

Information Item

Community Development Committee



Meeting Date: May 5, 2025

Topic

Planning Assistance Grant Program and Small Communities Planning Program

District(s), Member(s):	All
Policy/Legal Reference:	Minn. Stats. §§ 473.191 and 472.867
Staff Prepared/Presented:	Angela R. Torres, Senior Manager, Local Planning Assistance Merritt Clapp-Smith, Senior Planner, Local Planning Assistance
Division/Department:	Local Planning Assistance, Community Development

Background

The Met Council provides several technical assistance programs to help local governments prepare their local comprehensive plans consistent with State statute and the regional development guide. At the Community Development Committee (CDC) meeting on May 5, Committee members will review two of these planning assistance programs.

As enabled in Minn. Stat. § 473.867, the Met Council has historically provided planning assistance grants to eligible communities in the region to assist with decennial comprehensive plan updates. At the start of each planning cycle, the Met Council evaluates the criteria for assistance and identifies eligible communities based on those criteria. This evaluation is underway and has been discussed at the January 16 and March 20, 2025, meetings of the Land Use Advisory Committee (LUAC). The LUAC has reviewed:

- Thrive MSP 2040 planning assistance grant criteria and previously eligible communities
- Eligibility criteria used by the Met Council to identify “demonstrated need”
- Potential changes to eligibility criteria for Imagine 2050 planning assistance
- Addition of a new technical planning assistance program – the Small Communities Planning Program – including goals, potential criteria, and eligibility coverage

LUAC members expressed strong support for the Small Communities Planning Program, and discussed how potential changes to eligibility criteria for planning assistance grants might shift the number and types of communities served.

Input provided by the CDC at the May 5 meeting will inform the LUAC as it prepares a formal recommendation for eligibility criteria for both the Planning Assistance Grant program and the Small Communities Planning Program. A LUAC recommendation will be forthcoming for consideration by the CDC later this year.

Statutory Authority for Planning Assistance and Criteria for Eligibility

The Metropolitan Land Planning Act enables the Met Council to provide grants, loans, or other types of assistance to support communities update their local comprehensive plans. Per statute, provision of assistance is based on demonstrated need and available financial resources.

- [Minn. Stat. § 473.191 Local Planning Assistance](#), subdivision 1, enables the Met Council to

enter contracts or make other arrangements with local governmental units to provide services or assist with comprehensive planning.

- [Minn. Stat. §473.867 Planning Assistance; Grants; Loans](#), not only establishes the Planning Assistance Fund, but also states that in making grants and loans, the Council shall base its decisions on the recipient's "demonstrated need and available financial resources." It also directs the Council to give priority for the use of funds for comprehensive plans, fiscal devices, and official controls.

The Planning Assistance fund provided grants in both the 2030 and 2040 planning cycles, based on specific eligibility criteria adopted by the Council. During the 2030 planning cycle, 50 communities were eligible for grants ranging from \$15,000 to \$50,000. During the 2040 planning cycle, 70 communities were eligible for grants ranging from \$10,000 to \$84,000. Budget discussions for the 2040 planning cycle have not yet been brought to the Council, but will have Council action later this year to establish an approved budget for this and other technical assistance programs.

Previous Eligibility Criteria for the Planning Assistance Grant Program

Eligibility criteria based on "demonstrated need and available financial resources" adopted during the 2030 and 2040 planning cycles included:

- **Net Tax Capacity** (NTC) (used in 2030) and **NTC Per Capita** (NTC/capita) (used in 2040) of a community relative to the regional median, as an indication of financial capacity.
- **30 Year Population Growth Rate** as an indication of need, since fast growing communities may have many more things to consider in land use planning.
- **Current Population** as an indication of need, since small communities may lack the staff or the planning expertise to undertake a comprehensive plan update.
- **County or Consortium** planning for rural communities to pool limited financial resources into a collaborative approach to plan updates. This was used by geographically adjacent townships and very small cities in rural settings, and where the county still manages land use planning for the townships within their jurisdiction (Carver County and Scott County).

Analysis for 2050 Planning Assistance Programs

To understand the baseline of potential grant eligibility for the 2050 planning cycle, the criteria for the 2040 planning cycle were applied, based on current population forecasts and net tax capacity data. If criteria from the 2040 planning cycle are utilized for the 2050 planning cycle, 63 individual communities will be eligible for grants, based on current data. This compares to 67 individual communities eligible during the 2040 planning cycle. Some communities are newly eligible, while others have fallen out of eligibility due to higher net tax capacity per capita or lower growth rates.

