

# Center for Neighborhoods

## A Response to the McKinsey Recommendations

### Introduction

Shortly after he took office in January, 2002, Minneapolis Mayor R.T. Rybak secured the pro bono services of the consulting firm McKinsey & Company to examine and make recommendations about improving the City's community development system. Over the next few months, McKinsey staff gathered and synthesized information from over 300 stakeholder interviews, nearly 1,000 responses to a web survey, and over 125 documents.

On June 14, McKinsey & Co. presented their report to the Mayor and the City Council. The report, which recommends a significant restructuring of the City's approach to planning and community development, can be viewed on the City's web site: [www.ci.minneapolis.mn.us](http://www.ci.minneapolis.mn.us). We recommend that you familiarize yourself with the McKinsey report before reading this response.

The Center for Neighborhoods views the McKinsey report as an excellent opportunity to improve the City's community development system—and to enhance the role of neighborhoods in that system. The McKinsey report, for example, recognizes neighborhood organizations as a City asset and outlines an enhanced role for neighborhoods in the City's planning activities. The Center makes additional recommendations that seek to more clearly define how this partnership will operate and how the City and its neighborhoods can strike a balance between partnership and neighborhood autonomy.

This response, then, builds on the work of McKinsey & Co. and addresses those McKinsey recommendations that have important implications for neighborhoods and neighborhood organizations. Specifically, we address those aspects of the McKinsey report related to:

1. How the City sets development priorities.
2. How the City organizes neighborhood-related planning and development activities, particularly the creation of a new Neighborhood and Community Planning (NCP) department and the movement of the Neighborhood Revitalization Program (NRP) into NCP.
3. The governance structure of the NCP.
4. The staffing structure of the Neighborhood and Urban Planning division of NCP.

We believe that our recommendations, if adopted, will ensure that Minneapolis neighborhoods organizations continue to play an important role in community development and continue to be the vital heart of the City.

# 1 In order to change how the City sets development priorities...

## McKinsey recommends that the City:

- **Focus community development on two priority areas: housing and job/business creation.** Secondary priorities include transportation, education, and community building.
- **Allocate community development resources to both physical development (real estate) and opportunity development (non-physical strategies that spur private investment).**
- **Create a strategic planning process** that begins with the Mayor and City Council defining a vision for the City (after seeking input from residents and stakeholders) and moves to issue identification, the setting of City-wide development goals, and the creation of strategies to achieve goals.

## The Center for Neighborhoods recommends that the City:

- **Recognize neighborhood organizations as official channels for citizen input into the City's strategic planning process.** The City should provide a formal role for neighborhood organizations during the first 90 days of the City's strategic planning process. This would provide the City with a rich base of information for strategic planning, lead to greater investment by neighborhoods in the City-wide plan, and generate greater correspondence between neighborhood and City-wide development goals and strategies.
- **Consider establishing five neighborhood region planning groups,** one from each of the City's five geographic regions: Southwest, Southeast, North(west), Northeast, and Downtown. Such a system could encourage more inter-neighborhood collaboration and better integration of neighborhood and City-wide goals and strategies. Also, this structure mirrors the geographically based staffing structure that McKinsey recommends for the Neighborhood and Urban Planning division within the newly created Neighborhood and Community Planning department (see number 4).

# 2 To revise coordination of planning and development activities...

## McKinsey recommends that the City:

- **Create a new Office of Community Planning and Economic Development (CPED)** that will coordinate the City's development activities.
- **Create a new Neighborhood and Community Planning (NCP) department** under CPED—with a new Neighborhood & Urban Planning division—that gives neighborhood planning groups a leading role in city planning.
- **Move the Neighborhood Revitalization Program (NRP) into NCP.**
- **Allow neighborhood groups to retain discretion over most NRP funds but encourage them to align most of their spending with City priorities.**

