

## Community Development Committee

For the Metropolitan Council meeting of March 25, 2015

**Subject:** Planning Assistance Grant Program Recommendation

### Proposed Action

That the Metropolitan Council direct Council staff to implement the Planning Assistance Grant Program for this comprehensive planning cycle using the grant criteria outlined in Option 2 of the business item report.

### Summary of Committee Discussion/Questions

Committee member Jon Commers, Chair of the Land Use Advisory Committee (LUAC), presented the report and a summary of the discussions held at LUAC meetings over the last year. Committee member Wulff indicated that she was not sure whether the townships in Dakota County would work together again in this upcoming cycle and inquired how that might affect our grant program. Local Planning Assistance Manager LisaBeth Barajas responded that the townships could apply individually if they met the eligibility criteria as outlined. She indicated that there would likely be townships that would be ineligible on their own. The townships would still be eligible to apply as a group of at least 5 communities, even if their consortium did not cover all of the townships formerly involved.

Chair Cunningham asked for clarity on what Committee member Commers's recommendation would be, as he sensed some reservations. Commers explained that he was concerned about expanding the program to cover 81 communities as recommended by LUAC because of the reduction in the grant award amount that would be made available to each community. His preference would be to support Option 2 that would cover 51 communities in the same budget.

Cunningham asked about the usage in this program in the past and whether the money was used up. Barajas explained that all eligible communities in the last cycle applied and were granted dollars. She also explained that a small number of communities were required to relinquish the remaining portion of their planning grant due to not meeting the terms of their planning grant.

Committee member Munt asked whether communities with planning grants receive a higher level of technical assistance from our staff. Barajas indicated that having a grant does not change how much technical assistance is provided. Sector Representatives are available at all times to all communities in the region to assist with planning issues.

Chávez asked about what the grant represents to the total planning cost to a community. Barajas indicated that in the last cycle, our grants represented about 1/3 of the total planning costs on average. She further explained that this did vary, with some communities fitting their planning costs entirely within the grant award, while others paid more locally for planning due to larger changes to their local plans. Barajas explained that the additional resources through the Local Planning Handbook and sector representatives that the approach is to make the core requirements as clear as possible up front to prevent those from being issues at the end of the planning process.

Committee member Munt stated that she has many smaller communities in her district, many of whom lack planners or resources to complete their plans. She stated that this program and our online tools are coming a long way to help communities complete their plans.

Comparing Option 2 to the 2007 grant program, Chávez stated that he hoped the increase in planning grant amounts would be sufficient.

Commerz moved to approve Option 2 for the planning grant program. Chávez seconded. Motion passed unanimously.

## Community Development Committee

Meeting date: March 16, 2015

For the Metropolitan Council meeting of March 25, 2015

**Subject:** Planning Assistance Grant Program Recommendation

**District(s), Member(s):** ALL

**Policy/Legal Reference:** Minn. Stat. 473.867

**Staff Prepared/Presented:** Council Member Jon Commers and LisaBeth Barajas, Local Planning Assistance Manager (651-602-1895)

**Division/Department:** Community Development / Regional Planning

### Proposed Action

That the Metropolitan Council:

1. Accept the recommendations of the Land Use Advisory Committee (LUAC) regarding the Planning Assistance Grant Program, including the \$1.4 million program budget in grants to local communities and grant criteria;
2. Evaluate the LUAC recommendation; and
3. Direct Council staff to implement the Planning Assistance Grant Program for this comprehensive planning cycle, according to criteria agreed upon by the Council.

### Background

To support local governments updating their decennial local comprehensive plans, the Council provides four types of assistance: the Sector Representative Program, the *Local Planning Handbook*, the On Course Training workshop series, and the Planning Assistance Grant Program. In this planning cycle, Council staff are clearly identifying the minimum content requirements of comprehensive plans for each community and streamlining the process and expectations. The intent is not only to facilitate the local planning process, but also to support communities that choose to go beyond the minimum requirements and focus on other topics.

Because of limited funds available for the Planning Assistance Grant Program, the Council establishes eligibility to apply for grants. The Council identifies eligibility criteria to target communities most in need of financial assistance to complete their local plans. For the 2007 Planning Grant cycle, all eligible communities applied for planning grants.

Over several meetings beginning in July 2014, the Land Use Advisory Committee discussed the Planning Assistance Grant Program, eligibility criteria, and grant award amounts.

The first two tables on the next page summarize the proposed options considered by the Land Use Advisory Committee and the impact of those options. Program Options discussed by the committee appear in Table 1 (Options 1, 2, and 3). All three options include a criterion for counties or collaborations of 5 or more communities. Based on past grant cycles, the county/collaborative groups represent 32 townships. Table 2 shows the impact of options on the number of eligible communities, potential grant award amounts, and total program cost for each of the proposed options. Table 3 also describes the program summary for the LUAC recommendation and the 2007 Planning Grant Program. All of the options fall within the \$1.4 million program budget without any proposed increases.

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

**Table 2. Program Summary for Proposed Grant Program Options**

Community Type	OPTION 1		OPTION 2		OPTION 3	
	# 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
<b>TOTALS</b>	<b>47</b>	<b>\$1,395,000</b>	<b>51</b>	<b>\$1,380,000</b>	<b>62</b>	<b>\$1,379,000</b>

\* Carver County, Scott County, and the Dakota County Township Collaborative represent 32 townships. Empire Township has been separate from the Collaborative in the past.

**Table 3. LUAC Recommendation and 2007 Grant Program**

Community Type	LUAC Recommendation		2007 Grant Program	
	# of Communities	Grant Amount	# of Communities	Grant Amount
<i>Unsewered</i>	15	\$14,000	11	\$15,000
<i>Sewered</i>	63	\$16,500	36	\$20,000
<i>County/Consortium*</i>	3	\$50,000	3	\$50,000
<b>TOTALS</b>	<b>81</b>	<b>\$1,399,500</b>	<b>51</b>	<b>\$1,035,000</b>

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

### *Program Tradeoff Summary*

**Option 1** applies the same eligibility criteria used for the 2007 grants, using updated information. This option includes the fewest number of communities out of those considered, but provides the highest grant award amount per community. Option 1 primarily includes small rural towns and townships not already included as part of a consortium and geographically small communities.

**Option 2** increases the total number of eligible communities slightly and serves primarily sewerred communities with low net tax capacity per capita. The grant award amount is lower for sewerred communities than in Option 1, while the grant award amounts for unsewerred communities and county/consortium remain the same as Option 1. Option 2 includes many rural centers and covers several suburban and more urban communities.

**Option 3** includes the same eligible communities as Option 2 and adds 11 more eligible communities with small populations and low per capita net tax capacity. These communities include several geographically small communities scattered around the region. The grant award amount is decreased from the first two options for all community types under Option 3.

**The LUAC Recommendation** covers the greatest number of communities, but provides the lowest grant award amount per community. The recommendation includes all communities eligible under Option 1 and Option 3 (see Table 3). The grant award amount per community is less than the award amount in the 2007 Planning Grant Program, which covered approximately 37% of the planning costs for the 2030 comprehensive plan updates.

### **Rationale**

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 technical assistance identified above, facilitate the local planning process to ensure that the region continues to coordinate planning across all jurisdictions.

### **Funding**

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.

### **Known Support / Opposition**

There has not been any support or opposition submitted at this time.