The Planning Assistance Grant Program analysis intersects with the introduction of a new proposed program, the Small Communities Planning Program, intended to provide direct professional planning services to the region's smallest communities to help update their local comprehensive plans. This new program requires establishment of eligibility criteria as well as the elimination of overlap in eligibility to distinguish between communities qualifying for each program. The intention is that communities will be eligible for a single program.

Potential Changes to Grant Criteria

Review of potentially eligible communities indicates that some communities with significant need and capacity limitations would not be served under the 2040 criteria. This includes:

1. Communities larger than 5,000 Population with low NTC/capita and slow growth:
 - a. Slow growth and low NTC/capita are commonly experienced in older, developed communities, who must address planning challenges related to infill and redevelopment, aging infrastructure, gentrification and displacement concerns, and engagement with diverse populations. These challenges are uncommon in fast growing, newer communities.

- b. Following the January 16 LUAC meeting, Council staff had internal discussions and interviewed consulting planners who worked with a range of community types during the 2040 planning cycle. They were asked if they observed that fast growing communities had more work to update their comprehensive plans than slow growing communities. The consensus answer was that the rate of growth did not strongly correlate with the level of work, for the reasons identified previously.
2. Very small communities with relatively strong NTC/capita:
 - a. Some of the region's smallest communities are not eligible for grants due to having a NTC/capita that exceeds 125% of the regional median. In theory, higher NTC/capita provides these communities with the financial means to pay for consultants. However, in many cases the community is so small that the local government does not have the time, staff, or expertise to review the comprehensive planning requirements, prepare a Request for Proposals, and review consultant proposals and documents.
 - b. Council planning staff and consulting planners who worked with a range of community types during the 2040 planning cycle overwhelmingly identified community size as the largest determinant of need for assistance. When asked to view the map of grant eligible communities from the 2040 planning cycle, they noted that the largest eligible communities are in a much stronger position than medium and small communities to update their plans due to the presence of multiple city planning staff and the overall size of the city budget relative to the expense of updating a comprehensive plan.

Draft Eligibility Criteria Under Review/Discussion

Following the January 16 LUAC meeting, Council staff analyzed multiple sets of eligibility criteria for both the Planning Assistance Grant Program and the Small Communities Planning Program. Based on discussion with the LUAC, Council staff used the following parameters for the analysis:

- identify which program and eligibility criteria best serves communities with the highest need
- serve up to 30 small communities through the Small Communities Planning Program.
- provide grants to no fewer than the number of communities served in the 2040 cycle (63)
- While the budget discussion is not a part of this analysis, the future analysis will factor in the need to provide no less funding than was provided in the 2040 cycle.

This analysis resulted in a set of draft eligibility criteria that is currently under review and discussion with the LUAC.

2040 Planning Assistance Grant Program Adopted Eligibility Criteria – 63 communities served

A community would be eligible for a planning assistance grant under the existing criteria used during the 2040 planning cycle, if they meet one of three sets of criteria:

- Current population less than or equal to 5,000 AND net tax capacity per capita less than or equal to 125% of metro median net tax capacity per capita.
- 30-Year Growth Rate greater than or equal to metro median growth rate AND net tax capacity per capita less than or equal to 100% of metro median net tax capacity per capita.
- County or consortium of five (5) or more communities working collaboratively to update their comprehensive plans.

****NEW* Draft 2050 Planning Assistance Grant Program Eligibility Criteria - 63 communities eligible***

A community would be eligible for a Planning Assistance Grant under the Draft eligibility criteria for the 2050 planning cycle, if they meet one of three sets of criteria:

- Current population is between 2,500 to 14,999 AND net tax capacity per capita is less than or equal to 125% of metro median net tax capacity per capita.
- Current population is between 15,000 to 35,000 AND net tax capacity per capita is less than or equal to 100% of metro median net tax capacity per capita.
- County or consortium of five (5) or more communities working collaboratively to update their

comprehensive plans. (No change proposed.)

