

Information Item

Land Use Advisory Committee



Meeting Date: January 16, 2025

Topic

Planning Assistance Grants and Support for Imagine 2050 Comprehensive Planning

District(s), Member(s):	All Districts and Council members
Policy/Legal Reference:	Minnesota Statute 473.191 and 472.867
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Division/Department:	Local Planning Assistance, Community Development

Background

The Met Council provides planning assistance grants to eligible communities in the region for comprehensive plan updates. At the start of each planning cycle, the Met Council evaluates the criteria for assistance and identifies eligible communities. At its meeting on January 16, the Land Use Advisory Committee (LUAC) will consider options for Imagine 2050 comprehensive planning assistance programs. The Committee will review:

- Thrive 2040 planning assistance grant criteria and eligible communities
- Imagine 2050 planning assistance grant eligibility, if criteria remain the same
- Potential changes to criteria for planning assistance grants and impact on coverage
- Addition of a new technical planning assistance program – The Small Communities Program – including goals, operation, potential criteria, and eligibility coverage

This and future conversations at LUAC and the Community Development Committee (CDC) will determine the planning assistance programs the Met Council will initiate in late 2025, following issuance of decennial System Statements.

Statutory Authority for Planning Assistance and Criteria for Eligibility

Under Minnesota Statute, the Met Council can provide grants, loans or other types of assistance to support communities in updating their local comprehensive plans. Provision of assistance is based on demonstrated need and 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 community planning.
- [Minn. Stat. §473.867 Planning Assistance: Grants; Loans](#), Subdivision 3, states that in making grants and loans, the council shall base its decisions on the recipient's demonstrated need and available financial resources.

The Met Council's Planning Assistance fund has been used to provide grants to eligible communities in previous comprehensive planning cycles, based on qualifying criteria determined by the Met Council.

Table 1 shows the funding categories and communities served in the past two planning cycles.

During the 2030 Regional Development Framework, 50 local communities were eligible for grants ranging from \$15,000 to \$50,000. During Thrive MSP 2040, 70 communities were eligible for funding ranging from \$10,000 to \$84,000.

Table 1. Planning Assistance Grants for 2030 and 2040 cycles

Community Type	2030 Regional Development Framework		Thrive MSP 2040	
	# of communities	Grant Amounts	# of communities	Grant Amounts
Unsewered	11	\$ 15,000	3	\$ 20,000
Sewered	36	\$ 20,000	43	\$ 32,000
"Small Cities"	NA	\$ --	21	\$ 10,000
County/Consortium*	3	\$ 50,000	3	\$ 84,000
TOTALS	50	\$ 1,035,000	70	\$ 1,898,000

For each planning cycle, the Met Council identifies criteria for grant eligibility based on consideration of demonstrated need and available financial resources. Table 2 details criteria for the last two planning cycles, 2030 and 2040.

Table 2. Planning Assistance Grants eligibility criteria for 2030 and 2040 planning cycles

	Net Tax Capacity [NTC] (metro median* = 100%)	30-year Population Growth Rate compared to metro median	Current Population
Planning Assistance Grants			
2030 Framework General Eligibility	Community NTC less than or equal to 300% metro median NTC	Greater than or equal to metro median population growth rate	
2030 Framework County/ Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan updates		
2040 Thrive General Eligibility	Community NTC per capita less than or equal to 100% of metro median NTC Per Capita	Greater than or equal to metro median population growth rate	
2040 Thrive Small Cities Eligibility	Community NTC per capita less than or equal to 125% of metro median NTC Per Capita		Less than or equal to 5,000
2040 Thrive County/ Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan updates		

* The metro median Net Tax Capacity for Framework was about \$4,030,000. The metro median Net Tax Capacity per Capita for Thrive was \$1,116.

Rationale for Criteria

The criteria for planning assistance are intended to identify need and financial capacity.

- Net Tax Capacity (NTC) and NTC Per Capita (NTC/capita) of a community relative to the regional median is a proxy for financial capacity.
- Growth rate can be a proxy for need, since fast growing communities may have many more things to consider in land use planning.
- Population is a proxy for need, since small communities may lack the staff or the planning expertise to undertake a comprehensive plan update.
- The consortium approach has been utilized for townships and very small cities in rural



settings or where the county still manages land use planning for the townships.