## The Center for Neighborhoods recommends that the City:

- **Clarify the criteria that will be used to authorize neighborhood planning groups in the City's planning efforts.** Will the same criteria be used that the MCDA currently uses to identify organizations as official citizen participation organizations?
- **Define the role of neighborhoods organizations as partners of the City.** The City should spell out in greater detail the role of neighborhood groups in the planning and community development process. What specifically will be asked of them, and how will those tasks be supported? We believe that neighborhoods are ideal sites for fostering opportunity development. For this reason, neighborhood organizations should continue to play a role in generating creative solutions to community development challenges, particularly in terms of community building work.
- **Eliminate onerous "red tape" in the NRP.** The City should look at ways to restructure the NRP to make it easier for neighborhoods get programs approved and funded quickly. This may involve simplifying various NRP processes, including neighborhood plan creation, plan modification, contracting and reimbursement. The same principles that McKinsey recommends for a "the one-stop shop" for small businesses should apply to neighborhood organizations.
- **Ensure that neighborhood organizations are sufficiently funded to perform the duties they are asked to perform on behalf of the City.**

## 3 To establish governance of Neighborhood & Community Planning...

### McKinsey recommends that the City:

- **Create a Neighborhood and Community Planning Policy Board that would govern the NCP, administer the NRP, and oversee City planning functions.** The newly created board would have a structure similar to the current NRP policy board, with a few additional members. As with the current NRP Policy Board, three members of the new board would be neighborhood representatives, one from each type of neighborhood: redirection, revitalization, and protection.

### The Center for Neighborhoods recommends that the City:

- **Conduct an assessment of the NRP Policy Board to determine its effectiveness and use as a governance model.** Experience demonstrates that it has been difficult for the wide array of current Policy Board members to look beyond the interests of the jurisdictional body they represent and develop a common vision for the NRP.
- **Consider ways to increase investment in and accountability to the NCP Policy Board among jurisdictional members.** One of the chief criticisms of the current NRP Policy Board is that some jurisdictional members rarely, if ever, participate.
- **Consider having five neighborhood representatives on the NCP Policy Board**, one from each of the City's five geographic regions: Southwest, Southeast, North(west), Northeast, and Downtown. This structure mirrors the geographically-based staffing structure that McKinsey recommends for the Neighborhood and Urban Planning division within the newly created Neighborhood and Community Planning department (see number 4). It also mirrors the Center's recommendation for the creation of neighborhood region planning groups.

## 4 To staff the Neighborhood & Urban Planning division of NCP...

### McKinsey recommends that the City:

- **Create geographically focused planning teams** for each of the City's five geographic regions: Southwest, Southeast, North(west), Northeast, and Downtown. These teams would be the heart of the Neighborhood & Urban Planning division of the new NCP department. Each team would include a Community Planner and Neighborhood Liaison.

### The Center for Neighborhoods recommends that the City:

- **Ensure that neighborhood organizations have access to technical assistance.** The City needs to invest in the success of its neighborhood organizations by providing high quality, on-going technical assistance.
- **Look outside City departments for neighborhood technical assistance expertise.** Providing technical assistance for neighborhoods does not need to be a function of the Neighborhood and Urban Planning staff. A wealth of talent exists within neighborhood groups and other organizations that could contract with the City to provide technical assistance services.
- **Ensure that the new staff roles at NUP are filled by people with the necessary skills.**
- **Consult with neighborhood organizations about how to best structure the NUP geographically based teams.**



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The Center for Neighborhoods serves as a catalyst and a resource to promote and encourage ideas, alliances, policies, and actions that strengthen the livability and vitality of neighborhoods.

The Center's goal is to strengthen cities and the region by deepening civic dialogue at the neighborhood level, where shared goals can be set between public and private interests, and where people can actively participate in making their communities better.

## Enclosed: A Response to the McKinsey Recommendations

### For More Information

For more information about the McKinsey report, or to voice your opinion, contact any of the following:

- Your neighborhood organization. Find your neighborhood organization on the NRP website: [www.nrp.org](http://www.nrp.org).
- Your City Council member: (612) 673-2200.
- The Office of the Mayor: (612) 673-5497.
- The Center for Neighborhoods: (612) 339-3480.