***NEW* Draft 2050 Small Communities Planning Program Eligibility Criteria – 30 communities eligible**

A community would be eligible for direct professional planning services from the Met Council under the new Small Communities Planning Program, if they meet one of three sets of criteria:

- Current population is under 500 AND net tax capacity per capita is less than or equal to 175% of metro median net tax capacity per capita.
- Current population is between 500 to 999 AND net tax capacity per capita is less than or equal to 150% of metro median net tax capacity per capita.
- Current population is between 1,000 and 2,500 AND net tax capacity per capita is less than or equal to 125% of metro median net tax capacity per capita.

Table 1 compares the eligibility criteria and number of communities served under the adopted 2040 Planning Assistance Grant eligibility criteria (based on current data), the Draft 2050 Planning Assistance Grant Program eligibility criteria, and the *NEW* Small Communities Planning Program Draft eligibility criteria.

Table 1. Program eligibility criteria and communities served under adopted 2040 and Draft 2050 eligibility criteria.

	Current Population	NTC/capita (metro median = 100%)	30-year Population Growth Rate compared to metro median	# of Communities Eligible for these programs
Planning Assistance Grant Program				
2040 Planning Grant Program Current Adopted Eligibility Criteria	Less/equal to 5,000	Less/equal to 125% metro median	N/A	63
	OR			
	N/A	Less/equal to 100% metro median	Greater/equal to metro median	
2050 Planning Grant Program Draft Eligibility Criteria	2,500 to 14,999	Less/equal to 125% metro median	N/A	63
	OR			
	15,000 to 35,000	Less/equal to 100% metro median	N/A	
2040 and Draft 2050 Planning Grant Program County/ Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan updates			At least 2
Small Communities Planning Program				
NEW 2050 Small Communities Planning Program Draft Eligibility Criteria	Under 500	Less/equal to 175% metro median	N/A	30
	OR			
	500 to 999	Less/equal to 150% metro median	N/A	
	OR			
	1,000 to 2,500	Less/equal to 125% metro median	N/A	



A comparison of the types of communities served under the adopted 2040 planning grant criteria, the Draft 2050 Planning Assistance Grant Program criteria, and the Draft Small Communities Planning Program (SCP) criteria are shown in four tables with brief descriptions below each on the following pages.

Table 2. Percent of Communities Eligible for Planning Assistance Programs by Community Designation

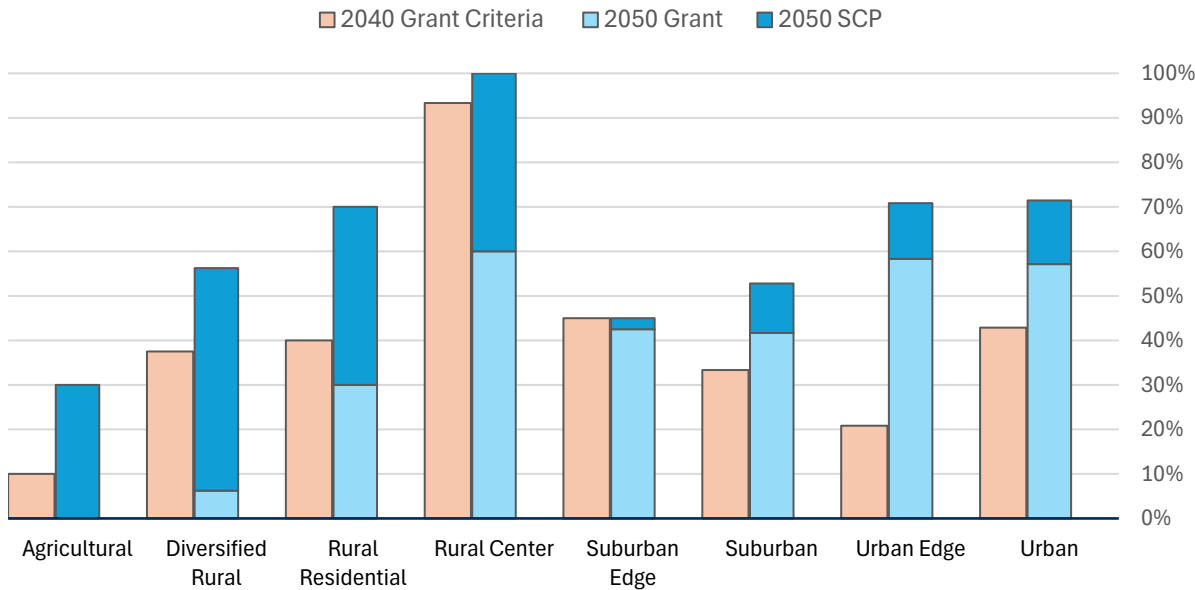


Table 2 shows that the combined effect of the eligibility criteria for both programs would serve the same or more communities across all community designations than under the 2040 criteria, with a significant improvement in service to Agricultural, Rural Residential, and Urban Edge communities.

