

# Information Item

Land Use Advisory Committee



**Meeting Date:** March 20, 2025

## Topic

Small Communities Planning Program and Planning Assistance Grant Program Eligibility Criteria Options

<b>District(s), Member(s):</b>	All Districts and Council members
<b>Policy/Legal Reference:</b>	Minnesota Statute 473.191 and 472.867
<b>Staff Prepared/Presented:</b>	Merritt Clapp-Smith, Senior Planner, (651) 602-1567
<b>Division/Department:</b>	Local Planning Assistance, Community Development

## Background

On January 16, 2025, Council staff provided an overview to the Land Use Advisory Committee (LUAC) on planning assistance options the Met Council could offer to communities for Imagine 2050 comprehensive plan updates. The planning assistance options included direct financial assistance through grants, similar to that provided by the Met Council for the 2030 and 2040 planning cycles, and a new Small Communities Program to provide direct technical assistance on updates.

LUAC members expressed strong support for the Small Communities Program, and discussed how potential changes to eligibility criteria for planning assistance grants might shift the number and types of communities served. LUAC members asked staff to closely analyze the relationship between the grant criteria and communities served, in preparation for the next meeting.

At its meeting on March 20, LUAC will continue considering planning assistance options and the eligibility criteria that qualify communities for assistance. The Committee will review:

- Thrive MSP 2040 planning assistance grant criteria and eligible communities
- Proposed changes to grant criteria and types of communities served for the 2050 planning cycle
- Proposed criteria for the new technical planning assistance option, the Small Communities Program, and types of communities served

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. Per statute, 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 “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. During the 2030 planning cycle, 50 local 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.

The budget for Imagine 2050 planning assistance grants will be determined in Fall 2025. For the purposes of planning, we will assume a similar budget, adjusted for the cost of inflation.

### Criteria for Planning Assistance

The Met Council identifies criteria for planning assistance based on consideration of demonstrated need and available financial resources. Eligibility criteria used during the 2030 and 2040 planning cycles included:

- **Net Tax Capacity (NTC) and NTC Per Capita (NTC/capita)** 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 (Carver County and Scott County).

### Evaluating Criteria for Imagine 2050 Grants

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.

### 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 consulted with 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 in a. above.

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.
  - b. Planners at the Met Council and consulting planners who worked with a range of community types during the 2040 planning cycle overwhelmingly identified community size as the largest determinate of need for planning 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.

### **Proposed Revision to Eligibility Criteria for Planning Assistance Grants**

Following the January 16 LUAC meeting, Council staff analyzed multiple sets of eligibility criteria for planning assistance and considered which criteria best served communities with a higher need for assistance. Criteria were refined to eliminate overlap in eligibility and distinguish between communities qualifying for grants or the Small Communities Program.

The result is a revised set of proposed criteria for planning assistance grants to serve 63 eligible communities, and the previously proposed set of criteria for the Small Communities Program to serve 30 eligible communities.

#### 2040 Planning Cycle Grant Criteria – 63 communities eligible

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.

#### Proposed 2050 Planning Cycle Grant Criteria - 63 communities eligible

A community would be eligible for a planning assistance grant under the proposed 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 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 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.

#### Proposed Small Communities Program – 30 communities eligible – New for 2050

A community would be eligible for direct planning assistance to have their comprehensive plan updated under the new Small Communities Program, if they meet one of three sets of criteria:

- Current population is under 500 AND net tax capacity per capita 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 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 2040 planning grant criteria (based on current data), the proposed 2050 planning grant criteria, and the Small Communities Program criteria.

Table 1. Planning Assistance eligibility criteria and communities served under 2040 and 2050 criteria.