Grant Amounts Compared to Total Planning Costs

The planning assistance grants have been a popular and important resource to eligible communities in the region. The grant levels assist with, but do not fully cover, the costs of a comprehensive plan update.

After the last two planning cycles, grant communities estimated the total cost of their plan update process. The estimates varied tremendously, depending on the cost of consulting services and the valuation of staff time spent. At the bottom end, some communities reported spending as little as twice the grant amount received, while other communities reported spending as much as eight times the grant amount.

Since self-reporting lacks standards on how to estimate planning needs and costs, and the reported spending varied widely even among communities of a similar size and situation, the information received has not helped predict what communities will spend on comprehensive plan updates.

Evaluating Criteria for Imagine 2050 Grants

To get a baseline for potential grant eligibility for Imagine 2050, the criteria for Thrive MSP 2040 were applied, based on current population forecasts and net tax capacity data. This preliminary analysis is based on current information, which will be updated to determine final eligibility.

If criteria from Thrive MSP 2040 are utilized for Imagine 2050, it is estimated to have the following effect:

Table 3. Planning Assistance Grants eligibility for 2040 and 2050 cycles

Comparison of Grant Eligible Communities under Thrive 2040 and Imagine 2050 based on Thrive criteria			
Community Waste Service Type	Eligible for both Thrive & Imagine	Newly Eligible (for Imagine)	No Longer Eligible (from Thrive)
Unsewered	10	1	1
Sewered	33	6	11
Municipal (Rural Centers)	13	1	1
County/Consortium	2 counties (19 communities)	No limit on who is eligible	No limit on who is eligible
TOTALS	56	8	13

Based on Table 3, if eligibility criteria remain the same from Thrive MSP 2040 to Imagine 2050:

- 56 communities eligible for grants under Thrive would remain eligible under Imagine.
- 8 new communities would be eligible under Imagine that were not eligible under Thrive.
- 13 communities that received planning assistance grants under Thrive would no longer qualify because either their NTC/capita now exceeds the criteria (6), their growth rate has dropped below the regional growth rate (6), or their population now exceeds 5,000 (1).

Important Note: The above analysis only applies to criteria; it does not consider total funding and grant levels available for Imagine 2050 planning assistance grants. This has yet to be determined.

Lessons Learned

- Local governments rely on and appreciate the planning assistance grant program as a



standard part of their comprehensive planning process.

- Grants alone were not sufficient assistance to help the small communities complete their plans.
- Small communities struggled more than larger communities with having the technical and professional resources to update their comprehensive plans.
- Often smaller communities were using consultants, and sometimes those consultant costs were very high, or higher than local governments were expecting. This sometimes impacted a community's ability to finalize their plan.
- There did not appear to be a significant difference in the effort communities undertook to update their comprehensive plan based on whether they were in a high growth or low growth community.
- In the process, focusing on criteria to build the grant program was the most helpful approach.
- Standards for reporting expenditures for comprehensive plan updates may better help understand the extent of assistance planning grants provide to local governments.

Potential Changes to Grant Criteria

Review of potentially eligible communities indicates that there may be communities with significant need and capacity limitations that will not be served under existing criteria.

Communities not being served if current grant criteria are extended for the 2050 cycle

1. Communities larger than 5,000 Population with low NTC/capita and slow growth:
 - a. Many of the communities with low NTC/capita are also communities experiencing slow growth. They nevertheless must update their comprehensive plans and address the same content as fast-growing communities and may have limited resources to do so.
 - b. Under existing criteria, some of the region's largest communities that are forecasted to grow faster than the region are eligible for a grant if their NTC/capita equals or is only a bit lower than the region's median NTC, while a community with NTC/capita significantly lower than the region and growing slowly is not eligible.
 - c. Slow growth and low NTC/capita are commonly experienced in older, developed communities, who need to plan thoughtfully for infill and redevelopment, affordable housing, and engagement with diverse populations. The premise that fast-growing communities may need to do more planning than slow-growing communities may not be accurate.

Potential approach to serving these communities – Revise the grant eligibility criteria to better reach low NTC communities.

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 the consultant proposals and documents.

Potential approach to serving these communities – Initiate technical planning assistance for comprehensive plan updates under a new "Small Communities Program," with criteria based on combined consideration of financial and professional capacity.