Table 2. Percent of Communities Eligible for Planning Assistance by Current Population Size

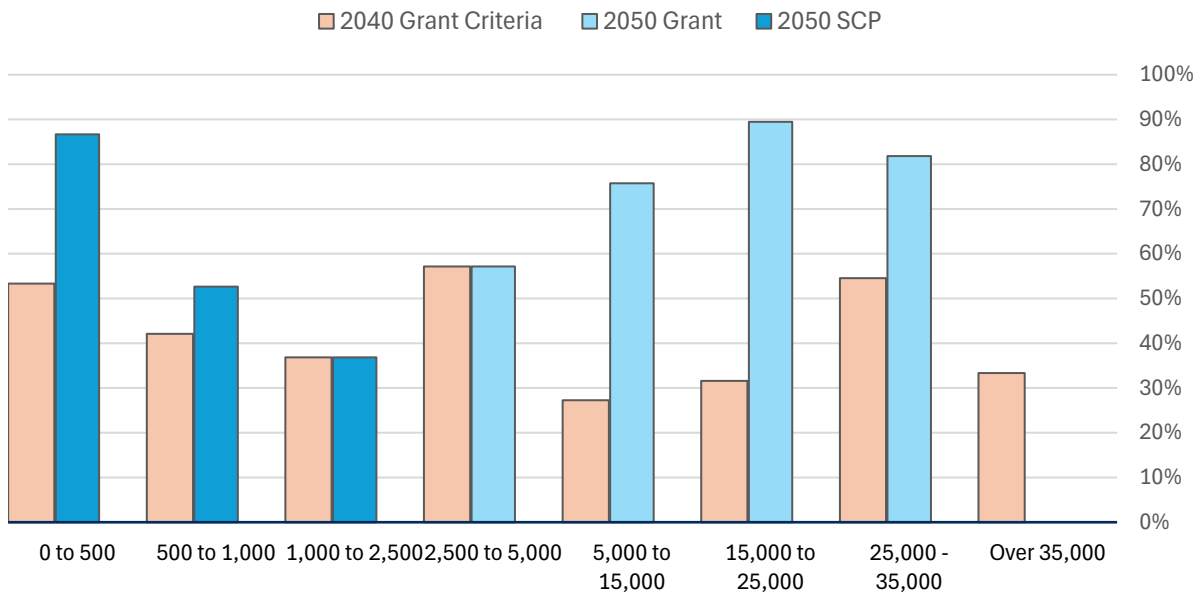
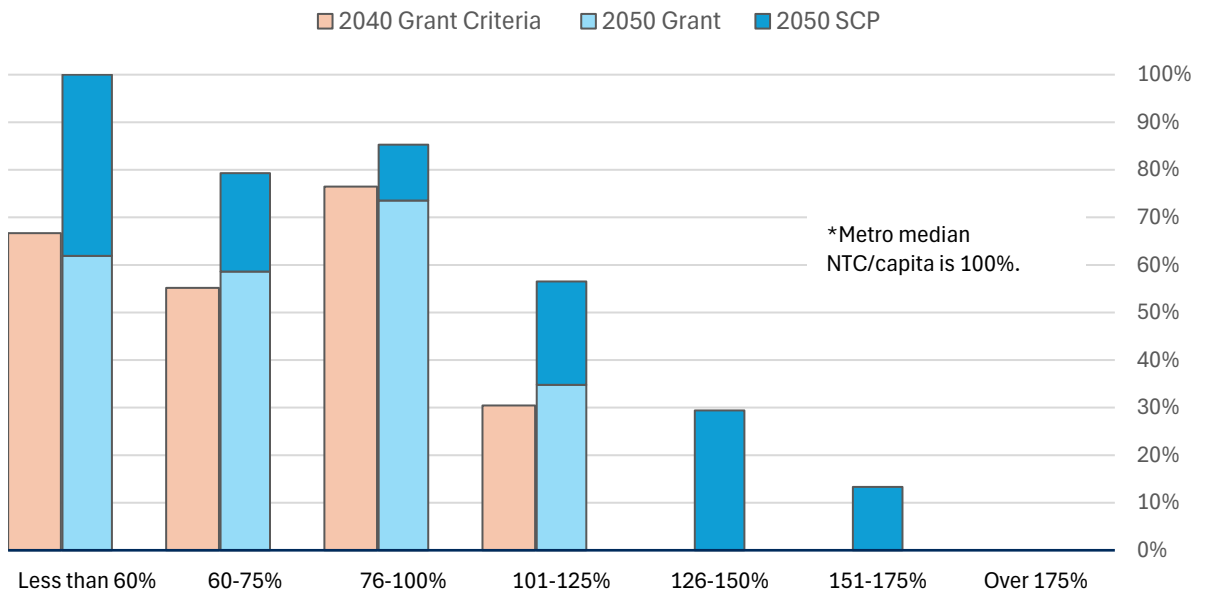


