

DATE: January 7, 2015
TO: Land Use Advisory Committee
FROM: LisaBeth Barajas, Manager, Local Planning Assistance, 651-602-1895
SUBJECT: Planning Assistance Fund for Local Comprehensive Planning

In September, the Land Use Advisory Committee discussed the Planning Assistance Fund and potential eligibility criteria. This month, we are asking Committee members to discuss three proposed program options with varying criteria and potential award amounts in more depth. This memorandum builds off of the background information provided in the September memorandum, and incorporates feedback from the Committee's previous discussion on the Planning Assistance Fund.

As we approach the issuance of System Statements in the fall of 2015, Metropolitan Council staff are preparing the local comprehensive planning assistance fund to make grants available to local communities in early 2016. Council staff began this conversation with the Community Development Committee earlier this year, who then directed staff to work with the Land Use Advisory Committee to develop the program, including eligibility criteria and grant amounts.

The Council's Planning Assistance Fund currently has a balance of \$1.68 million, with \$500,000 in additional funds recently approved for the 2015 budget. The Council traditionally has reserved about \$300,000 of the fund to help regenerate funds in the account and to continue to provide interest-free loans to local units of government for other related planning projects during the interim planning years. The available funds after setting aside reserves would be about \$1.38 million.

Proposed Grant Program Options

To generate discussion, staff have prepared three planning grant program options for the Committee to consider:

- **Option 1** applies the eligibility criteria from the 2007 grant cycle, updated with most current data. Eligibility criteria include:
 1. Community has a 2014 net tax capacity (NTC) amount less than or equal to 300% of the median NTC, --AND--
 2. Community has forecasted growth from 2010 to 2040 that is greater than or equal to the median percent forecasted growth of 27% --OR--
 3. County or a consortium of at least 5 communities working collaboratively to update their local comprehensive plans.
- **Option 2** adjusts the first criterion from Option 1 from total net tax capacity (NTC) to NTC per capita and keeps all others the same:
 - Community has a 2014 NTC per capita amount less than or equal to the median NTC per capita (\$1,116).
- **Option 3** uses the criteria from Option 2, and includes an additional group of eligible communities that have both an NTC per capita less or equal to than the metro median and a total population less than or equal to 5,000. This group was created based on the Committee's discussion about the difficulty that small communities with small staffs have in completing the core requirements of a comprehensive plan.

All three options include a criterion for counties or collaborations of 5 or more communities. The first two options fall within the potential fund availability. Option 3 as proposed exceeds the fund availability, but grant awards could be adjusted

to fall within budget. Table 1 below shows a side-by-side comparison of the three proposed program options, including the detailed eligibility criteria. Table 2 shows the number of eligible communities, potential grant award amounts, and total program cost for each of the proposed program options. Figure 4 includes a detailed listing of the eligible communities for each of the proposed program options.

Table 1. Eligibility Criteria for Proposed Grant Program Options

	OPTION 1	OPTION 2	OPTION 3
<i>Criteria for Individual Communities</i>	<ul style="list-style-type: none"> • 2014 NTC amount less than or equal to 300% of the median NTC –AND- • Forecasted growth from 2010 to 2040 is greater than or equal to the median percent forecasted growth (27%) 	<ul style="list-style-type: none"> • 2014 NTC per capita amount less than or equal to median NTC per capita (\$1,116) -AND- • Forecasted growth from 2010 to 2040 is greater than or equal to the median percent forecasted growth (27%) 	<ul style="list-style-type: none"> • 2014 NTC per capita amount less than or equal to median NTC per capita (\$1,116) –AND- • Forecasted growth from 2010 to 2040 is greater than or equal to the median percent forecasted growth (27%) --OR-- • 2013 Population less than or equal to 5,000 AND a 2014 NTC per capita amount less than or equal to median NTC per capita
<i>Criterion for a Group of Communities for all Options</i>	<ul style="list-style-type: none"> • Be a county or a consortium of at least 5 communities working collaboratively to update their local comprehensive plans. 		

Table 2. Program Summary for Proposed Grant Program Options

	OPTION 1		OPTION 2		OPTION 3	
Community Type	# of Communities	Grant Amount	# of Communities	Grant Amount	# of Communities	Grant Amount
<i>Unsewered</i>	12	\$20,000	3	\$20,000	7	\$17,000
<i>Sewered</i>	32	\$30,000	45	\$25,000	52	\$21,000
<i>County/Consortium*</i>	3	\$65,000	3	\$65,000	3	\$56,000
TOTALS	47	\$1,395,000	51	\$1,380,000	62	\$1,379,000

* Carver County, Scott County, and the Dakota County Township Collaborative represent 32 townships. Empire Township is separate from the Collaborative.

