



Community Development Committee

Business Item

Item: 2008-113

Meeting date: May 5, 2008

ADVISORY INFORMATION

Date:	April 28, 2008
Subject:	City of Chaska Request to Amend the Tax Base Revitalization Account Grants #SG006-174 and #SG007-35
District(s), Member(s):	District 4, Craig Peterson
Policy/Legal Reference:	MN Statutes Sec. 473.25 Livable Communities Act
Staff Prepared/Presented:	Guy Peterson, Director, Community Development Paul Burns, Manager, Livable Communities Program
Division/Department:	Community Development/Livable Communities

Proposed Action

That the Community Development Committee direct staff to amend the project description shown as Attachment A of Tax Base Revitalization Account (TBRA) Grants SG006-174 and SG007-035 to incorporate City of Chaska-requested changes to the project. That the staff is further directed to be in contact with the City to identify the actual final cost of the asbestos abatement and soil remediation, so that any grant funds not needed for the project might be relinquished by the City so that they could be used for other projects as soon as possible

Background

The Council received a letter from the City of Chaska dated April 11, 2008 indicating a change in the end use to the Block 6 Redevelopment project since it was awarded TBRA funding in both the fall of 2006 and spring of 2007. The proposed change is from a mixed-use project including rental housing and ground level retail to a project consisting of ground level retail space. No additional funds are requested. The revised cleanup is expected to cost less than the original proposal.

On Sept 26, 2007, the Metropolitan Council directed staff to implement proposed grant administration procedures to address requests for revisions to the end projects (not LCA-funded elements) originally proposed as the development or redevelopment outcome in proposals assisted by Livable Communities grant awards. The procedures establish a three-step process to be used by the Community Development Committee (CDC) to determine whether to approve such requests.

Rationale

As prescribed by the procedures, CDC Chair Natalie Steffen appointed a Review Panel consisting of Chair Steffen, Council Member Georgie Hilker and Council Member Sherry Broecker to meet on Monday April 21, to consider the city's request.

Paul Burns, Manager of the Livable Communities program summarized the request, and the presented the staff review of the request. Matt Podhradsky, from the City of Chaska, and Jim LaValle, from Doran Companies, presented the City's request. He explained that the original development was a partnership between the Carver County Community Development Agency and a private developer. As a result of shifts in the real estate market, both the Carver County CDA and the original private developer have withdrawn from the project. The City now has a new developer, Doran Companies, who is proposing to build a one story retail project, with a similar footprint to the original project, but without any housing units. The current proposal would also result in lower remediation costs, with the current cost estimate for the TBRA grant at \$155,961, which would represent cost savings from the original two grants of approximately \$237,000. The exact amount of the reduced costs will be known by early fall, when the savings could be reallocated to future projects.

In his introduction to the request, Mr. Burns went over the information included in the staff memo (ATTACHMENT 1). He also presented the information required by the three-step procedures for considering requests for changes to end projects as follows:

STEP ONE – DETERMINE WHETHER THE REQUESTED AMENDMENT IS A SIGNIFICANT CHANGE.

For the Tax Base Revitalization Account, the changes are significant because:

- 1) The shift from rental units to solely commercial development will result in a reduction of 20 percent or more (in this case 100%) of the number of housing units including affordable units in the redevelopment as originally proposed.

The determination that the proposed changes are significant moves the consideration of the grant to Step Two.

STEP TWO – EVALUATE THE PROPOSED AMENDMENT

The amendment procedures require staff to prepare a memorandum assessing the proposed amendment's eligibility and compliance with additional account-specific criteria and reporting the results of the rescoring as amended.

The procedures state that the CDC may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act (in italics) and meets additional account-specific conditions. An assessment was made of the grant for which the amendment was requested.