Proposed Revision to Eligibility Criteria for Planning Assistance Grants

Potential New Eligibility Criteria – Shift eligibility to medium and small communities, and to communities with low tax capacity and medium to low growth rate. Three additional options to support those highlighted in Table 2 are detailed here and shown in Table 4.

- Option A: The criteria are the same as the General Eligibility Criteria in Thrive, with the added criteria that cities must have a 2023 population under 25,000. This reduces the eligible list from 43 to 33 cities, with the rationale being that the large cities in the metro



have better financial and staff capacity to undertake comprehensive plan updates than medium and small cities. Reducing the eligible number of large cities increases the ability to serve smaller communities.

- Options B and C: These options focus on serving lower growth rate communities that have higher financial need, as indicated by a NTC/capita that is less than or equal to 75% of the metro median NTC/capita. Under these options, 18 new communities become eligible for planning grants, as well as retaining coverage for half of the communities eligible under Thrive General Eligibility Criteria. The difference between Options B and C is the growth rate – Option B growth rate is between the metro median growth rate of 16% and 7%, and Option C is growth rate of 7% or less.

It is recommended that options for Imagine 2050 planning grants be used in combination to qualify eligible communities. Current data identifies 62 communities that would be eligible under options for Imagine 2050 planning grants. This compares to 64 communities that were eligible under Thrive criteria. Communities served under options for Imagine 2050 are generally not as large and have a lower NTC/capita than communities eligible under Thrive criteria.

Table 4. Planning Assistance Grants eligibility, comparing Thrive 2040 options to proposed Imagine 2050 options

	NTC/capita (metro median* = 100%)	30-year Population Growth Rate compared to metro median**	Current Population
Planning Assistance Grants			
2040 Thrive General Eligibility	Less/equal to 100% metro median	Greater/equal to metro median	
2040 Thrive Small Cities Eligibility	Less/equal to 125% metro median		Less/equal to 5,000
2040 Thrive <u>and</u> 2050 Imagine County/Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan updates		
Imagine 2050 Option A	Less/equal to 100% metro median	Greater/equal to 16%	
Imagine 2050 Option B	Less/equal to 75% metro median	Between 7% and 16%	
Imagine 2050 Option C	Less/equal to 75% metro median	Less/equal to 7%	

*In 2014, the median NTC/capita for the metro region was \$1,116. In 2024, the median (100%) NTC/capita for the metro region was \$2,200, and 75% of the metro median was \$1,650.

**In 2014, the median forecasted 30-year Population Growth Rate for the metro region was 27%. In 2024, the median forecasted 30-year Population Growth Rate for the metro region is 16%.

Proposed Small Communities Program and Criteria

The idea of providing direct technical assistance to some of the region’s smallest communities to update their comprehensive plans has been considered for several years. It has been observed during each planning cycle that some of the smallest communities in the region often struggle to update their plans or even to use grant funds to hire a consultant. Even when consultants are hired, a lack of staff and heavy reliance on volunteer service to review planning work leads to delays and limited time to engage with Met Council staff and consultants on minimum requirements and expectations.

Met Council staff are proposing a new “**Small Communities Program**” to address the capacity limitation of the region’s smallest communities. Under the proposal, temporary planning staff would be hired onto the Local Planning Assistance team at Met Council and lead the technical work of



comprehensive plan updates for communities participating in the program. As mentioned earlier in the memo, this is outlined in Minn. Stat. § 473.191.

Program Concept

Met Council staff prepared the conceptual outline for the program that follows in consultation with planning staff from across the Met Council, small community representatives, and planning consultants who serve small communities in the region.

Program Intent: Provide technical assistance to update comprehensive plans for the region's smallest communities.

Program Goal: Reduce burden of comprehensive plan updates for the communities with the least capacity to manage them. Ensure coordinated planning for all communities within the region.

Potential Program Benefits:

- Fewer late plan submittals
- Improved communication, collaboration, and understanding between the region's smallest communities and Met Council
- Local time and effort can be focused on engagement, community conversations, and priority setting, instead of on fulfilling the technical requirements of the Plan document
- In-house learning for Met Council staff on localized challenges, and improved understanding of community needs and questions during the update process

Met Council staff further evaluated and estimated staff capacity for the number of comprehensive plan updates that can be managed under a Small Communities Program. If the comprehensive plan updates are completed at a very basic level, more plans can be managed. If the plans are in-depth, or if staff spend significant time working with community members on the planning process and engagement, then fewer plans can be produced.

