

Committee Report

Community Development Committee



Committee Meeting Date: April 17, 2023

For the Metropolitan Council: April 26, 2023

Business Item: 2023-87

Application to the Environmental Protection Agency's Climate Pollution Reduction Grants Program

Proposed Action

That the Metropolitan Council authorize the Executive Director of the Community Development Division to:

1. Develop and submit a Notice of Intent to Participate as the lead agency, a grant application, and related materials for the Environmental Protection Agency's Climate Pollution Reduction Grants Program.
2. Negotiate and execute the cooperative agreement with the Environmental Protection Agency.

Summary of Community Development Committee Discussion/Questions

Executive Director of Community Development LisaBeth Barajas presented the staff's report to the Committee. Council Member Lindstrom remarked that it seemed like a fair amount of work and whether additional staff capacity would be needed. Barajas responded that the potential grant provided the opportunity to expand staff capacity to support the grant activities. Council Member Carter stated how important engagement with communities and local governments is and was glad to hear that that would be a significant part of this work. Council Member Wulff stated that it was important to be wary of any additional requirements, and made note of a previous federal grant received about 10 years ago that resulted in additional reports and analysis around equity and areas of concentrated poverty that had unintended effects. Council Members Lee and Lindstrom asked about coordination with the state and tribal governments. Barajas discussed the coordination already underway with state partners and discussed the role of tribal governments in the EPA grant opportunities.

The Committee unanimously approved the proposed actions at their regularly schedule meeting on April 17, 2023.

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District(s), Member(s):	All
Policy/Legal Reference:	Section 60114 of the Inflation Reduction Act (Public Law 117-169, title VI, Aug. 16, 2022, 136 Stat. 2076); Council Policy FM 15-1 (Income/Grants)
Staff Prepared/Presented:	LisaBeth Barajas, Executive Director, Community Development, (651) 602-1895
Division/Department:	Community Development

Proposed Action

That the Metropolitan Council authorize the Executive Director of the Community Development Division to:

1. Develop and submit a Notice of Intent to Participate as the lead agency, a grant application, and related materials for the Environmental Protection Agency's Climate Pollution Reduction Grants Program.
2. Negotiate and execute the cooperative agreement with the Environmental Protection Agency.

Background

The U.S. Environmental Protection Agency (EPA) is making available \$1 million to each of the 67 largest metropolitan statistical areas in the nation to create or update a regional climate action plan for the respective metropolitan area. In addition, the EPA is also awarding \$3 million to each state to do the same climate planning but at the state-wide level. Completing the required deliverables in this first phase non-competitive formula grant opportunity will position local governments covered by the plan to compete for the \$4.6 billion dollars that the EPA will award in the second phase.

The Minneapolis-St. Paul-Bloomington metropolitan statistical area (MSA), comprising the seven-county metropolitan area and several surrounding counties in Minnesota and Wisconsin, is eligible for receiving these funds. Each MSA is responsible for designating a lead agency to coordinate the planning work. The Council has engaged with numerous cities and all the counties and has received support to be the lead agency for coordinating the grant, the planning activities, and reporting to the EPA on results.

Council policy FM 15-1 Income/Grants Policy allows for the Council to enter into agreements with other governments and organizations which provide income or grants to the Council which are consistent with the Council's missions and priorities. The policy requires Council approval for grants exceeding \$500,000.

There are three required planning grant deliverables:

1. A Priority Climate Action Plan, due March 1, 2024

2. A Comprehensive Climate Action Plan, due 2 years from the date of the award (summer-fall 2025)
3. A Status Report, due at the close of the 4-year grant period (summer-fall of 2027)

Priority Climate Action Plan

The first deliverable, the Priority Climate Action Plan (PCAP), is a narrative report that includes a focused list of near-term, high priority, implementation ready measures to reduce greenhouse gas (GHG) pollution and an analysis of GHG emissions reductions that would be achieved through implementation. The PCAP can focus on a specific sector or selected sectors, and does not need to comprehensively address all sources of emissions and sinks in the MSA. The PCAP may draw from or reference existing climate action plans for the geographic area covered. The PCAP must include:

- A GHG inventory
- Quantified GHG reduction measures
- A low-income and disadvantaged communities benefits analysis
- A review of authority to implement

Comprehensive Climate Action Plan

The second deliverable, the Comprehensive Climate Action Plan (CCAP) should touch on all significant GHG sources/sinks and sectors present in the metropolitan area, establish near-term and long-term emission reduction goals, and provide strategies and identify measures to achieve those goals. The CCAP must include:

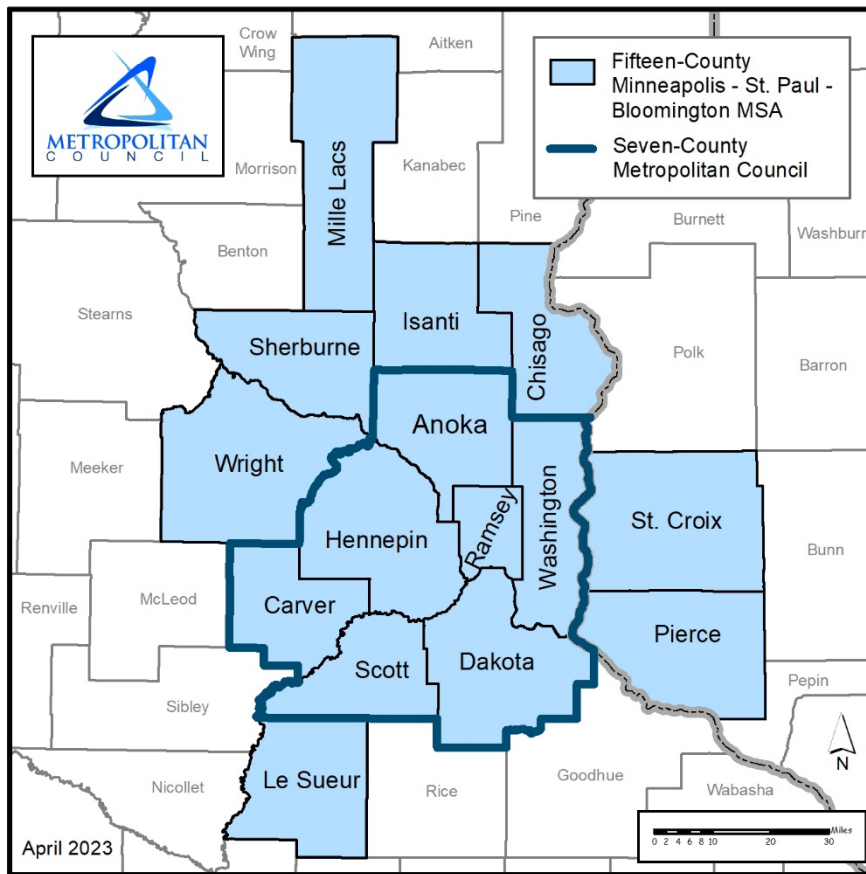
- A GHG inventory
- GHG emissions projections
- GHG reduction targets
- Quantified GHG reduction measures
- A benefits analysis for the full geographic scope and population covered by the plan
- A low-income and disadvantaged communities benefits analysis
- A review of authority to implement
- A plan to leverage other federal funding
- A workforce planning analysis

Geographic Scope and Coordination

The \$1 million grant opportunity covers the 15-county Minneapolis-St. Paul-Bloomington MSA (Figure 1), which includes Wright, Sherburne, Mille Lacs, Isanti, and Chisago counties bordering the seven-county metropolitan area to the north and west; Le Sueur County bordering on the south; and St. Croix and Pierce counties bordering to the east in Wisconsin. While the Council will be the lead agency for the cooperative agreement with the EPA, and responsible for grant deliverables and fiscal management, the work to create the key deliverables will be coordinated across the local governments within the full 15-county MSA, including cities, townships, and counties, the Minnesota Pollution Control Agency which is also leading the state planning effort, and the Wisconsin Department of Administration.



Figure 1. Fifteen-county Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area



Upcoming key dates

The grant opportunity requires that the lead agency for a metro area submit a Notice of Intent to Participate by April 28, 2023. By May 31, 2023, the lead agency must then submit a complete application package, which includes a project narrative and work plan and a project budget in addition to some standard forms for federal grants. The grant notification indicates that the EPA expects to award and administer the planning grants by the summer of 2023.

Rationale

The requirements of this grant align with the climate policy work that is planned for the 2050 Regional Development Guide. In addition, the Council has already completed several of the required components, and more than 70 communities in the seven-county metropolitan area have already created local climate action plans. This opportunity will support coordinating climate policy and action work across the region, help to align existing local climate planning that has already been completed or is underway, and further align the region's work with the state's activities to do the same.

The grant opportunity is also consistent with Council Policy FM 15-1, which permits the Council to seek grants provided that the grant is consistent with the Council's mission and priorities. As discussed above, this grant opportunity aligns with the 2050 regional planning efforts as well as with the Council's Sustainability outcome in *Thrive MSP 2040* described below.

Thrive Lens Analysis

The Climate Pollution Reduction Grants Program and the required deliverables advance the *Thrive MSP 2040* outcome of Sustainability, which indicates that the Council will provide leadership to support climate change mitigation, adaptation, and resilience. This grant opportunity provides support for the Council to continue to advance regional climate work in partnership with local



governments as part of the 2050 regional planning process.

Funding

The \$1 million in funding is available from the Environmental Protection Agency on a non-competitive basis, should the Council authorize the application for the grant opportunity. The EPA anticipates awarding planning grants in July or August 2023. The grant will not require matching funds from the recipient. The grant funds will be brought into the Council's budget through a future budget amendment later in 2023.