A review of the proposed revision to the end development/redevelopment project indicates that the revised project:

- 1) will still meet the requirements of the Livable Communities Act because it will provide the highest return in public benefits for public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality, and
- 2) will meet TBRA eligibility criteria provided the MPCA approves a RAP Addendum currently under review for the redevelopment, and
- 3) DEED is supportive of the change; final approval of the project by DEED is pending receipt of RAP approval documentation from the MPCA regarding the revised cleanup; and
- 4) The project as originally described received 86 points in 2006 and 60 points in 2007. As revised with the decrease in housing, the project would receive 73 points in 2006 and 55 points in 2007. Rescoring the project using the revised project description would still place the project among the projects recommended for funding in the fall 2006 and spring 2007 funding cycles where a project with 50 points and 53 points were the lowest funded projects, respectively.

STEP THREE – CONVENE THE CDC REVIEW PANEL

As required by the amendment procedures, a Community Development Committee (CDC) Review Panel met to consider the request to revise the Block 6 Redevelopment project on April 21, 2008. The panel heard information provided by the representatives of the City of Chaska and reviewed the staff assessment.

Following a thorough discussion, Council Member Hilker moved, seconded by Council Member Broecker, that the Community Development Committee be advised that the Review Panel's recommendation was that staff be directed to amend the project description shown as Attachment A of Tax Base Revitalization Account Grant SG006-174 and SG007-035 (Chaska Block 6 Redevelopment) to reflect a change of eliminating housing units from the project, resulting in the project outcomes consisting of ground level retail space. The staff is further directed to be in contact with the City to identify the actual final cost of the asbestos abatement and soil remediation, so that any grant funds not needed for the project might be relinquished by the City so that they could be used for other projects as soon as possible. The motion passed unanimously.

Funding

The 2006 grant amount was \$66,400 and the 2007 grant amount was \$326,600. The revised development proposal is estimated to result in a cleanup costs savings of approximately \$237,000 due primarily to the significant decrease in contaminated soil excavation and disposal. Final cleanup costs will only be known once the cleanup work is completed and an implementation report is approved by the Minnesota Pollution Control Agency. Any grant funds remaining after the cleanup has been completed will be relinquished by the City and added to subsequent TBRA funding cycles.

Known Support / Opposition

The City and the developer support the proposal. No known opposition.

ATTACHMENT 1



Internal Memorandum

DATE: April 16, 2008

TO: Community Development Committee Review Panel

FROM: Guy Peterson, Community Development 651-602-1418
Paul Burns, Manager, Livable Communities Program 651-602-1106

SUBJECT: City of Chaska Request to Amend the Redevelopment End Project for Block 6 Redevelopment (SG006-174 and SG007-035)

Summary

The Council received a letter from the City of Chaska dated April 11, 2008 indicating a change in the end use to the Block 6 Redevelopment project since it was awarded TBRA funding in both the fall of 2006 and spring of 2007. The proposed change is from a mixed-use project including rental housing and ground level retail to a project consisting of ground level retail space. No additional funds are requested. The revised cleanup is expected to cost less than the original proposal.

Background

On September 26, 2007 the Metropolitan Council directed staff to implement proposed grant administration procedures to address requests for revisions to end projects originally proposed as the development or redevelopment outcome in proposals assisted by the Livable Communities grant awards. The procedures establish a three-step process to be used by the Community Development Committee to determine whether to approve such requests. This memo applies those procedures to the Chaska request.

Funding History

The Block 6 redevelopment has received two previous LCA Grants:

Year	LCA Fund Account	Project Name	Amount Awarded
2006	Tax Base Revitalization Account (TBRA)	Block 6 Redevelopment	\$66,400

The applicant requested \$66,473 from TBRA as matching funds to an \$850,000 request from DEED for soil remediation of a 1.87-acre site formerly used as a brickyard and currently used as a filling station, auto repair garage and retail garden center. Contamination identified includes DRO, GRO, and arsenic. Funds are to be used for lead-based paint and asbestos abatement, demolition of Randy's Auto building, remediation of 5,000 cubic yards of petroleum-impacted soil and 17,500 cubic yards of arsenic-impacted soil, and for environmental oversight. Expected benefits include the development of a 22,285 sq. ft. mixed use residential and commercial building adding 93 FTE jobs (13% living wage), 54 rental units (5-6 will be affordable) and 17,000 sq. ft. of retail and service commercial space, with an increase of \$71,929 in net tax capacity and \$9.9 million of private investment.

