

C Community Development Committee
For the Metropolitan Council meeting of October 28,
2009

Item: 2009-379

ADVISORY INFORMATION

Date: October 21, 2009
Prepared:
Subject: Dakota County CDA Request for Extension of Time to Acquire Property
Under LAAND Loan Award (Paul Burns 651-602-1106)

Proposed Action:

That the Metropolitan Council approve the request by the Dakota County Community Development Agency (CDA) to extend the deadline from November 12, 2009 to June 30, 2010 for acquisition of a parcel of land under the Metropolitan Council's Land Acquisition for Affordable New Development (LAAND) Loan program award to the County CDA.

Summary of Committee Discussion / Questions:

Livable Communities Manager, Paul Burns, presented an overview of this request to extend the deadline for property acquisition under the LAAND program. Committee member Wulff asked if an extension to June 30, 2010 was enough time, and whether the Council should consider a longer period of time than one year for acquisition for future projects. Mr. Burns responded that the extension until June 30th should be adequate for this project, and that staff will be evaluating future applications to determine whether a longer time for acquisition might be needed.

Motion to approve the request by Wulff, seconded by Wolter, passed unanimously.

C Community Development Committee
Meeting date: October 19, 2009

ADVISORY INFORMATION	
Date:	October 14, 2009
Subject:	Dakota County CDA Request for Extension of Time to Acquire Property Under LAAND Loan Award (Paul Burns 651 602-1106)
District(s), Member(s):	District 16, Dakota County, Wendy Wulff
Policy/Legal Reference:	Livable Communities Act, Minnesota Statutes 473.253
Staff Prepared/Presented:	Paul Burns, Manager, Livable Communities Program (651-602-1106)
Division/Department:	Housing and Livable Communities/Community Development

Proposed Action

That the Community Development Committee approve the request by the Dakota County Community Development Agency (CDA) to extend the deadline from November 12, 2009 to June 30, 2010 for acquisition of a parcel of land under the Metropolitan Council's Land Acquisition for Affordable New Development (LAAND) Loan program award to the County CDA.

Background

On November 12, 2008, the Council awarded a LAAND loan to the Dakota County Community Development Agency in the amount of \$1,000,000 for land acquisition of ten acres for one of two priority land acquisition sites for affordable housing adjacent to the Bus Rapid Transit (BRT) park and ride site along Cedar Avenue in Lakeville.

One of the requirements of the loan award was that the Applicant must complete its purchase of the property no later than one (1) year after the date the Applicant was awarded a LAAND loan.

Rationale

The County CDA is diligently pursuing the acquisition of a parcel and although they are very close to making the acquisition, they cannot guarantee closing on the purchase of the property before November 13. They are therefore seeking an extension of the timeframe to use the loan. A copy of their request is attached. Staff has been in contact with the CDA staff during this process and recommends approval of the extension request.

Funding

The loan award of \$1,000,000 would remain the same.

Known Support / Opposition

Staff is not aware of any opposition

October 12, 2009

Paul Burns
Manager, Livable Communities
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

RE: LAAND Extension Request

Dear Paul:

The CDA executed the \$1,000,000 LAAND commitment letter dated July 7, 2009 with the Metropolitan Council. In this letter, the loan closing date is set for no later than November 12, 2009. Progress is being made with confidence to fulfill all loan commitment obligations by December 31, 2009. Despite that confidence, the CDA hereby requests a formal extension to June 30, 2010 in order to adequately cover all unknown situations.

This request is due to a late start with the appraisal that is required in order to begin land acquisition negotiations. The independent appraisal will be completed by October 15, which leaves only one month to complete the purchase transaction. I believe that this short time period will constrain our abilities to complete the purchase without having the necessary time built into the acquisition process.

Please don't hesitate to contact me at 651-675-4464 if you have further questions or concerns.

Sincerely,



Dan Rogness
Director of Community Revitalization