

Information Item

Land Use Advisory Committee



Meeting Date: May 15, 2025

Topic

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

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

Background

On January 16, 2025, Met Council staff provided an overview to the Land Use Advisory Committee (LUAC) on planning assistance options the Met Council could offer to communities for 2050 comprehensive plan updates. Two forms of planning assistance include direct financial assistance through grants, similar to those provided by the Met Council for the 2030 and 2040 planning cycles, and a new Small Communities Planning Program to provide direct planning services to complete local plan updates.

The 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. The 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, the LUAC further considered the planning assistance options and the eligibility criteria that might qualify communities for assistance. The Committee reviewed:

- 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 direct planning services option, the Small Communities Planning Program, and types of communities served

The Committee indicated support for the proposed changes to the grant eligibility criteria and the shift in the types of communities served, and support for the Small Communities Planning Program proposed eligibility criteria and types of communities served.

On May 5, 2025, the Community Development Committee (CDC) heard an update on the planning assistance programs and the Land Use Advisory Committee's consideration of eligibility criteria and communities served. The CDC members expressed strong support for the Small Communities Planning Program and its proposed eligibility criteria. They were intrigued by the potential adjustments to planning grant eligibility criteria and the tradeoffs in determining which communities have the greatest need for assistance. They look forward to hearing more about the upcoming considerations and recommendations of the LUAC.

At its meeting on May 15, 2025, the LUAC will continue discussing the local planning assistance programs and eligibility. Since many new members are joining the LUAC, Council staff will review what the committee has learned and discussed to date and engage new members in the dialogue. Based on the conversation, the committee can provide clear direction to Met Council staff on which criteria to use in identifying potentially eligible communities. Staff will return to the committee in July 2025 with a list and map of potentially eligible communities.

Statutory Authority for Planning Assistance and Criteria for Eligibility

The Metropolitan Land Planning Act enables 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 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 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 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 2050 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.

Lessons Learned from 2040 Planning Assistance Grant Program

Following completion of the 2040 comprehensive planning cycle, Council staff solicited input from communities on the comprehensive planning experience, received data from grantees about their full, estimated planning costs, and discussed their observations with one another. Key findings related to planning assistance include:

- 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.

These findings and subsequent analysis by Council staff, help inform potential changes to planning assistance programs and eligibility criteria for the 2050 planning cycle.



Proposed Small Communities Planning 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 Planning 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 Planning 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 Planning 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 Council staff, community representatives, planning professionals, and the Land Use Advisory Committee. The eligibility criteria will be similar to those used for planning assistance grants, and adjusted to avoid overlap in eligibility between the two 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).
- **Cities of 1st class not eligible for planning assistance grants**

The Met Council has exempted Cities of the 1st Class (over 100,000 population – St. Paul and Minneapolis) from receiving comprehensive planning assistance grants in the past, with the rationale that the largest cities had significantly more staff and financial resources than other communities in the region to manage the plan update.

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 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. 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 determinate 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 rural communities in geographic proximity working collaboratively to update their comprehensive plans.
 - The underlined text is suggested for addition to the consortium criteria language to more clearly state the types of communities it is intended for and has been used by.