	Current Population	NTC/capita (metro median = 100%)	30-year Population Growth Rate compared to metro median	# of Communities Eligible for Planning Assistance
<b>Planning Assistance Grants</b>				
<b>2040 Planning Grant</b> <i>Current Eligibility</i>	Less/equal to 5,000	Less/equal to 125% metro median		63
	OR			
		Less/equal to 100% metro median	Greater/equal to metro median	
<b>2050 Planning Grant</b> <i>Proposed Eligibility</i>	2,500 to 14,999	Less/equal to 125% metro median		63
	OR			
	15,000 to 35,000	Less/equal to 100% metro median		
<b>2040 and 2050 Planning Grants</b> County/ Consortium	County or consortium of 5+ communities working collaboratively on comprehensive plan update			At least 2
<b>Small Communities Program</b>				
<b>2050 Planning Assistance:</b> <i>Proposed Small Communities Program Eligibility</i>	Under 500	Less/equal to 175% metro median		30
	OR			
	500 to 999	Less/equal to 150% metro median		
	OR			
	1,000 to 2,500	Less/equal to 125% metro median		

A comparison of the types of communities served under the 2040 planning grant criteria, and the proposed 2050 planning grant criteria and Small Communities 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 by Community Designation

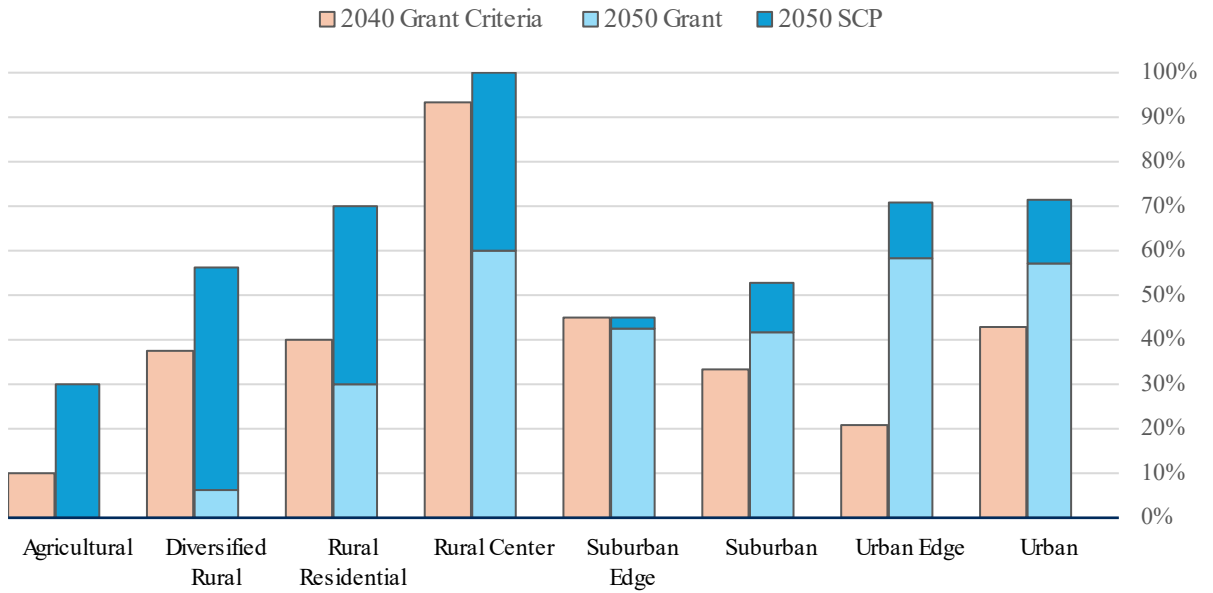


Table 2 shows that the combined effect of the criteria for the 2050 planning grants and Small Communities Program would serve the same or more communities across all community designations than under the 2040 criteria, with a significant improvement in service to Agricultural, Rural Residential, and Urban Edge communities.