2007	Tax Base Revitalization Account (TBRA)	Block 6 Redevelopment II	326,600
The applicant is requesting \$326,645 in TBRA funding for asbestos abatement prior to demolition and both matching and additional funding for soil remediation to a \$500,000 request from DEED for soil remediation of a 1.87-acre site formerly used as a brickyard and currently used as a filling station, auto repair garage and retail garden center. Contamination identified includes DRO, GRO, and arsenic. Expected benefits include the development of a 14,500 sq. ft. mixed use residential and commercial building with 40 rental units (8 will be affordable) and 17,000 sq. ft. of retail and service commercial space. Previous funding includes \$66,400 from TBRA in the fall 2006 application cycle.			

While there were some differences in the project description between the January 2007 TBRA award and the June 2007 TBRA award, each grant was scored based on the description provided in the application. The original development proposal was a public-private partnership between Carver County CDA for the housing and developer Chad Wiech for the commercial space. Later, more significant changes occurred as shifts in the real estate market resulted in declines in the strength of the housing market. According to a letter from the City of Chaska dated April 11, 2008 concerns regarding “dramatic affects from the housing slowdown” and difficulty of financing new residential projects, Carver County CDA withdrew its participation with the project prompting the City to submit a new request for proposals for the project. The revised redevelopment project submitted by Doran Companies and accepted by the City of Chaska in March 2008 proposes to build a one-level 23,000 square foot retail commercial project with a footprint similar to the original Carver County CDA project.

The revised redevelopment proposal would result in additional net tax capacity, jobs and retail space and cost less to clean and prepare the site for reuse. The private investment would decrease somewhat and the housing (including affordable units) would not be built. The revised development proposal is estimated to result in a cleanup costs savings of approximately \$237,000 due primarily to the significant decrease in contaminated soil excavation and disposal. Final cleanup costs will only be known once the cleanup work is completed and an implementation report is approved by the Minnesota Pollution Control Agency. Any grant funds remaining after the cleanup has been completed will be relinquished by the City and added to subsequent TBRA funding cycles.

Original Redevelopment Proposals in 2006 and 2007	Revised Redevelopment Proposal	Change
40 to 54 rental housing units	0 housing units	-40 to -54 rental housing units
14,500 sq. ft. commercial space	23,000sq. ft. retail space	8,500 additional sq. ft. commercial space
5 to 8 affordable housing units	0 affordable housing units	-5 to -8 affordable units
88 to 93 new full-time equivalent jobs	164.5 new full-time equivalent jobs	76.5 additional FTE jobs
\$57,254 to \$77,925 increase in annual net tax capacity by 2008	\$102,490 increase in annual net tax capacity by 2011	\$24,565 to \$45,236 in additional estimated annual net tax capacity upon project completion
\$9.9M in Private Investment	\$7.1M Private Investment	-\$2.8M Private Investment

In compliance with grant administration procedures that require requests to amend LCA grant agreements be submitted in writing, the City of Chaska sent a letter dated April 11, 2008 (Attachment A) requesting approval of modifications to the end project described in the LCA grants awarded on January 17, 2007 and June 27, 2007.

Application of Amendment Procedures

The Council's process for amending LCA grants to change end development/redevelopment projects (Attachment B) involves three steps, as follows:

Step One – Determine whether the requested amendment is a significant change.

For the Tax Base Revitalization Account, the changes are significant because:

- 2) The shift from rental units to solely commercial development will result in a reduction of 20 percent or more (in this case 100%) of the number of housing units including affordable units in the redevelopment as originally proposed.

The determination that the proposed changes are significant moves the consideration of the grant to Step Two.

Step Two – Evaluate the proposed amendment

The amendment procedures require staff to prepare a memorandum assessing the proposed amendment's eligibility and compliance with additional account-specific criteria and reporting the results of the rescoring as amended.

The procedures state that the CDC may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act (in italics) and meets additional account-specific conditions. An assessment was made of the grant for which the amendment was requested.