***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 by Community Designation

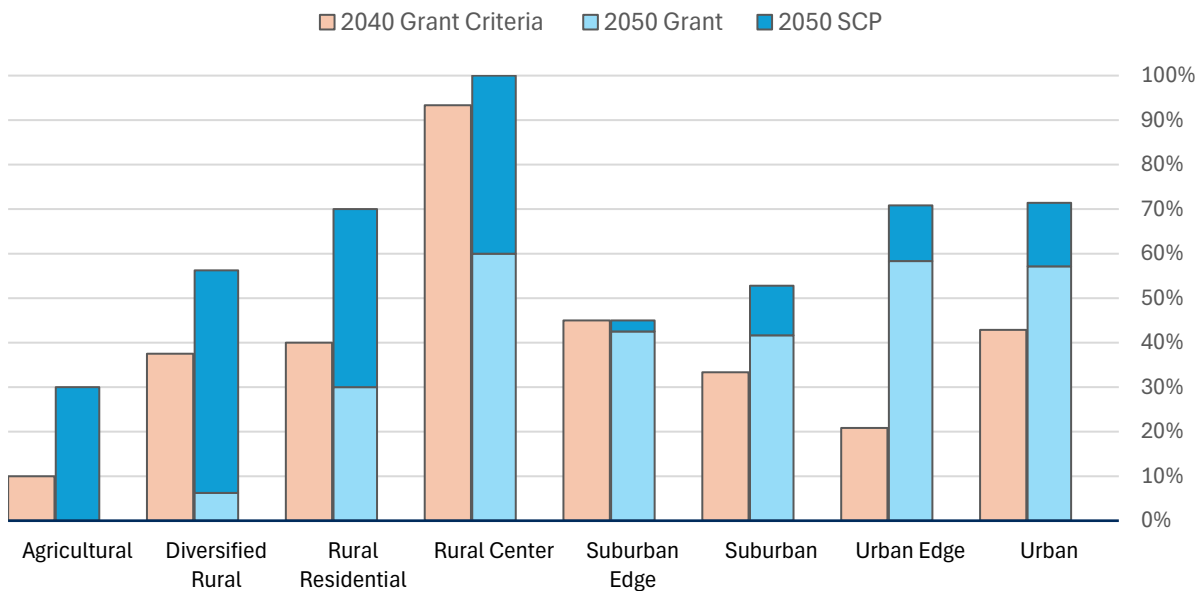


Table 2 shows that the combined effect of the eligibility criteria for both programs would serve the same or more communities across all community designations than under the 2040 criteria, with a significant improvement in service to Agricultural, Rural Residential, and Urban Edge communities.

