

Community Development Committee

Meeting date: April 21, 2014

Subject: Planning Assistance Fund, Community Development Budget Discussion

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statutes Section 473.867

Staff Prepared/Presented: LisaBeth Barajas, Local Planning Assistance Manager, 651-602-1895

Division/Department: Community Development / Regional Planning

Proposed Action

No official action.

1. Affirm the Council's provision of grants to local units of government for the 2018 comprehensive planning process.
2. Direct staff to assess the funding need and to develop eligibility criteria through work with the Land Use Advisory Committee.

Background

Minnesota Statutes Section 473.867, subd. 2 authorizes the Metropolitan Council to establish a planning assistance fund to provide grants and loans to local units of government for the primary purpose of reviewing and amending local comprehensive plans, fiscal devices, and official controls, as required by the Metropolitan Land Planning Act. The Council has provided grant funding in previous decennial review rounds to identified eligible communities to update local comprehensive plans.

The Council's Planning Assistance Fund currently has a balance just over \$1 million. The Council traditionally has reserved about \$300,000 of that fund to assist in regenerating funds in the account and to continue to provide interest-free loans to local units of government for other related planning projects as local needs arise during the interim planning years. Given the reservation of about 30% of this fund for regeneration purposes, the available balance is less than what was awarded for the 2008 comprehensive planning process.

For the 2008 process, the Council awarded \$1,015,000 to communities to update local comprehensive plans, as summarized in Table 1. Because of the limited funding available, the Council identified a group of communities that would be eligible for these planning grants using the following criteria:

Table 1. 2008 Planning Grant Summary

Total Amount Awarded	\$1,015,000
Number of Grants Awarded	49 grants (communities assisted is higher due to Townships served in County and collaborative processes)
Community Grant Award:	\$15,000 or \$20,000
Grant Award for Counties	\$50,000

1. Communities with a 2005 Net Tax Capacity (NTC) amount less than or equal to 300 percent of the median NTC (\$12,840,000) for all communities in the metropolitan area, and
2. With a forecasted household growth for 2010 to 2030 that is a percent growth equal to or greater than the median (21) percent of forecasted household growth. —OR—
3. Be a county, or a consortium of at least 5 communities working collaboratively to update their local comprehensive plans.

Based on these criteria about 51 identified communities (or counties/collaborations) were eligible to apply, as shown in the Table 2 and illustrated on the attached map (Figure 1).

Table 2. 2008 Planning Grant Award Amounts

2008 Eligible to Apply	Grant Amount	Total Amount Granted	Average Planning Cost	Total Planning Cost
11 Unsewered Communities	\$15,000	\$165,000	\$31,951	\$351,456
36 Sewered Communities	\$20,000	\$720,000	\$59,280	\$2,236,950
3 Counties or Township Consortiums	\$50,000	\$150,000	\$82,175	\$246,524
TOTALS		\$1,035,000		\$2,834,929

Of the identified eligible communities, 50 grants were awarded totaling \$1,035,000. As shown in Table 2, the Council made grants of \$15,000 available to unsewered communities, and slightly larger grants of \$20,000 available to sewerred communities. Counties or township consortiums were awarded grants of up to \$50,000. Grantee communities, on average, incurred planning expenses of \$55,817 to update their local comprehensive plans. While a local match was not required of grantees, the grant amount typically covered about 50% of the total planning expenses incurred. The difference between the grant award and the total local planning costs was most pronounced among sewerred communities, where the total local planning costs were about three times higher than the grant award.

Questions to be Addressed

- Is the individual grant award amount sufficient?
 - \$15,000 and \$20,000 were granted during 2008, and typically covered 50% or less of the total planning costs for the grantees. What are the costs for a plan update today, ten years later, and how much of the planning costs should the grant cover?
 - Should a local match be required? 2008 round did not require a local match, but many communities paid for portions of their planning.
- How much total funding is needed?
 - Keep a reserve to grow for the next cycle?
 - If we increase award amounts, what would that total?
- Are the 2008 eligibility criteria still applicable or should the criteria be modified?
 - Do the criteria target communities most in need?
 - Do we capture enough/too many communities?
 - How many are covered today based on past criteria? (See attached Figure 2. Potential Community Eligibility Applying 2008 Criteria) – 56 Eligible communities.
- Should the Planning Assistance Fund be expanded to provide grants for other planning projects outside of the decennial comprehensive planning process?
 - The Planning Assistance Fund currently has two-year interest-free loans, limited to \$40,000, available to communities on a first-come-first-served basis for other in-depth planning and plan implementation activities.
 - Examples of eligible activities include:
 - Zoning ordinance updates
 - Subdivision regulations
 - Water supply implementation (conservation programs)
 - Special planning studies (redevelopment, master planning, station area planning, corridor plans)

- Since 1992 when the loan program started, the Council has awarded loans to 36 communities, with the bulk of the loans made during the 1990s. In 2006, 10 loans were awarded, with only three loans requested and awarded since then.