The attached figures illustrate the eligible communities for each of the options described in Table 1. Figure 1 illustrates potentially eligible communities for Option 1, which largely includes rural communities and smaller cities. Option 2 is shown in Figure 2 and includes a mix of rural and urban communities. Option 3 is shown in Figure 3 and adds 11 smaller cities to those shown in Option 2. Figure 4 includes a detailed listing of each of the communities eligible under each of the proposed options.

Previous Grant Award 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. The primary purpose is for reviewing and amending local comprehensive plans, fiscal devices, and official controls, as required by the Metropolitan Land Planning Act. 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.

The Council has provided grant funding to designated eligible communities in previous decennial review rounds to update local comprehensive plans. For reference, we are providing the information regarding the previous cycle of planning grants awarded in 2007.

For the 2007 grant process, the Council awarded \$1,015,000 to communities to update local comprehensive plans, as summarized in Table 3. 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:

1. Communities with a 2005 Net Tax Capacity (NTC) value 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 51 identified communities (or counties/collaborations) were eligible to apply, as shown in the Table 3 and illustrated on the Figure 5. Of the identified eligible communities, 50 grants were awarded totaling \$1,035,000. As shown in Table 4, the Council made grants of \$15,000 available to unsewered communities, and slightly larger grants of \$20,000 available to sewerer communities. Counties or township consortiums were awarded grants of up to \$50,000.

Table 3. 2007 Planning Grant Summary

Total Amount Awarded	\$1,015,000
Number of Grants Awarded	51 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

Table 4. 2007 Planning Grant Award Amounts

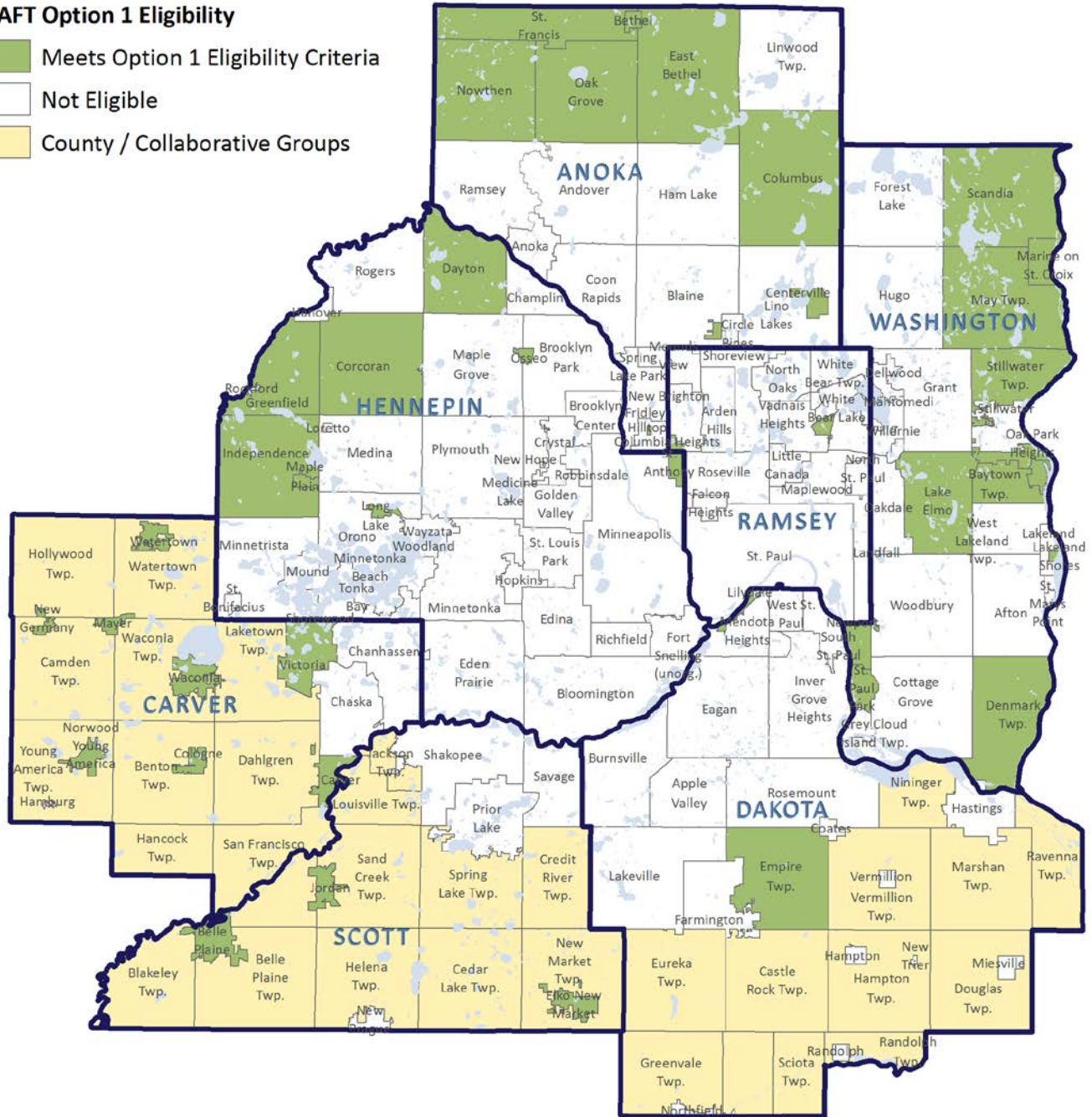
2007 Eligible to Apply	Grant Amount	Total Amount Granted	Average Planning Cost	Total Planning Cost
11 Unsewered Communities	\$15,000	\$165,000	\$31,951	\$351,456
36 Sewered Communities	\$20,000	\$720,000	\$59,280	\$2,236,950
3 Counties or Township Consortiums	\$50,000	\$150,000	\$82,175	\$246,524
TOTALS		\$1,035,000		\$2,834,929