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

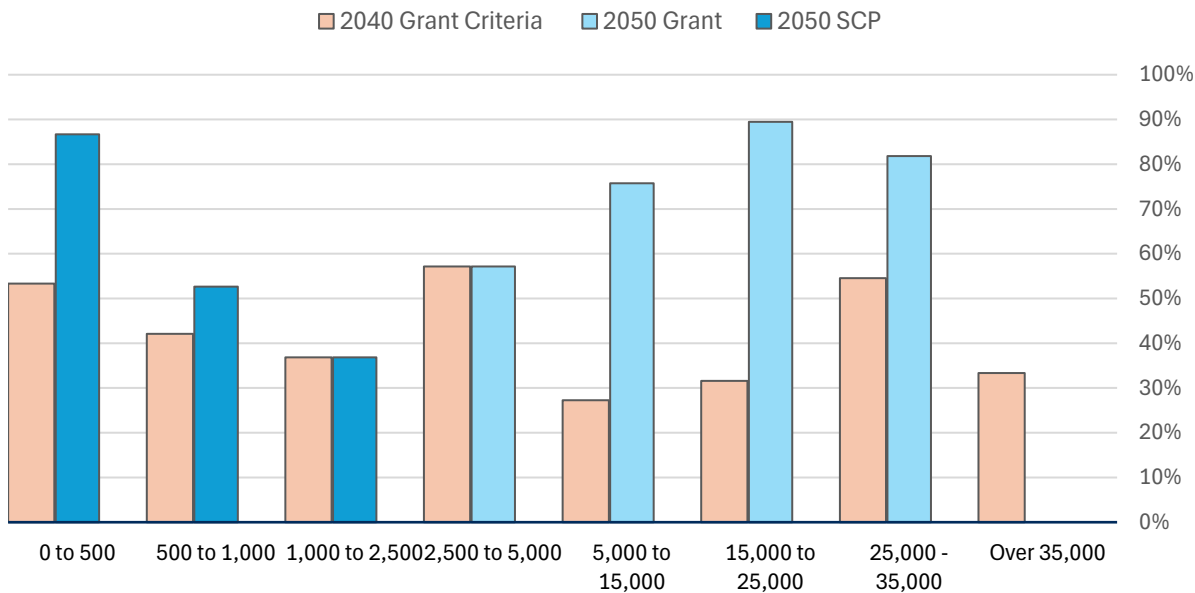
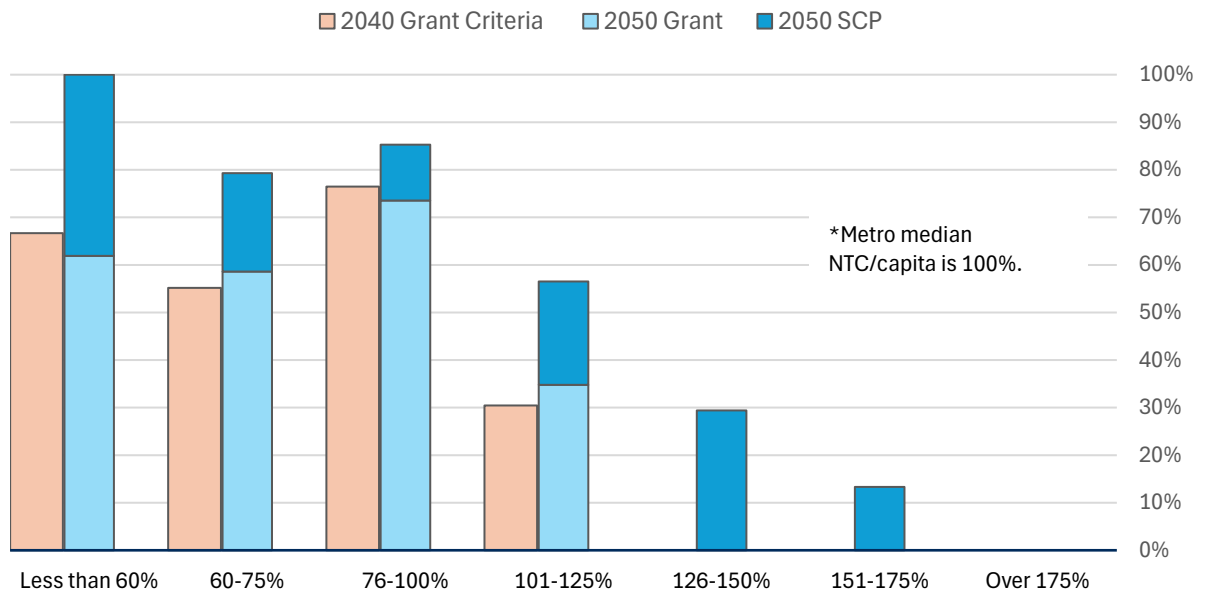


Table 3 shows that the combined effect of the eligibility criteria for both programs would significantly improve service to communities with populations under 500; and between 5,000 to 25,000; but would not serve communities over 35,000 population.