Table 3 shows that the combined effect of the eligibility criteria for both programs would significantly improve service to communities with populations under 500; and between 5,000 to 25,000; but would not serve communities over 35,000 population.

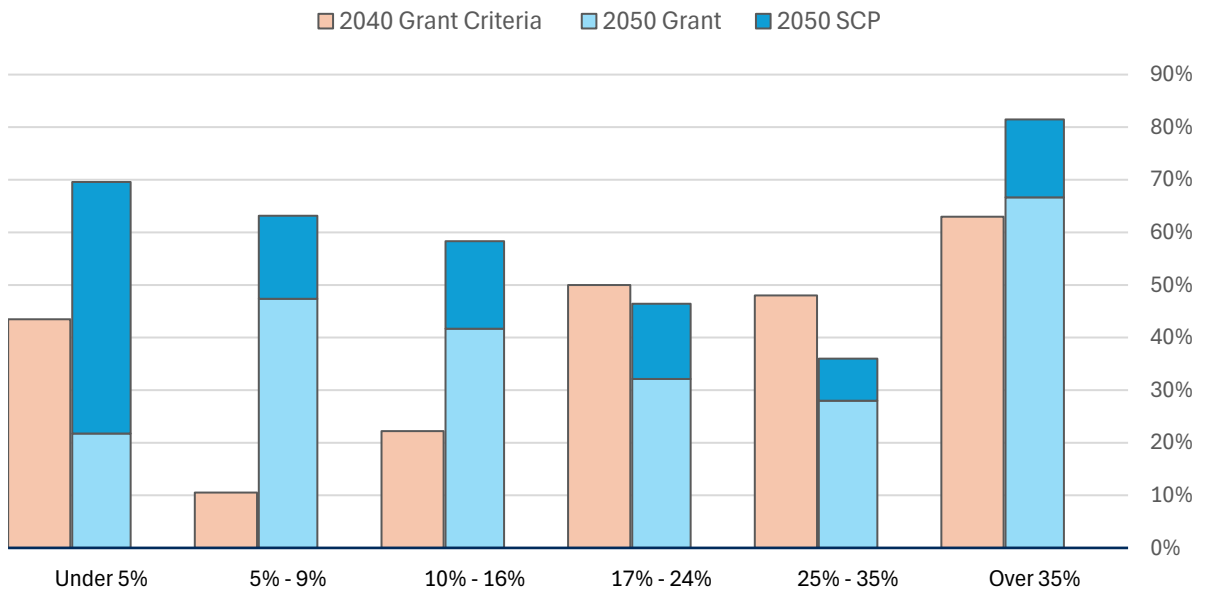
Table 4. Percent of Communities Eligible for Planning Assistance by Net Tax Capacity per Capita*



*Net Tax Capacity per capita is measured relative to the regional median (100%).

Table 4 shows that the combined effect of the eligibility criteria both programs would serve more communities across all net tax capacity per capita levels, except over 175%. The Small Communities Planning Program serves very small communities with higher net tax capacity per capita than served under the 2040 planning grants. The rationale is that the budgets of very small communities are modest relative to the cost of a comprehensive plan update.