Communities awarded grants, on average, incurred planning expenses of \$55,817 to update their local comprehensive plans. While a local match was not required, 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 sewerer communities, where the total local planning costs were about three times higher than the grant award.

Figure 1. Eligible Communities under Proposed Option 1

DRAFT Option 1 Eligibility

- Meets Option 1 Eligibility Criteria
- Not Eligible
- County / Collaborative Groups

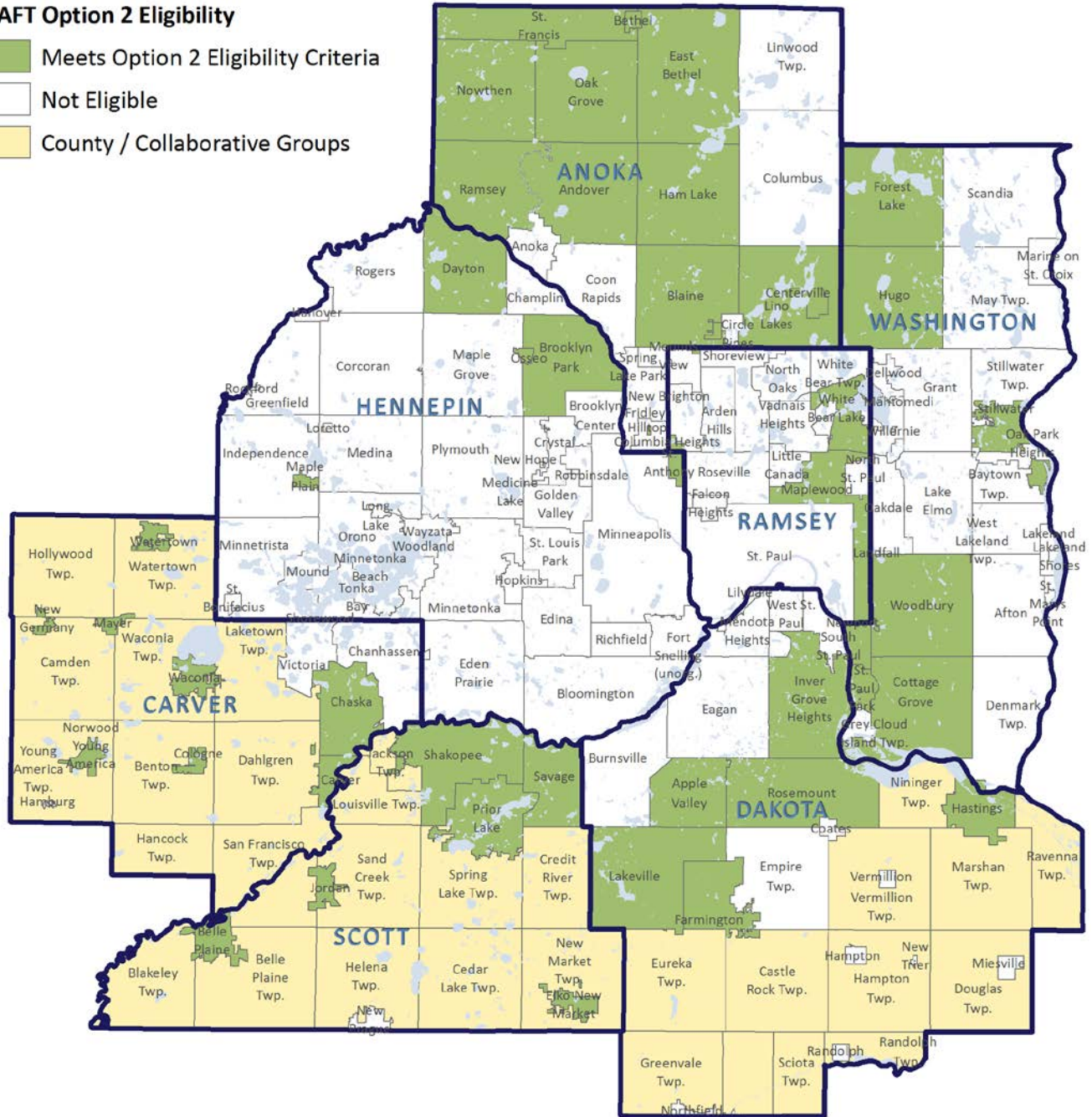


The eligibility illustrated above uses the criteria detailed in Table 1 of this report, but updates the criteria to include the *Thrive MSP 2040* adopted 2040 forecasts and 2014 net tax capacity (NTC) values from the Minnesota Department of Revenue, Property Tax Division. Three hundred percent of the median NTC for all communities in the metropolitan area in 2014 is equal to \$11,937,648.

Figure 2. Eligible Communities under Proposed Option 2

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- Meets Option 2 Eligibility Criteria
- Not Eligible
- County / Collaborative Groups