Under a mid-level approach, it may be possible to update 20-30 local comprehensive plans in-house over a two-year period. The number will depend on staffing and capacity. The project plan anticipates hiring up to three temporary staff. (A staff position is technically classified as "Temporary" if the term of employment is two years or less.)

Program Eligibility

The Small Communities Program would complement the Planning Assistance Grants and enable the Met Council to increase the number of communities served with some form of comprehensive planning assistance. Potential eligibility for the program has been discussed with a sampling of Met Council staff, community representatives, and planning professionals, and compared to criteria for the grants. The result is three potential sets of eligibility criteria for the Small Communities Program.

The three levels consider local capacity to update a comprehensive plan as a relationship between financial capacity (as measured by NTC/capita) and staff/professional capacity (as measured by Population). Theoretically, the smaller a community is, the less able it is to compensate for lack of local staff and expertise with its financial capacity to hire and manage consultants.

Community eligibility under the three levels shows a significant overlap with communities that are eligible for grants under current grant criteria. If the Small Communities Program serves some of the region's smallest communities, then the Met Council can determine if:

- a) It retains the existing grant criteria and lets the communities eligible for a grant or technical assistance choose which one to utilize.
- b) It revises grant criteria to reduce or eliminate the overlap in communities eligible for a grant or direct planning assistance.

In either scenario, and under Minnesota Statute, communities eligible for planning assistance can choose whether to use it. The potential eligibility levels for the Small Communities Program (SCP)



are identified in Table 5 on the next page. The Met Council can choose one level or combine two or more levels.

Table 5. Small Communities Program eligibility criteria and levels, and number of eligible communities

	NTC/capita (metro median = 100%)	30-year Population Growth Rate compared to metro median	Current Population	# of Eligible communities for Small Communities Program	# of communities also eligible for Planning Grant Program*
Small Communities Program					
Level 1	Less/equal to 125% metro median	Less than metro median	Under 2,500	17	10
Level 2	Less/equal to 150% metro median		Under 1,000	21	10
Level 3	Less/equal to 175% metro median		Under 500	13	5

*See Table 2 for information on Planning Assistance grant options.

Comparison of Planning Assistance Options

The opportunities for planning assistance for Imagine 2050 will be either in the form of a planning assistance grant or direct planning support under the Small Communities Program. Tables 2 and 5 identified potential eligibility criteria and options for grants or direct assistance. Table 6 is a comprehensive overview of all options and shows similarities and differences. The options for Imagine 2050 planning assistance were crafted to reduce overlap and maximize the number of communities eligible for some form of assistance. To be most effective, all of the identified Imagine 2050 planning options should be used together.

Table 6. Comparison of Planning Assistance Options for Thrive 2040 and Imagine 2050 Grants and the Small Communities Program

	NTC/capita (metro median = 100%)	30-year Population Growth Rate compared to metro median	Current Population	# eligible communities
Planning Assistance Grants				
2040 Thrive General Eligibility	Less/equal to 100% metro median	Greater/equal to metro median		43
2040 Thrive Small Cities Eligibility	Less/equal to 125% metro median		Less/equal to 5,000	35
2040 Thrive <u>and</u> 2050 Imagine County/Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan updates			Open ended
Imagine 2050 Option A	Less/equal to 100% metro median	Greater/equal to 16%	Under 25,000	33
Imagine 2050 Option B	Less/equal to 75% metro median	Between 7% and 16%		13
Imagine 2050 Option C	Less/equal to 75% metro median	Less/equal to 7%		16



Small Communities Program (SCP)				
Level 1	Less/equal to 125% metro median	Less than metro median	Under 2,500	17
Level 2	Less/equal to 150% metro median		Under 1,000	21
Level 3	Less/equal to 175% metro median		Under 500	13

Note: Some communities may qualify for the criteria under more than one option or level but will only be able to receive one form of assistance, a grant or participation in the Small Communities Program.

Discussion and Questions to Consider

- a) Is there interest in reconsidering the planning assistance grant eligibility criteria for Imagine 2050?
 - i. If yes, which criteria should be adjusted and how?
- b) Does the concept and outline for the Small Communities Program make sense? What questions or suggestions do you have?
- c) What do you think of the eligibility criteria levels for the Small Communities Program?
- d) What additional information would be helpful to inform consideration of comprehensive plan update assistance for Imagine 2050.



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