A review of the proposed revision to the end development/redevelopment project indicates that the revised project:

- 5) will still meet the requirements of the Livable Communities Act because it will provide the highest return in public benefits for public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality, and
- 6) will meet TBRA eligibility criteria provided the MPCA approves a RAP Addendum currently under review for the redevelopment, and
- 7) DEED is supportive of the change; final approval of the project by DEED is pending receipt of RAP approval documentation from the MPCA regarding the revised cleanup; and
- 8) The project as originally described received 86 points in 2006 and 60 points in 2007. As revised with the decrease in housing, the project would receive 73 points in 2006 and 55 points in 2007. Rescoring the project using the revised project description would still place the project among the projects recommended for funding in the fall 2006 and spring 2007 funding cycles where a project with 50 points and 53 points were the lowest funded projects, respectively.

Step Three – Convene the CDC Review Panel

As required by the amendment procedures, a Community Development Committee (CDC) Review Panel has been appointed to consider the request to revise the Block 6 Redevelopment project. The panel will take into account the information provided by the representatives of the City of Chaska and the staff assessment included in this memorandum to prepare a recommendation for action by the CDC during its April 21 meeting.

The committee's action will occur within 45 days of receipt of the City of Chaska letter requesting the amendments.



April 11, 2008

Metropolitan Council
Attn: Marcus Martin
Livable Communities
390 Robert Street North
St. Paul, MN 55101-1805

RE: Block 6 Redevelopment Project

Dear Marcus:

I wanted to first take this opportunity to thank you for meeting with us last Monday to discuss the changes we have experienced in our Block 6 Redevelopment Project in Downtown Chaska. The information you provided to us on the project amendment process at the Met Council was very helpful. The purpose of this letter is to provide you with a written notification of the changes we will see on this redevelopment project, and to formally request the Met Council to allow the City of Chaska to amend our original agreements for Tax Base Revitalization Account Grants SG0006-174 and SG007-035, allowing the City utilize these grant dollars to move forward with this exciting project.

Block 6 Redevelopment-Original Proposal

The Block 6 Redevelopment project is located at the northwest corner of the intersection of State Highways 212 and Highway 41. Being at the heart of Chaska's historic downtown commercial district, the redevelopment of this site has long been a priority of the City of Chaska as past uses at the site have contributed toward its contamination, and have not been conducive with our other downtown commercial uses. The original proposal for redevelopment of the site included the construction of a 4-story mixed-used building with underground parking. The building was "L-shaped" and brought out to the corner to make it architecturally similar to other buildings in our downtown core. The building was to include 40 rental units, 8 of which were to be reserved as affordable, above approximately 14,500 square foot of commercial space. The commercial space was planned to have included one sit-down restaurant space, along with several smaller retail uses. The proposals planned to create 22 full-time jobs and 132 part-time, and was to create a tax capacity on the site of \$77,925 annually. This project was to be built by the Carver County CDA (formerly Carver County HRA), with the commercial space on the first floor to be condoed off and sold to developer Chad Wiech for long-term ownership. The cleanup costs of this proposal were budgeted at \$963,045, with \$893,045 being eligible for reimbursement through both of the Met Council grants and a grant from DEED.

Block 6 Redevelopment-Revised Proposal

Since the time that the original plan was proposed, the City of Chaska has seen dramatic affects from the housing slowdown, which has also affected the entire Twin Cities Metropolitan Area. At the time that this project was originally proposed, the City of Chaska was projecting to see over 500 building permits annually for new residential units in the community, which would have been consistent with permit activity we were seeing in the previous 5 years. However, due to changes in the economy, and specifically the housing market, the City of Chaska saw several housing projects either delayed or abandoned. In fact, by the end of 2007, we were seeing the building permits for new residential units dropped to approximately 60, the lowest level we have seen in several years.

