

## Community Development Committee

For the Metropolitan Council meeting of April 27, 2016

**Subject:** Planning Assistance Grant Program Recommendation

### Proposed Action

That the Metropolitan Council:

1. Authorize staff to implement the Planning Assistance Grant Program with a total program budget of \$1.9 million and the following criteria defining eligibility:
  - a. The eligibility criteria adopted in 2015, as detailed in Table 2 of this report, with updated data.
  - b. Expanded eligibility for small cities that meet the following conditions:
    - i. 2014 Population Estimate less than or equal to 5,000; AND
    - ii. Have a 2015 Net Tax Capacity (NTC) per capita amount less than or equal to 125% of the regional median NTC per capita (\$1,517.22)
  - c. Exclude from Program eligibility Cities of the First Class, as defined by Minn. Stat. § 410.01.
2. Direct staff to budget \$1.9 million to eligible applicants in the award grant amounts defined in Table 3 in this report.
3. Direct Council staff to implement the Planning Assistance Grant Program for this comprehensive planning cycle and make funding available to eligible communities.
4. Authorize the Community Development Division Director to execute the grant agreements on behalf of the Council.

### Summary of Committee Discussions

The Community Development Committee considered this item at two recent Committee meetings, first as an information item, then as a business item. At the April 4, 2016, meeting of the Committee, Senior Planner Ryan Garcia presented updated information about the Planning Assistance Grant Program for discussion. Although the Planning Assistance Grant Program and eligibility criteria were approved by the Council in March 2015, the 2016 budget allocated an additional \$500,000 in funding for the Program. These changes represented an opportunity to examine and re-affirm that the Program will effectively identify and assist those communities with the most significant resource needs for the current comprehensive planning cycle.

Following the staff presentation at the April 4 meeting, Acting Chair Jon Commers and Committee member Wendy Wulff led the Committee in a discussion about the unique challenges and needs faced by small cities experiencing modest growth, while still having a relatively modest tax base and local resources to undertake a plan update. The Committee arrived at a consensus that as a complement to the previously adopted criteria, additional criteria should be identified that would expand program eligibility for small, slow-growth, modest tax-base communities.

At the April 19, 2016 meeting of the Community Development Committee, Garcia presented an overview of the additional proposed eligibility criteria for the

Planning Assistance Grant program. With the expanded “Small Cities” criteria, the Program as proposed will provide grant funding to up to 70 applicants at four different funding levels.

Committee member Gail Dorfman asked for clarification on the criterion which identifies cities of the first class as ineligible for participation in the program. Garcia clarified that in keeping with previous Committee discussions about the intent of the program, the criterion to exclude cities of the first class assures that the limited program dollars are allocated to communities who lack the internal capacity and resources to undertake a plan update. Because of their size, cities of the first class have well-established and well-rounded planning functions in-house, especially as compared to other communities in the region.

The Committee determined that the Planning Assistance Grant as presented will complement the Local Planning Handbook, PlanIt training series, and other technical assistance functions of the Local Planning Assistance program and make significant and positive impacts on the local comprehensive plan update process.

The Committee unanimously approved the proposed actions in the staff report.

## Community Development Committee

Meeting date: April 18, 2016

For the Metropolitan Council meeting of April 27, 2016

**Subject:** Authorization of the Planning Assistance Grant Program

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

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

**Staff Prepared/Presented:** Council Member Jon Commers  
LisaBeth Barajas, Local Planning Assistance Manager (651-602-1895)  
Ryan Garcia, Senior Planner (651-602-1832)

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

### Proposed Action

That the Metropolitan Council:

1. Authorize staff to implement the Planning Assistance Grant Program with a total program budget of \$1.9 million and the following criteria defining eligibility:
  - a. The eligibility criteria adopted in 2015, as detailed in Table 2 of this report, with updated data.
  - b. Expanded eligibility for small cities that meet the following conditions:
    - i. 2014 Population Estimate less than or equal to 5,000; AND
    - ii. Have a 2015 Net Tax Capacity (NTC) per capita amount less than or equal to 125% of the regional median NTC per capita (\$1,517.22)
  - c. Exclude from Program eligibility Cities of the First Class, as defined by Minn. Stat. § 410.01.
2. Direct staff to budget \$1.9 million to eligible applicants in the award grant amounts defined in Table 3 in this report.
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4. Authorize the Community Development Division Director to execute the grant agreements on behalf of the Council.

