449 (e.g., the Affordable Housing Reserve Fund), further reducing NRP Phase II neighborhood allocations to \$41,808,610.
- Revised Phase II revenue projections also showed that almost 50% of the Phase II revenues for neighborhoods would not be received until after the end of Phase II. This is because the Phase II revenues that were to be available for neighborhood groups were reliant on the repayment of the Brookfield Gaviidae Commons loan.
- The NRP Policy Board took action to slow the rate of neighborhood NRP expenditures in response to volatile TIF revenue projections, including capping the amount of funds that neighborhoods could expend in the first three years following Phase II plan approval.
- \$10 million of Phase II funds were reprogrammed to the Community Participation Program in late 2010. Of the \$14.9 million CPP funds allocated to neighborhood organizations from 2011 to 2014, \$7.6 million is from Phase II NRP funds.

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- The light blue line shows NRP commitments to Phase I and Phase II plans between 1991 and 2014.
- The dashed purple line shows expected expenditures assuming plan funds expended over seven years.
- The dashed red line shows actual expenditures between 1991 and the end of July 2014.
- Projections indicate that most NRP Phase I and Phase II funds will be expended by 2021.