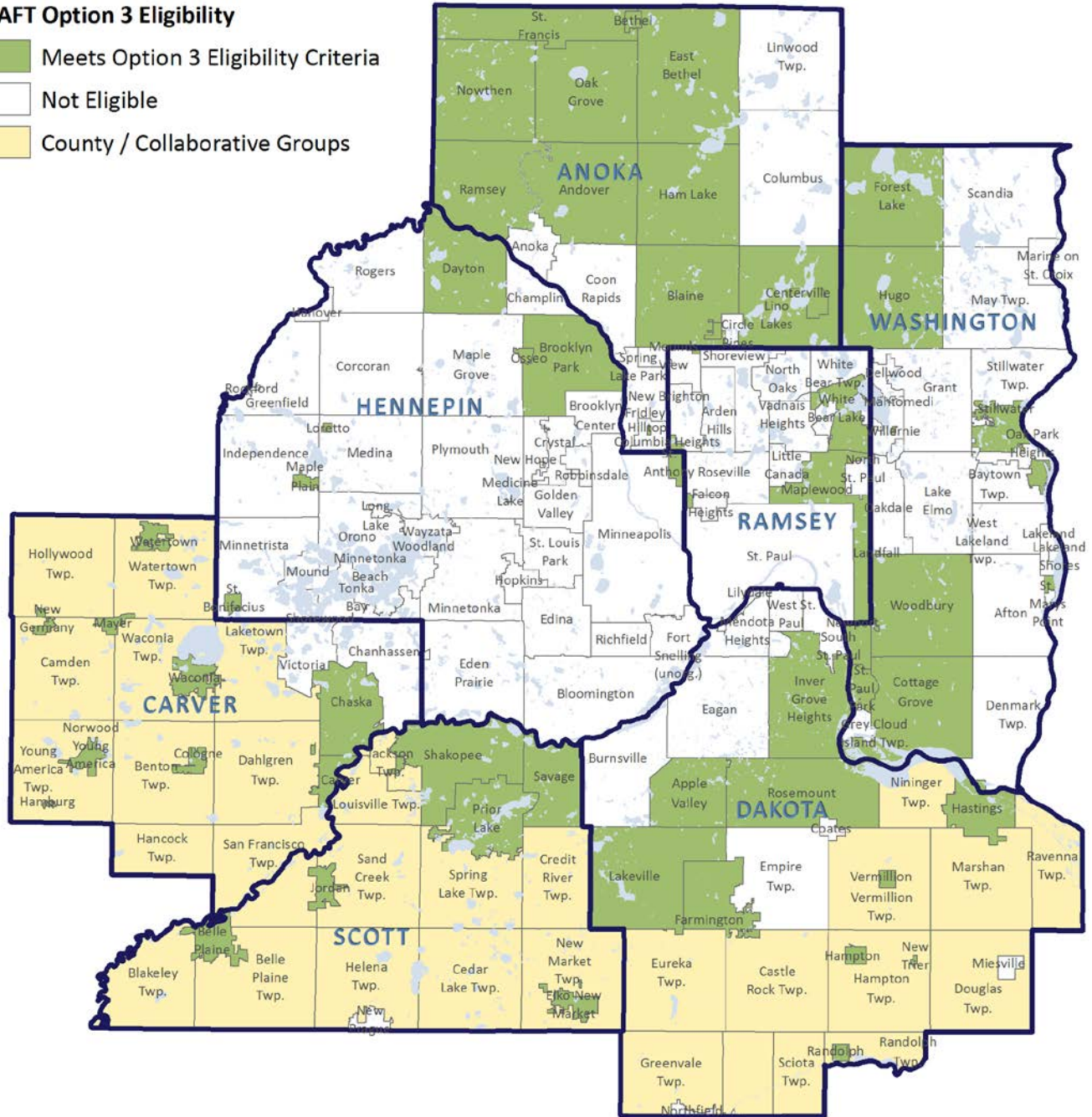


The map above illustrates potentially eligible communities using net tax capacity *per capita*, rather than total community net tax capacity. The median net tax capacity per capita in 2014 is equal to \$1,116. The eligibility analysis also uses the same household growth criterion used in Option 1.

Figure 3. Eligible Communities under Proposed Option 3

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- Meets Option 3 Eligibility Criteria
- Not Eligible
- County / Collaborative Groups