### Background

To support local governments updating their decennial local comprehensive plans, the Council provides five types of assistance:

1. Direct staff assistance through the Sector Representative Program
2. Guidance, tools, and resources through the *Local Planning Handbook*
3. Mapping assistance through the Mapping Services Program and the online Mapping Tool
4. Comprehensive planning training through the PlanIt Training workshop series
5. Financial resources through the Planning Assistance Grant Program

Because there are limited funds available for the Planning Assistance Grant Program, the Council has the statutory authority to establish eligibility criteria for communities that wish to apply for and receive planning grants. Consistent with

the statutory direction, the proposed criteria are intended to assure that those communities most in need of financial assistance to complete their local plans have the opportunity to seek grant assistance.

**Program Background - Eligibility Criteria**

Over several meetings beginning in July 2014, the Land Use Advisory Committee (LUAC) discussed the Planning Assistance Grant Program, eligibility criteria, and grant award amounts. In March of 2015, the Community Development Committee (CDC) considered LUAC’s input and recommended eligibility criteria for Metropolitan Council approval. These criteria were adopted by the Council in March 2015, and are described in Table 1 below. Figure 1, on Page 5 of this report, summarizes the program development timeline.

The 2015 adopted criteria determine that individual communities are eligible for Planning Assistance Grant funding if both of the following are met:

- Total Net Tax Capacity (NTC) per capita is an amount less than or equal to the regional median NTC per capita; AND
- Percent forecasted household growth from 2010 to 2040 is greater than or equal to the regional median percent forecasted household growth

If ineligible individually, a community may be eligible for Planning Assistance Grant funding if:

- It is a county or a part of a consortium of at least 5 communities working collaboratively to update their local comprehensive plans

Later in 2015, as part of the Council’s 2016 budget discussions at Management Committee and Council meetings, the Council made an additional \$500,000 available for the Planning Assistance Grant Program, changing the fund budget from \$1.4 million to \$1.9 million. The Council did not include additional direction on how those funds should be distributed as part of that action. The Council approved the additional funds as part of the 2016 Unified Budget on December 9, 2015.

At its meeting on April 4, 2016, the CDC was presented with updated information about the Planning Assistance Grant Program, which included accounting for the additional \$500,000 in program funds as well as the application of updated Net Tax Capacity (NTC) data and the Council’s 2015 household forecasts as adopted with the September 2015 issuance of System Statements. Table 1 shows the change in NTC and forecasted growth from 2014 to 2015.

**Table 1. Eligibility Criteria – 2014 and 2015 Data Comparison**

	2014 Data	2015 Data
<i>Criteria for Individual Communities</i>	<ul style="list-style-type: none"> <li>• 2014 NTC per Capita amount less than or equal to median NTC per Capita (\$1,116) –<b>AND-</b></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>• 2015 NTC per capita amount less than or equal to median NTC per capita (\$1,213.78) –<b>AND-</b></li> <li>• Forecasted growth from 2010 to 2040 is greater than or equal to the median percent forecasted growth (24.4%)</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>	

**April 2016 CDC Recommendation - Additional Criteria for Small Cities**

Presented with this additional information, at its April 4 meeting the CDC affirmed the previously adopted criteria, while expressing an interest in establishing an additional set of criteria for small cities whose forecasted growth is generally more modest than the regional median forecasted growth, and whose net tax capacity is within a reasonable range of the regional median NTC per capita. The intent was to assist those small communities who, while not facing significant population growth, face difficulty in completing the planning process due to their typically small overall staff capacity as well as their relatively low NTC per capita. Using CDC’s input from the April 4 meeting as guidance, staff proposes the following criteria be applied for small cities who are otherwise ineligible under previously adopted criteria outlined in Table 1 above:

- Have a 2014 population estimate less than or equal to 5,000
- Have a 2015 NTC per capita less than or equal to 125% of the regional median net tax capacity per capita (\$1,517.22)

In addition, staff suggests an additional criterion which excludes cities of the first class from program eligibility. The Planning Assistance Fund is intended to be applied in communities with a demonstrated need for planning assistance. Both cities of the first class in the metropolitan area (St. Paul and Minneapolis) have established and maintained significant planning capacity and resources internally, as well as the ability to leverage funds from other sources to supplement their planning efforts, such as foundations and federal grant opportunities. Therefore, there is an absence of demonstrated need in these two unique examples in our metropolitan area.