Table 5. Percent of Communities Eligible for Planning Assistance by 30-Year Population Growth Rate*



*30-Yr Population Growth Rate is measured relative to the regional median (16%).

Table 5 shows that the combined effect of the eligibility criteria for both programs would serve more communities with low growth rates, typically Urban, Urban Edge, and some Suburban communities, and serve fewer communities with high growth rates which are often in the Suburban Edge.

Timeline and Next Steps

The discussion on these two programs began in January 2025 with the LUAC where they provided critical guidance on the initial analysis, advised on program priorities, and established the basis for the need-based assessment. These discussions will continue throughout the summer, culminating in a recommendation from the LUAC to the CDC at their September 2025 meeting.

Council staff will keep the Committee apprised of the progress of the LUAC with updates provided in May and August, and planned consideration of the LUAC recommendation in September 2025.

The full Met Council is tentatively planned to consider adoption of the programs' eligibility criteria in October 2025.

After adoption of the Unified Budget in December 2025, these programs will be able to issue a Notice of Funding Availability (NOFA) to local governments and open the application period early in 2026. The NOFA will include a program guide to outline eligibility criteria, eligible uses of funds, program requirements, and outline the application process. The application period is planned to be open for an extended amount of time to allow for the local government approval process, which can take some time.

Discussion Question Prompts for Consideration

The following questions are provided for consideration by the CDC and are provided as prompts to assist in the discussion with the Committee and provide any needed guidance to staff and the LUAC as this work continues.

1. What feedback do you have about the draft eligibility criteria for these two programs for the 2050 planning cycle?
2. Do you have any additional direction for the LUAC as they continue with their discussion and analysis?
3. Do you need any additional information to inform your future decisions on the eligibility criteria for the Planning Assistance Grant Program and the Small Communities Planning Program?

Attachments

Attachment 1: 2016 Planning Assistance Fund – Table of Eligible Communities

Attachment 2: 2016 Planning Assistance Fund – Map of Eligible Communities



2016 PLANNING ASSISTANCE FUND

**LOCAL PLANNING
HANDBOOK**

LIST OF ELIGIBLE COMMUNITIES

Sewered Communities	Unsewered Communities	"Small Cities"	County/Consortium*
\$32,000 Maximum Award	\$20,000 Maximum Award	\$10,000 Maximum Award	\$84,000 Maximum Award
Andover	Ham Lake	Birchwood Village	Carver County
Anoka	Nowthen	Centerville	Dakota County
Apple Valley	Oak Grove	Circle Pines	Scott County
Bayport		Columbus	*Includes the following:
Belle Plaine		Greenfield	Belle Plaine Twp.
Bethel		Hampton	Benton Twp.
Blaine		Lake St. Croix Beach	Blakely Twp.
Brooklyn Park		Lakeland	Camden Twp.
Carver		Landfall	Castle Rock Twp.
Chaska		Lauderdale	Cedar Lake Twp.
Cologne		Lexington	Credit River Twp.
Coon Rapids		Long Lake	Dahlgren Twp.
Cottage Grove		Loretto	Douglas Twp.
Dayton		Miesville	Empire Twp.
East Bethel		New Trier	Eureka Twp.
Elko New Market		Pine Springs	Greenvale Twp.
Farmington		Randolph	Hampton Twp.
Forest Lake		Spring Park	Hancock Twp.
Hamburg		St. Bonifacius	Helena Twp.
Hastings		Vermillion	Hollywood Twp.
Hilltop		Willernie	Jackson Twp.
Hugo			Laketown Twp.
Inver Grove Heights			Louisville Twp.
Jordan			Marshan Twp.
Lakeville			New Market Twp.
Lino Lakes			Nininger Twp.
Maple Plain			Randolph Twp.
Maplewood			Ravenna Twp.
Mayer			San Francisco Twp.
New Germany			Sand Creek Twp.
Newport			Sciota Twp.
Norwood Young America			Spring Lake Twp.
Osseo			St. Lawrence Twp.
Prior Lake			Vermillion Twp.
Ramsey			Waconia Twp.
Rosemount			Waterford Twp.
Savage			Watertown Twp.
Shakopee			Young America Twp.
St. Francis			
St. Paul Park			
Stillwater			
Waconia			
Watertown			

2016 Eligibility

- Eligible Community
- Eligible County or Collaborative
- Eligible Small Cities
- Ineligible