Due to this slowdown in housing starts, and the difficult of financing new residential projects, the Carver County CDA needed to abandon the Block 6 Redevelopment project. When the Carver County CDA abandoned the project, the City then sent an RFP out to several developers seeking proposals to continue development on the site. The proposals we received proposed to move forward with a similar development from a commercial perspective, but eliminated all of the housing that was in the original Carver County CDA plans.

Based on the proposals we received, the City of Chaska did decide on March 17, 2008, to move forward with a proposal from Doran Companies. Attached to this letter is the approved concept plan for this development, which will be a retail/commercial-only project. Specifically, Doran Companies is proposing to construct a one-level, "L-shaped" building, which will be brought up to the street and has a building footprint similar to the original Carver County CDA project. The project will include approximately 23,000 square foot of commercial, including two 5,000 square foot sit-down restaurant pads. Because of the increased square footage of commercial on the site, and because of the inclusion of higher-end commercial than what was in the original plan, both the number of jobs created and the tax capacity of the building are expected to be significantly higher than the original plan. Specifically, there would be a tax capacity on this new project of approximately \$102,000, with an estimated 40 full-time and 250 part-time jobs created. The estimated cost of cleanup for this project is significantly less because of the elimination of underground parking in the project, bringing the estimated cleanup costs down to \$623,844. This would mean that the amount of dollars we would need to utilize from the Met Council Grants would be reduced from the original amount of \$393,045 down to \$155,961.

Original vs. New Proposals

To help illustrate the differences in these projects, I have put together the following chart. My hope is that this chart will help you easily identify the differences between these proposals as you evaluate our request.

	Original Proposal	Current Proposal
Project Use	4 story, "L-shaped" mixed-use rental over 14,500 sq.ft. retail	1 story, "L-shaped" building with 23,000 sq.ft. retail
Tax Capacity	\$77,925	\$102,490
Job Creation	22 Full-time 132 Part-time	40 Full-time 249 Part-time
Housing Units	40 rental	n.a.
Affordable Units	8 rental	n.a.
Schedule	Start in mid-spring 2008	Start in mid-summer 2008
Estimated Cleanup Costs (w/out acquisition)	\$963,045	\$623,844
Grant Dollars Needed	Met Council: \$393,045 DEED: \$500,000	Met Council: \$155,961 DEED: \$467,883
Total Project Costs (Developer)	\$9,900,000	\$7,100,000
Total Project Costs (City)	\$2,500,000	\$2,500,000

As you can see from the chart above, and from the attached concept plan of the current proposal, the Doran plan that is being proposed now is very similar to the original proposal from a layout perspective, but does eliminate the housing from the project. From a job and tax-base creation perspective, the current proposal is able to generate a significantly larger number of both full-time and part-time jobs to the site, while at the same time significantly increasing the tax capacity over what was expected in the first proposal. Also, because the building is a one-level, slab-on-grade construction, cleanup costs are significantly less. This will mean that we are able to meet or exceed many of our objectives for the project while utilizing less of the available grant dollars for the project.

Revised Project Budget

As I have mentioned previously, the revision in the plans will mean that the environmental cleanup costs will be less than what was budgeted for the original proposal. This is due mainly to the fact that there is less excavation and disposal of waste needed because of the elimination of underground parking. While there will be added costs to the environmental cleanup, for backfill, and for installing a vapor barrier and passive venting system in the project, this additional cost will be much less than the savings we will see from eliminating the major soil excavation and disposal needed for the underground parking space in the original proposal. Below is a comparison of the original budget to the revised budget for cleanup on this site:

Project Activities	Original Budget	Revised Budget
Phase I and II Activities	\$19,834	\$19,834
RAP/DRAP Development	\$4,960	\$9,960
Excavation and Waste Characterization	\$90,000	\$68,000
Loading and Transportation	\$285,000	\$171,000
Landfill Disposal	\$400,000	\$157,000
Backfill	\$0	\$101,000
Environmental Consulting	\$50,000	\$35,000
Site Acquisition and Relocation	\$2,090,000	\$2,090,000
Vapor Barrier and Passive Vapor Venting System	n.a.	\$92,000
Building Demolition	\$113,565	\$113,565
TOTAL:	\$3,053,359	\$2,857,359
DEED Grant:	\$500,000	\$467,883
Met Council Grants:	\$393,045	\$155,961
Local Share:	\$2,160,314	\$2,233,515