The resulting eligibility criteria for the Program are summarized in Table 2 below.

**Table 2. Eligibility Criteria – Proposed**

Eligibility Criteria	
<i>Criteria for Individual Communities</i>	<ul style="list-style-type: none"> <li>• 2015 NTC per capita amount less than or equal to median NTC per capita (\$1,213.78) <b>-AND-</b></li> <li>• Forecasted growth from 2010 to 2040 is greater than or equal to the median percent forecasted growth (24.4%) <b>-AND-</b></li> <li>• Cities of the First Class (Minn. Stat. 410.01) are ineligible to participate in the Program</li> </ul> <p style="text-align: center;"><b>-OR-</b></p> <ul style="list-style-type: none"> <li>• 2014 Population Estimate less than or equal to 5,000 <b>-AND-</b></li> <li>• 2015 NTC per capita amount less than or equal to 125% regional median NTC per capita (\$1,517.22)</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>

The Small Cities criteria expand eligibility to 21 communities, 15 of which did not receive assistance from the planning assistance fund in 2007 and several of which experienced significant challenges and delays in meeting the Council’s statutory review requirements in the last planning cycle. As communities with populations of 5,000 or less, each of these communities have relatively small internal staff capacity to undertake the comprehensive plan update without some external assistance.

Supplementing the Local Planning Assistance resources offered by the Council with this funding will greatly improve the ability of these vital communities to prepare their local comprehensive plans effectively and in coordination with the rest of the communities in the region.

Incorporating the additional \$500,000, most recent NTC and forecast data, and the Small Cities criteria, staff proposes the following methodology for distributing program funds (a comparison between the 2014 “as adopted” program and the proposal is illustrated in Table 3):

- Maintain the grant award per community for Unsewered communities at \$20,000
- Increase the grant award per community for Sewered communities from \$25,000 to \$32,000, an increase of \$7,000 per community (approximately 28%)
- Increase the grant award for County/Consortium groups to \$84,000, an increase of \$19,000 per county/consortium group (approximately 29%)
- Offer grants of \$10,000 to communities with a 2014 population estimate of 5,000 or less and a 2015 NTC per capita less than or equal to 125% of the regional median net tax capacity per capita

**Table 3. Planning Grant Program Comparison**

Community Type	As Adopted in 2014		2015 Data, Increased Budget, and Additional Criteria	
	Number of Eligible Communities	Grant Award Amount per Community	Number of Eligible Communities	Grant Award Amount per Community
<i>Unsewered</i>	3	\$20,000	3	\$20,000
<i>Sewered</i>	45	\$25,000	43	\$32,000
<i>County/Consortium*</i>	3	\$65,000	3	\$84,000
<i>Small Cities</i>	-	-	21	\$10,000
<b>TOTALS</b>	<b>51</b>	<b>\$1,380,000</b>	<b>70</b>	<b>\$1,898,000</b>

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

Table 4 (Page 7) provides a list of all eligible communities, and Figure 2 (Page 8) provides a map of eligible communities.

### 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 on page 1 of this report, facilitate the local planning process to ensure that the region continues to coordinate planning across all jurisdictions.