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

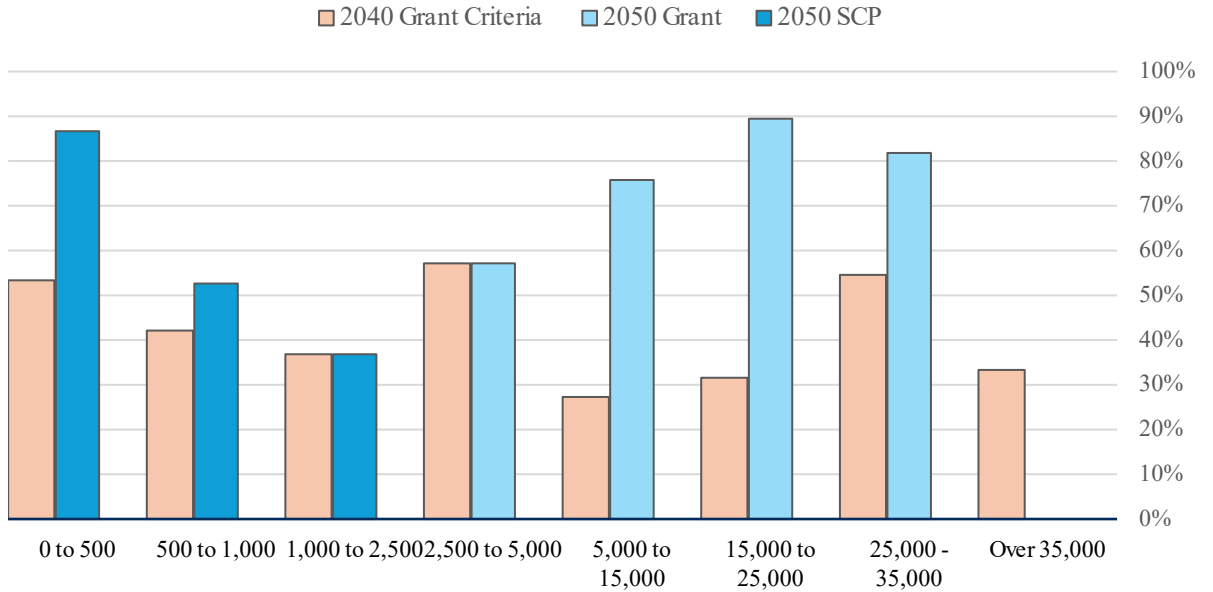
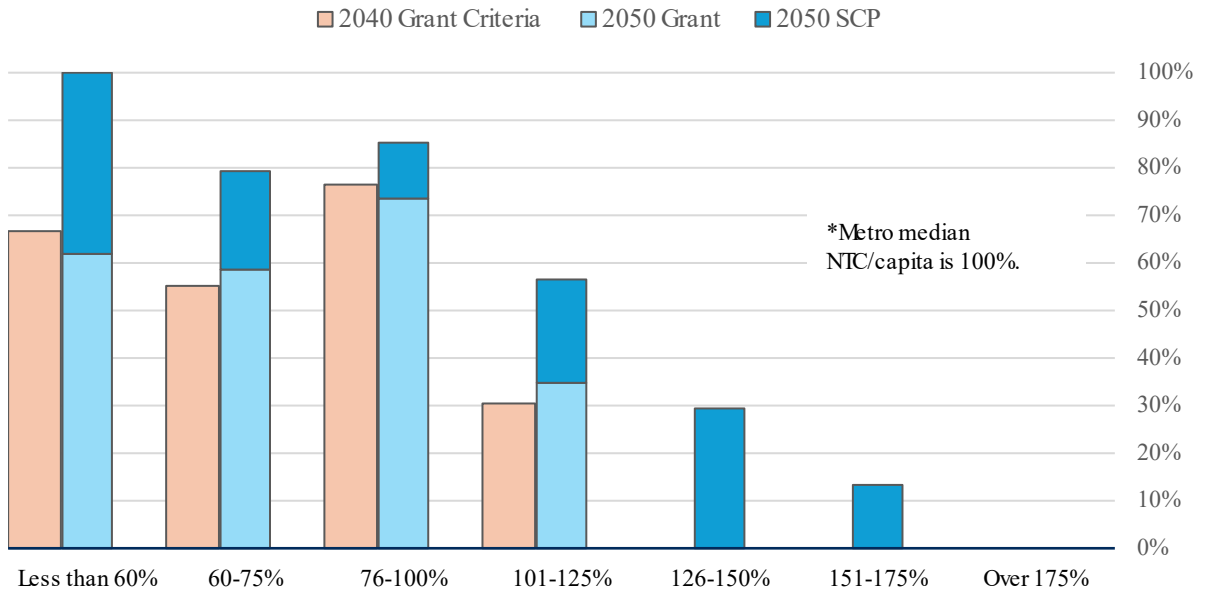