As you can see above, the environmental cleanup costs, even when factoring in the vapor barrier and venting system are significantly less than under the original proposal, meaning that we would likely only need to use \$155,961 of the two Met Council Grants and \$467,868 of the DEED Grant. Because backfilling of the property and the vapor barrier and the passive vapor venting systems are new components of the project that were not previously authorized expenses by the Met Council in our grants, this would necessitate the City to have the Met Council also amend the authorized activities to allow this to occur and be reimbursable by the grant. However, by doing this, money will be saved since massive excavation and disposal costs will not need to be incurred to accommodate the underground parking in the original proposal.

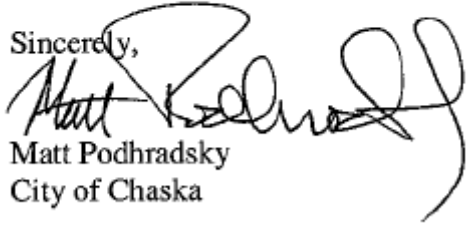
City of Chaska Request

Based on the information provided above, the City of Chaska is requesting to have our grant agreements for grants SG006-174 and SG007-035 amended to allow the City of Chaska to continue to utilize these grant dollars to address the cleanup costs on this site to allow this redevelopment project to go forward. While there is not a housing component to this new project, we are very confident that the project will exceed the other criteria of the TBRA Grant compared to our original project, will properly clean the site, will require less public dollars to go into the project, and most importantly will provide us with a great project that can be developed in the relatively same time schedule as the original project. At the same time we are requesting to having the grants agreements be amended to allow for the change in this project, we would also ask that our eligible reimbursable expenses in the grant agreement be modified to allow us to utilize the grant to reimburse us for our expenses with backfilling and the vapor barrier and venting

system we will need on the project. This would need to occur as an amendment to the budget.

Again, thank you for your help in this process and for the Met Council's support of this project. If you should need any additional information prior to the April 21st meeting, please just give me a call at 952-227-7523.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Podhradsky", written over a large, stylized circular flourish.

Matt Podhradsky
City of Chaska

PROPOSED REVISIONS TO THE GRANT ADMINISTRATION PROCEDURES

Process for Amending Livable Communities Grant Awards in Response to Requests for Changes to the End Development/Redevelopment Project

Grantees will be informed that **all requests to amend the end development project or redevelopment project as described in an LCA grant agreement must be made in writing.** Information provided must include:

- the proposed amendment(s)
- an explanation as to why the proposed change is necessary

Decisions regarding disposition of requests to amend end projects will be made through a three-step process summarized as follows and further defined below:

1. Determine whether the requested amendment to the end project is a significant change.
2. If the change is deemed to be significant, Livable Communities staff will A) review the request and prepare a report stating whether the project, as amended, meets specific conditions that would suggest that the Community Development Committee should approve the amendment and B) invite the grantee to present the proposed amendment to the Community Development Committee Review Panel.
3. Convene a three-member CDC Review Panel to consider the grantee's request and recommend action to the full Community Development Committee.

STEP ONE — DETERMINE WHETHER THE REQUESTED AMENDMENT IS A SIGNIFICANT CHANGE

Decisions as to whether or not proposed changes to end projects are **significant** will be based on consideration of the account-specific legislative outcomes and on the factors considered when the application for funding was scored. For example, some end project proposals do not include jobs...others do not include housing units.

Only the factors applicable to the end project as originally proposed will be evaluated.

For the **Tax Base Revitalization Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- will result in a reduction of 20 percent or more of the total net tax capacity expected to be generated by the redevelopment as originally proposed, or
- proposes to reduce by 15 percent or more, or by 50 jobs, (whichever is higher) the total number of new or retained jobs, or
- proposes to reduce by 10 percent or more, or by 50 units, (whichever is higher) the total number of housing units, or
- proposes to reduce the total number of affordable housing units by 20 percent or more from the project as originally proposed.