The map above illustrates potentially eligible communities for Option 3 using the same criteria used in Option 2 along with additional communities that have a population less than or equal to 5,000 and a below median net tax capacity per capita. Additional communities include: Hamburg, Hampton, Landfall, Lake St. Croix Beach, Lauderdale, Loretto, New Trier, Randolph, St. Bonifacius, Vermillion, and Willernie.

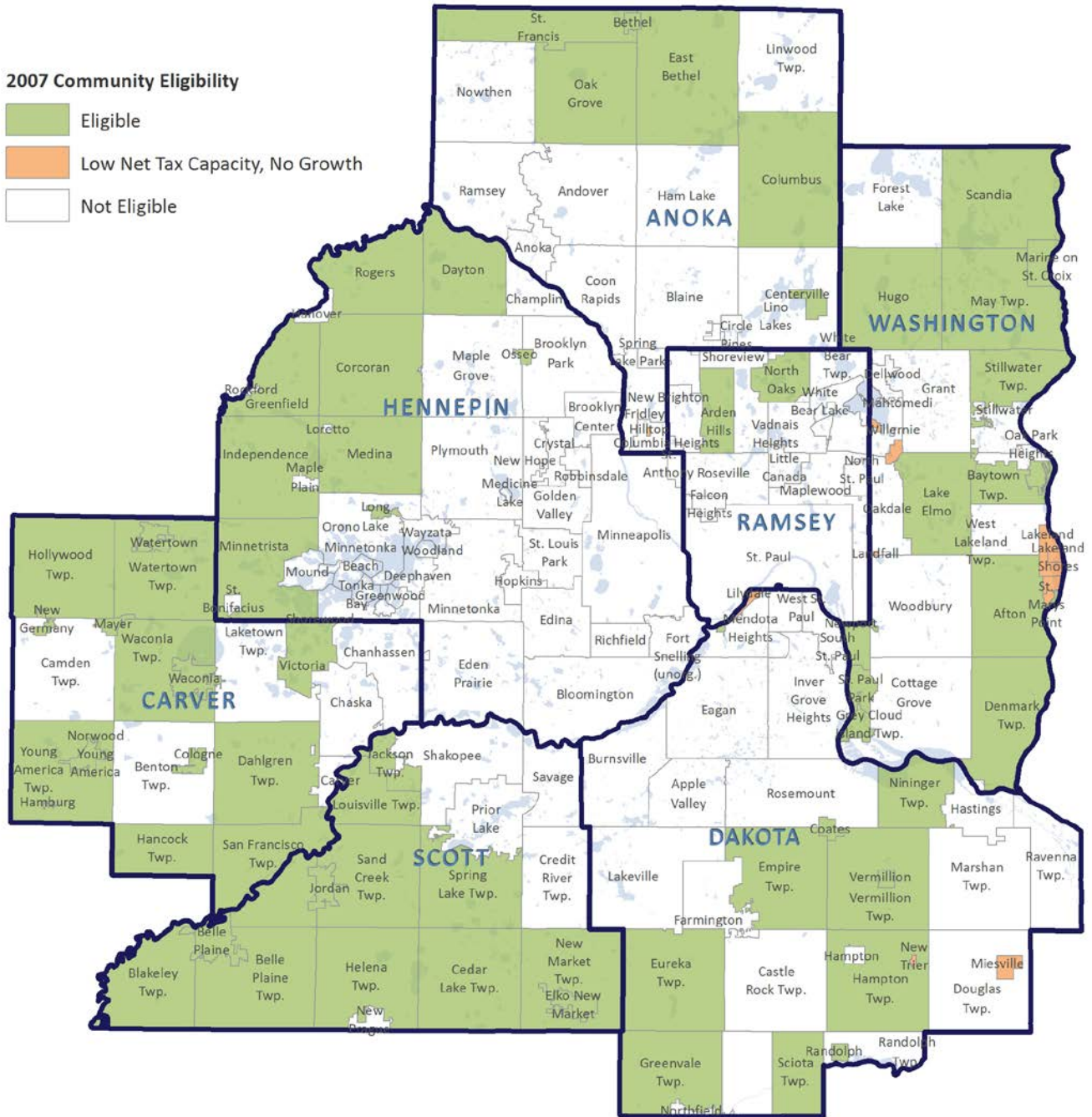
Figure 4. List of Potentially Eligible Communities