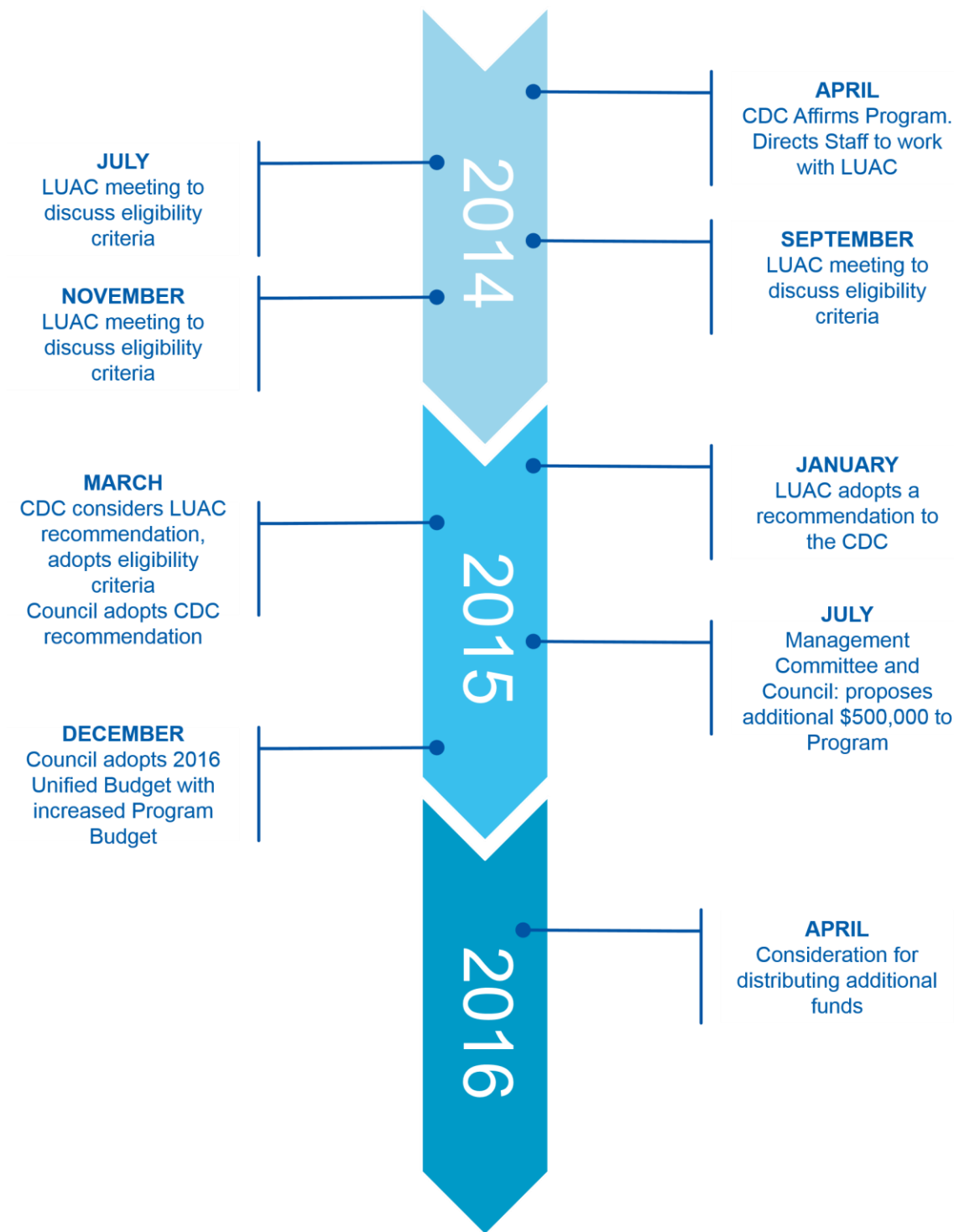
### Funding

The Council’s Planning Assistance Fund has a budget of \$1.9 million. This \$1.9 million includes the \$500,000 that the Council added to the program as part of approving its 2016 Budget.

### **Known Support / Opposition**

Council staff are aware of substantial support from communities regarding the Planning Assistance Grant Program, as many communities have begun their plan update process or intend to in the very near future. Staff regularly receive phone calls and email correspondence inquiring about the availability of the program and the potential award amounts.