For the **Livable Communities Demonstration Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- proposes to substantially change the mix and type of land uses originally proposed in a way inconsistent with program objectives, or substantially change the nature of the project originally proposed, or
- will reduce the overall project density below the density guidelines for developments in the project location, or 20 percent below the density originally proposed (whichever is higher), or

- proposes to reduce by 10 percent or more, or by 50 units, (whichever is higher) the total number of housing units, or
- proposes to reduce the total number of affordable housing units by 20 percent or more from the project as originally proposed.

For the **Local Housing Incentives Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- proposes to reduce by 20 percent or more the total number of affordable housing units, or
- no longer meets Minnesota Housing funding requirements resulting in the withdrawal of Minnesota Housing funds from the project.

STEP TWO — EVALUATE THE PROPOSED AMENDMENT

If the purpose for which the funds were awarded remains the same, but the requested amendment proposes **significant changes to the end development or redevelopment project** as described in the grant as awarded by the Council’s governing body (e.g. changing an LCDA or TBRA end project in its entirety from residential development to retail uses or— for LHIA grants—changing the end project from rental apartments to owner-occupied single-family homes), the Community Development Committee may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act (in italics) and meets additional account-specific conditions as follows:

Tax Base Revitalization Account—

- *provide the highest return in public benefits for the public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality, and,*
- meets the account eligibility criteria, and
- if the revised end project is acceptable to the Council’s polluted site cleanup funding partners that have also granted funds to the project, and
- if the revised end development or development project would score similarly to the original end project (i.e., rank within the list of projects recommended for funding) in the jobs/housing and tax base increase categories;

Livable Communities Demonstration Account—

- *interrelate development or redevelopment and transit; interrelate affordable housing and employment growth areas; intensify land use that leads to more compact development or redevelopment; involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income area to achieve a mix of housing opportunities; or encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment, and*
- meets the account eligibility criteria, and
- if an examination of the record of review for the grant award indicates that the end development/redevelopment project, as amended, would still include the demonstration and innovation elements that contributed to the Livable Communities Advisory Committee’s selection of the project for funding, and, in addition,
- (for projects awarded funds in 2006 or later) if the revised end development/redevelopment project would score similarly (i.e. would score at least 20 points [the threshold level] in the Step One evaluation) to the original end project in the staff technical evaluation.

Local Housing Incentives Account—

- *create incentives for developing communities to include a full range of housing opportunities; create incentives to preserve and rehabilitate affordable housing in the fully developed area,*
- meets the account eligibility criteria, and
- if the revised end development/redevelopment project is acceptable to the Council's Metropolitan Housing Implementation Group funding partners that have also granted funds to the project.

STEP THREE — CONVENE THE CDC REVIEW PANEL

Community Development Committee decisions regarding compliance with the above conditions will be made in the following manner:

- A Review Panel subcommittee of the Community Development Committee consisting of three committee members appointed by the committee chair will convene to consider requests for significant changes to end projects.
- Representatives of the grant award recipients will be asked to present to the Review Panel their requests for a change to the original end project and will be available to answer panel members' questions.
- Staff will provide the Review Panel with a memorandum assessing the proposed amendments' eligibility and compliance with additional account-specific criteria and reporting the results of the rescoring of end projects as amended.
- The Review Panel will consider the information provided and make recommendations to the Community Development Committee for a final decision regarding disposition of the requests for amendments.
- The Community Development Committee will endeavor to inform grantees of the committee's decision regarding requested amendments in writing within 45 days of receipt of the grantees written requests, subject to the committee's meeting schedule.

Implementation of the Livable Communities Act Program will continue to focus on partnering with communities to achieve local plans and objectives consistent with the Council's *2030 Regional Development Framework*. LCA staff will continue to hold grantees accountable for funded projects, monitoring progress and contacting communities to help resolve issues for funded projects on which progress is delayed.

V/library/Liv_Comm_Move_Folder/LCA2007/CDC Review Panel/Attachment B Procedures