SEWERED COMMUNITIES			
	Opt. 1	Opt. 2	Opt. 3
Andover		•	•
Apple Valley		•	•
Bayport	•	•	•
Belle Plaine	•	•	•
Bethel	•	•	•
Blaine		•	•
Brooklyn Park		•	•
Carver	•	•	•
Centerville	•	•	•
Chaska		•	•
Cologne	•	•	•
Columbus	•		
Cottage Grove		•	•
Dayton	•	•	•
East Bethel	•	•	•
Elko New Market	•	•	•
Farmington		•	•
Forest Lake		•	•
Gem Lake	•		
Hamburg			•
Hastings		•	•
Hilltop	•	•	•
Hugo		•	•
Independence	•		
Inver Grove Heights		•	•
Jordan		•	•
Lake Elmo	•		
Lakeville		•	•
Landfall			•
Lauderdale			•
Lexington	•	•	•
Lilydale	•		
Lino Lakes		•	•
Long Lake	•		
Loretto			•
Maple Plain	•	•	•
Maplewood		•	•
Mayer	•	•	•
Mendota	•		
New Germany	•	•	•

Newport	•	•	•
Norwood YA	•	•	•
Oak Park Heights	•		
Osseo	•	•	•
Prior Lake		•	•
Ramsey		•	•
Rosemount		•	•
Savage		•	•
Shakopee		•	•
St. Anthony	•	•	•
St. Bonifacius			•
St. Francis	•	•	•
St. Paul Park	•	•	•
Stillwater		•	•
Vermillion			•
Victoria	•		
Waconia	•	•	•
Watertown	•	•	•
White Bear Lake		•	•
Willernie			•
Woodbury		•	•

UNSEWERED COMMUNITIES			
	Opt. 1	Opt. 2	Opt. 3
Baytown Twp.	•		
Corcoran	•		
Denmark Twp.	•		
Empire Twp.	•		
Greenfield	•		
Ham Lake		•	•
Hampton			•
Lakeland Shores	•		
Lake St. Croix Beach			•
Marine on St. Croix	•		
May Twp.	•		
New Trier			•
Nowthen	•	•	•
Oak Grove	•	•	•
Randolph			•
Scandia	•		
Stillwater Twp.	•		

Figure 5. Eligible Communities for 2007 Planning Grants



Eligibility illustrated on this map reflects the criteria used in the 2007 planning grant cycle, as described on page 3 of this report. The criteria included net tax capacity below 300% of the regional median and household growth through the year 2030 above the regional median. The Council also identified communities that had low net tax capacity and no projected growth as eligible for additional technical assistance.