Table 3 shows that the combined effect of the criteria for the 2050 planning grants and Small Communities Program would significantly improve service to communities with populations under 500; and between 5,000 to 25,000; but would not serve communities over 35,000 population.

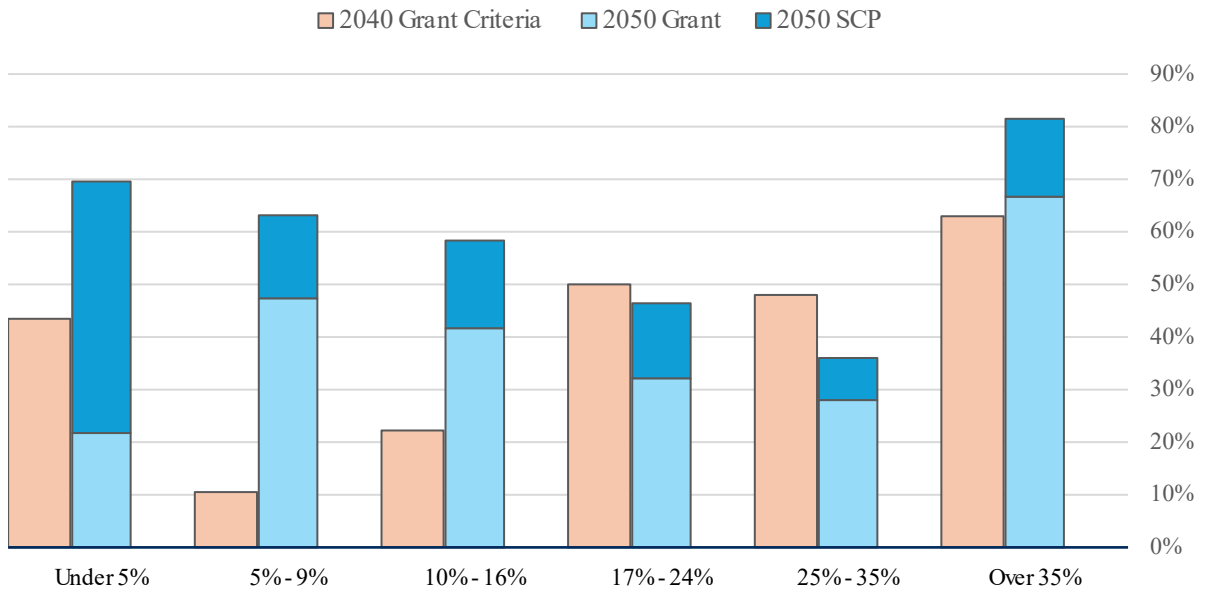
Table 4. Percent of Communities Eligible for Planning Assistance by Net Tax Capacity per Capita\*



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

Table 4 shows that the combined effect of the criteria for the Imagine 2050 grants and Small Communities Program would serve more communities across all net tax capacity per capita levels, except over 175%. The Small Communities Program serves very small communities with higher net tax capacity per capita than served under the 2040 planning grants, with the rationale being 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 criteria for the Imagine 2050 grants and Small Communities Program 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 on the suburban edge.

## Discussion and Questions to Consider

1. What feedback do you have about the proposed grant eligibility criteria for the 2050 planning cycle?
2. Do you want to provide a similar number of grants for the 2050 planning cycle as for the 2040 planning cycle (about 63 grants)?
3. What additional information would be helpful to inform consideration of Comprehensive Plan update planning assistance for the 2050 planning cycle?





# 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	<b>*Includes the following:</b>
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