Rationale

Providing a Planning Assistance Fund to support local comprehensive planning efforts is authorized under Minn. Stat. 473.867, subd. 2. Many of the previously identified communities have limited staffing so that even relatively minor comprehensive planning processes can be a large burden. Planning grants, along with the Council's technical assistance through the Sector Representative program and the updated Local Planning Handbook, facilitate the local planning process to ensure that the region continues to coordinate planning across all jurisdictions.

Funding

Staff will work with the Land Use Advisory Committee to address the questions detailed above and develop a Planning Assistance Fund proposal to be discussed by the Community Development Committee later this summer.

Known Support / Opposition

There has not been support or opposition submitted at this time.

Figure 1. 2008 Planning Grants: Eligible Communities

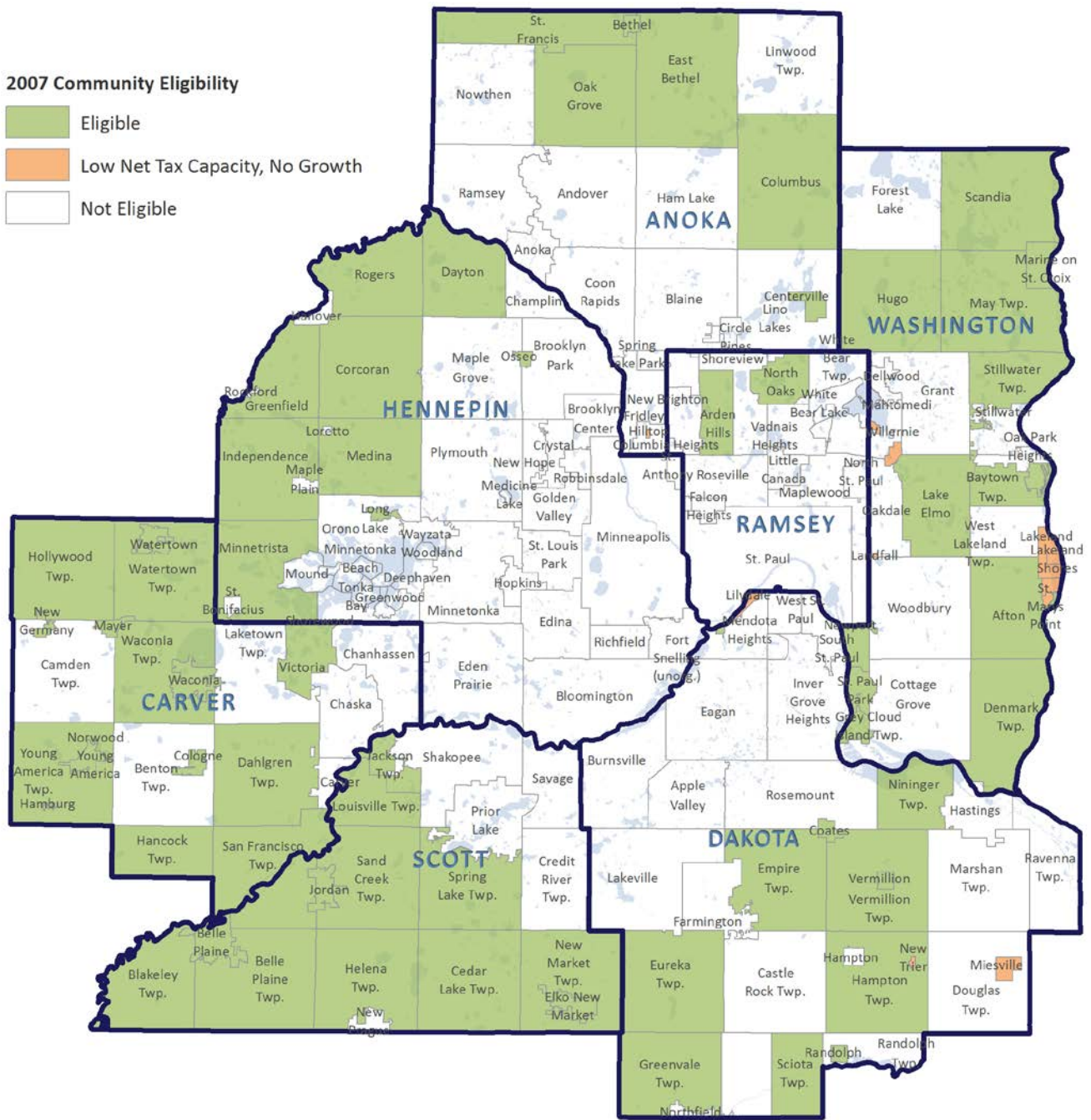
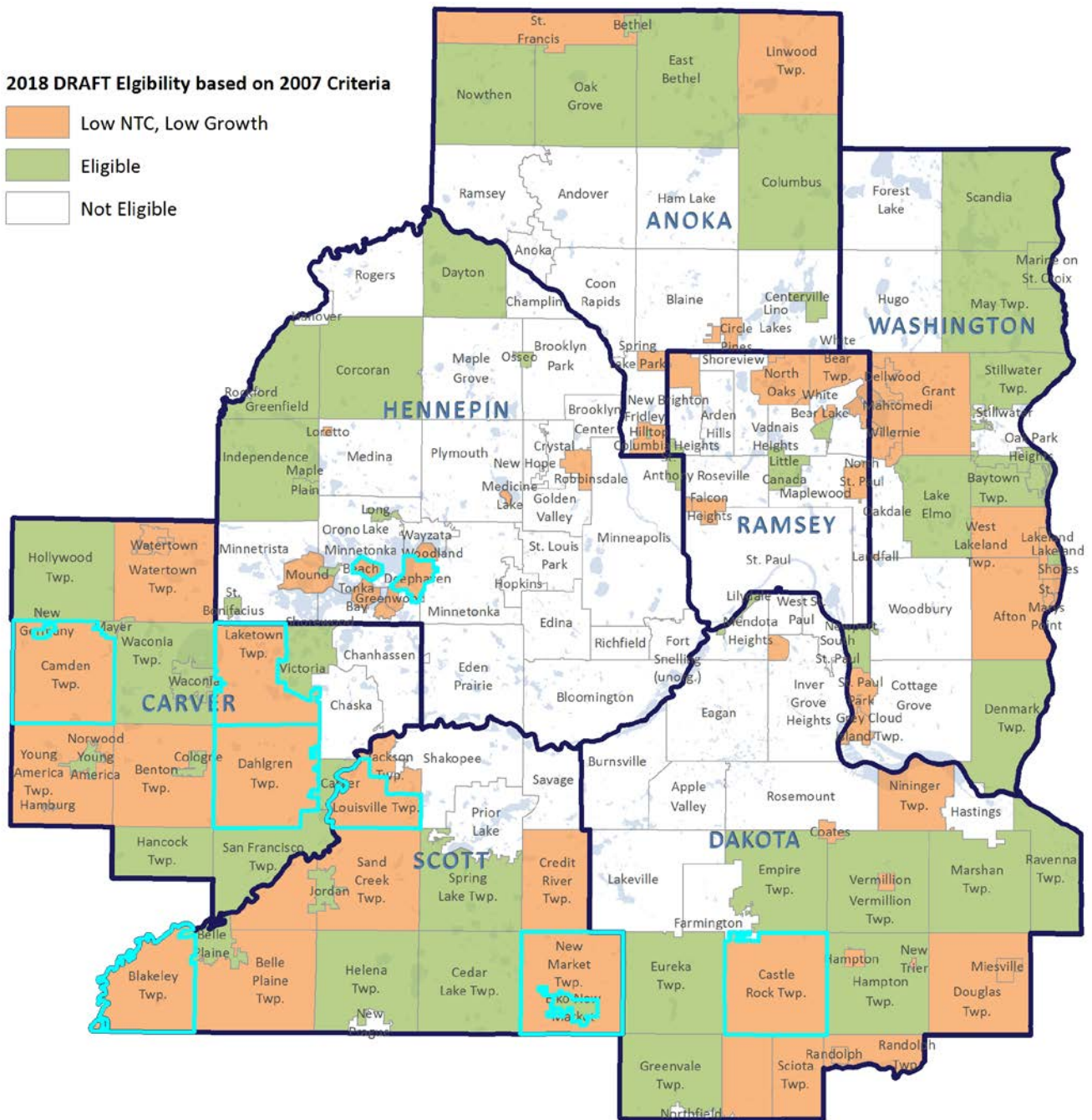


Figure 2. Potential Community Eligibility Applying 2008 Criteria



Communities highlighted in blue indicate those without any projected growth according to the DRAFT Thrive 2040 forecasts. Low growth is defined as being less than the median percent of forecasted household growth. These measures are illustrative and are intended to be refined upon further review and analysis.