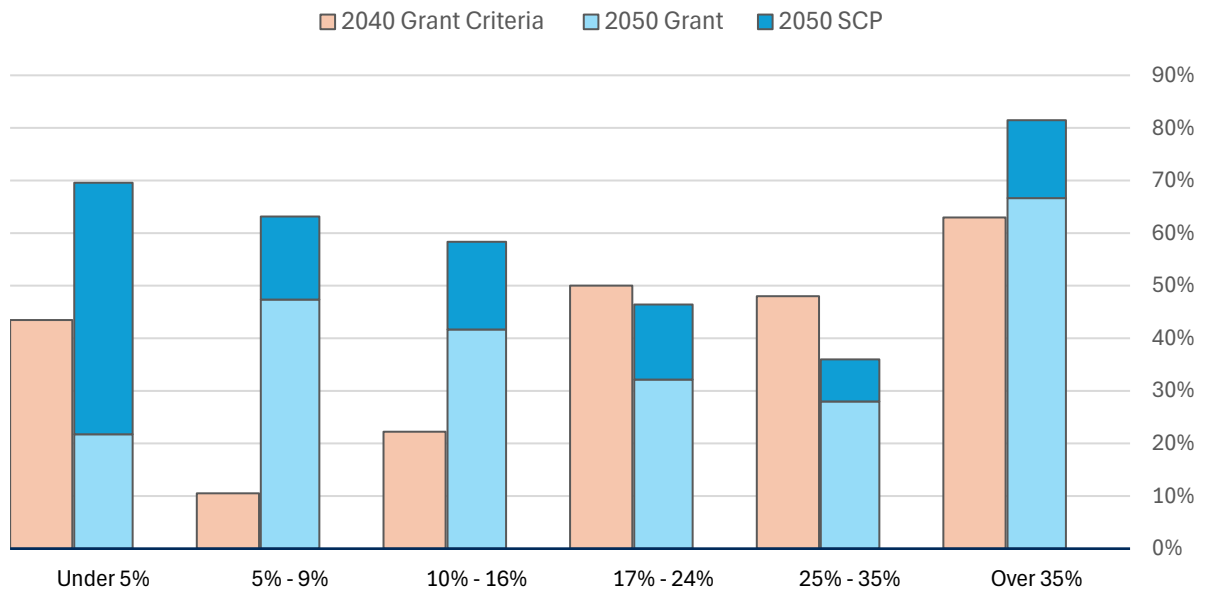
Table 4. Percent of Communities Eligible for Planning Assistance by Net Tax Capacity per Capita*



*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.

Preparing for the Small Communities Planning Program

The new Small Communities Planning Program will be an important new initiative and work program for Community Development's Local Planning Assistance team. While the eligibility criteria is under review, Met Council staff continue to work on other program development tasks. Next steps focus on setting up internal structures and processes and drafting a scope of work for individual comprehensive plan development summarized as follows:

1. Identify key tasks and technical resources needed to complete the work, including how comprehensive planning requirements differ by community types.
2. Assess extent of planning and engineering services needed to complete required plan elements and minimum requirements.
3. Establish eligibility criteria and number of communities able to be served in the program.
4. Identify staffing needs and confirm available budget.
5. Develop a communications and outreach plan to engage eligible communities.

Preparing for the Comprehensive Planning Assistance Grants

The launch of comprehensive planning assistance grants will follow the process used in previous rounds and generally consists of the following tasks.

1. Refine eligibility criteria and number of communities able to be served in the program.
2. Identify proposed budget and secure funding.
3. Develop a communications and outreach plan to engage eligible communities.
4. Prepare program guidelines and initiate contract process.

Timeline and Next Steps

In July 2025, the LUAC will review a list and map of potentially eligible communities, discuss refinements to proposed criteria, and prepare a recommendation for the CDC.

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

The full Met Council is tentatively planned to consider adoption of the eligibility criteria for the Local Planning Assistance grant program and the Small Communities Planning Program in October 2025.

After the Met Council adopts its Unified Budget in December 2025, the planning assistance programs will be able to issue a Notice of Funding Availability (NOFA) to local governments and open the application period in early 2026. The NOFA will include a program guide to outline eligibility criteria, eligible uses of funds, program requirements, and the application process. The application period will remain open for an extended time to allow local governments to complete approvals required for program participation.

Discussion and Questions to Consider

1. What questions or feedback do you have about the new Small Communities Planning Program and its proposed eligibility criteria?
2. What questions or feedback do you have about the proposed Planning Assistance Grant eligibility criteria for the 2050 planning cycle?
3. In preparation for the July 17, 2025, LUAC meeting, what additional information or analysis would be helpful for the committee, in addition to a list and map of potentially eligible communities for Planning Assistance Grants and the Small Communities Planning Program?

Attachments

- Attachment 1: 2016 Planning Assistance Grants – Table of Eligible Communities
Attachment 2: 2016 Planning Assistance Grants – 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