**Figure 1. Summary Timeline of Program Steps**





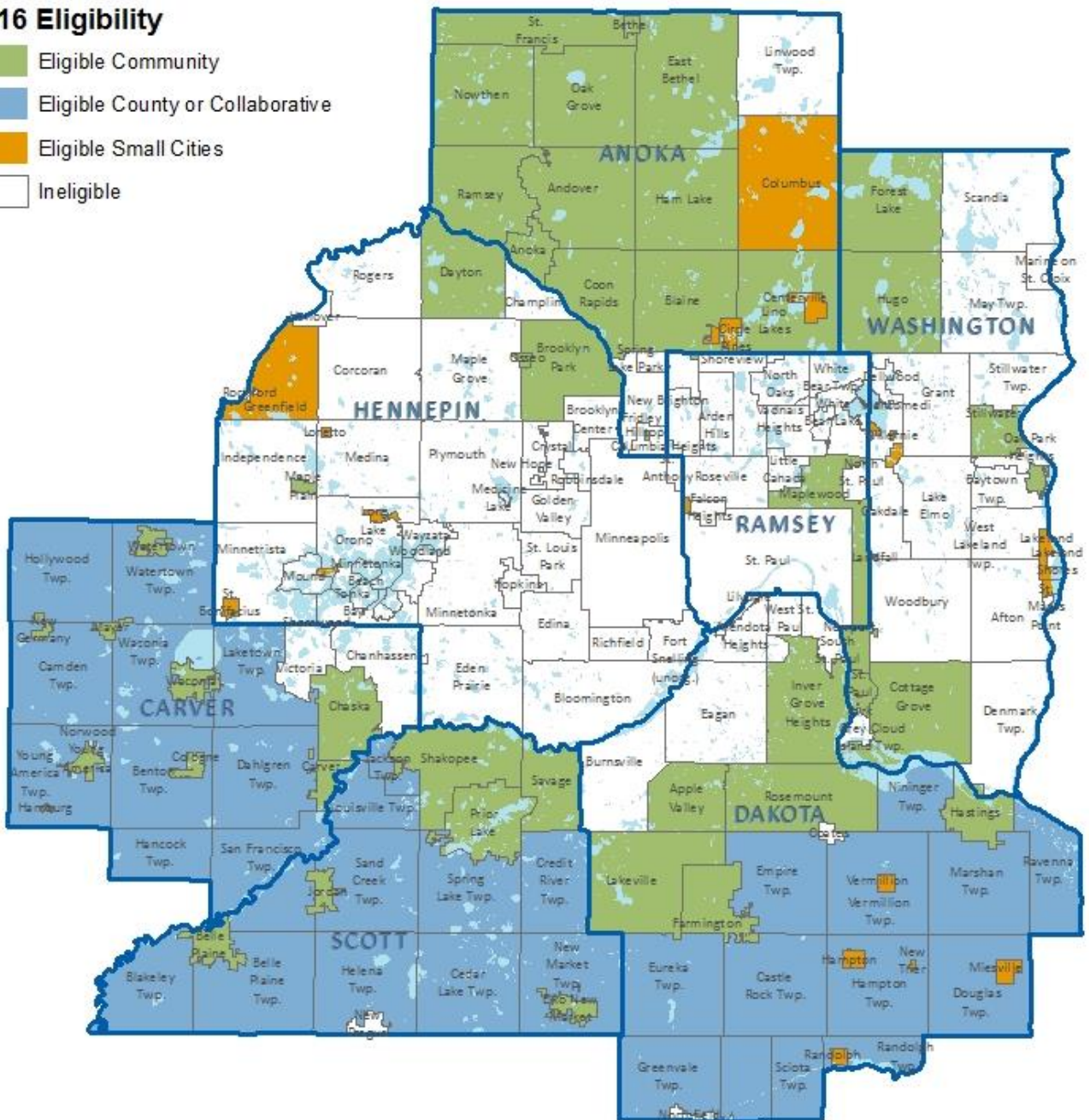
**Table 4. Draft List of Eligible Communities**

<b>Unsewered Communities</b>	<b>Sewered Communities</b>	<b>“Small Cities”</b>	<b>County/Consortium*</b>
Ham Lake	Andover	Birchwood Village	Scott County
Nowthen	Anoka	Centerville	Dakota County
Oak Grove	Apple Valley	Circle Pines	Carver County
	Bayport	Columbus	<i>*Includes the following:</i>
	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		

**Figure 2. 2016 Planning Assistance Fund Eligible Communities**

**2016 Eligibility**

- Eligible Community
- Eligible County or Collaborative
- Eligible Small Cities
- Ineligible



The eligibility illustrated above uses the criteria detailed in Table 2 (Page 3) of this report, and illustrates the communities found in Table 4 on the previous page.