

C Community Development Committee
For the Metropolitan Council meeting of August 12, 2009

Item: 2009-255

ADVISORY INFORMATION

Date July 24, 2009
Prepared:
Subject: LCA Grant Amendment Procedures-Revisions to Criteria for Considering Grant Extensions and Grant Term Limits

Proposed Action:

That the Metropolitan Council adopt the attached revised LCA grant extension review criteria and processes and incorporate these revised criteria and processes into the Livable Communities Act (LCA) Grant Amendment Procedures.

Summary of Committee Discussion / Questions:

At its June 15, 2009 meeting, the Community Development Committee (CDC) tabled Business Item 2009-202, which was a committee review panel recommendation for modifying procedures for requests for extensions to LCA grant terms. At their July 20 meeting, the CDC substituted this business item for the version tabled on June 15. It was explained that this has come about because the Council directed staff to modify the criteria for extensions to LCA grants at its June 24 meeting.

Council Member Sanda moved, seconded by Council Member Bowles to recommend the attached revision to the LCA *Grant Amendment Procedures* be approved. The motion passed unanimously.

C Community Development Committee

Meeting date: July 20, 2009

ADVISORY INFORMATION

Date:	July 15, 2009
Subject:	LCA Grant Amendment Procedures-Revisions to Criteria for Considering Grant Extensions and Grant Term Limits
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes Section 473.25
Staff Prepared/Presented:	Guy Peterson, Community Development Director 651-602-1418 Paul Burns, Livable Communities Program Manager 651-602-1106
Division/Department:	Community Development/Livable Communities

Proposed Action

That the Metropolitan Council adopt the attached revised LCA grant extension review criteria and processes and incorporate these revised criteria and processes into the Livable Communities Act (LCA) Grant Amendment Procedures.

Background

On June 24, 2009, the Metropolitan Council approved the 2009 Fund Distribution Plan for the LCA program. The approved 2009 Plan indicates that grantees will have an opportunity to seek only a one-year extension, approved by the Council, for grants awarded in the 2009 funding cycle. As part of its action, the Council directed staff to present proposed criteria for extension criteria to the Community Development Committee.

The attached draft procedures are similar to the item tabled at the June 15, 2009 Community Development Committee meeting, but are currently being presented in response to direction provided at the June 24, 2009 Metropolitan Council meeting as part of the discussion surrounding the adoption of the 2009 Annual Livable Communities Fund Distribution Plan.

The proposed criteria would require grantees to submit an extension request and resolution from the grantee's governing body at least 90 days prior to the grant agreement expiration date so the Council has adequate time to schedule the request for Community Development Committee and Council consideration. However, grant agreements for LCA grants awarded before February 2009 require grantees to submit extension requests only 30 days prior to the grant expiration date. Under the proposed extension review criteria, extension requests for LCA grants awarded before February 2009 still would be reviewed administratively, but those administrative reviews would apply the proposed extension review criteria. Grant agreements for LCA grants awarded after January 2009 will incorporate the 90-day notice period and appropriately reference the revised extension review criteria and processes.

Rationale

The proposed criteria will help ensure grant extension requests will be considered by the Council in a consistent manner. The proposed criteria also will help ensure grantees provide adequate and reasonably detailed information so the Council can make informed decisions about extending grants beyond the two-year term of the grant.

Funding

This change will help encourage grantees to use grant funds in a more timely manner but would not have any impact on LCA funding.

Known Support / Opposition

The proposed revisions address concerns recently identified by elected officials and interested organizations. Staff is not aware of any formal support or opposition.

Proposed Revised LCA Grant Extension Review Criteria and Processes

Criteria for Considering Grant Extensions. The Council may approve a **one-time, one-year** extension of an LCA grant. The Grantee must present its case for an extension to the Metropolitan Council Community Development Committee, which will recommend action to the governing body of the Metropolitan Council. The Metropolitan Council governing body's decision to approve or deny a request will be final. Before a presentation will be scheduled before the Committee, the Grantee must submit in writing a resolution of the Grantee's governing body requesting the extension. The resolution and an extension request must be submitted to the Council **at least 90 calendar days** before the expiration date of the Grant Agreement. The resolution must contain all of the following:

- Assurance of site control, secured financing and a development agreement to complete the Project described in the grant agreement including the grant-funded activities.
- Assurance that significant progress and/or public and/or private investment, expenditures, or obligations have been made or committed to accomplish the completion of the grant-funded activities and Project identified in the grant agreement, including the grant-funded activities. Examples may include:
 - establishment of a TIF district
 - issuance of local bonds
 - granting of a tax abatement
 - expenditure of other public monies
 - land acquisition
 - site preparation
 - construction
- For LCDA and LHIA grants, a 12-month schedule for the completion of the grant-funded activities and the Project described in the grant agreement.
- For TBRA grants, a 12-month schedule for the completion of the grant-funded activities and commencement or continuation of the implementation of the Project described in the grant agreement beyond the TBRA grant funded activities.

The maximum term of a grant, including extensions (if any), shall not exceed 36 months. The Council will not entertain or consider requests for any extensions beyond the one-time one-year extension described above.

Application. The grant extension review criteria and processes apply to all LCA grants awarded after January 2009. For LCA grants awarded before February 2009, requests for a one-year extension beyond the two-year term of the grants may be considered administratively by Council staff and the 30-day notice period stated in those grants will continue to apply. However, extension requests for grants awarded before February 2009 will be reviewed administratively using the criteria stated above. Grantees requesting extensions for grants awarded before January 2009 are not required to submit resolutions with their extension requests.

A Grantee whose request for an extension is denied may re-apply and compete for funding in future grant cycles after their grant term has expired or after the Grantee has formally relinquished the remaining balance of the grant.