

Land Conservation and Development Commission

2003-2005 GENERAL FUND GRANTS ALLOCATION PLAN

INTRODUCTION

This plan has been prepared in response to a budget note that requires the Department of Land Conservation and Development (DLCD) to appoint a committee and submit a grants allocation plan to the Emergency Board by January 2004. From the department's budget note for the 2003-2005 Biennium, the charge of this committee is to:

...advise the Commission in development of a plan for the allocation and distribution of local government technical assistance and periodic review grants funded by the General Fund. The plan shall include policies and guidelines to ensure that the expenditures of the General Fund grants address the issues and projects of highest priority. The plan shall indicate how the Department will leverage grant funds from other sources and programs. The Department shall submit the allocation plan to the Emergency Board no later than January 2004.

The commission appointed the Grants Allocation Plan Committee at its September 19 meeting. The members of the committee are listed in Exhibit A. A variety of interests and viewpoints were represented.

The plan provides general guidance to the department in making allocation decisions. In addition, Senate Bill 920 establishes a permanent advisory committee to "advise the commission and the department on the allocation of grants and technical assistance funding from General Fund sources and other issues assigned by the commission." This Grants Allocation Plan Committee is responding to the budget note only. The SB 920 committee will have different membership and a somewhat broader role. LCDC will establish the SB 920 committee permanently and assign any "other issues."

THE GENERAL FUND GRANT PROGRAM

DLCD's general fund grants are used primarily for local government land-use planning and associated activities. In the past, the fund has been divided into functional categories and made available for specific types of projects. During the 2001-2003 biennium, these categories included Periodic Review, Technical Assistance, Planning Assistance, Dispute Resolution, Columbia Gorge, Regional Problem Solving, and Wetlands Planning. Each of these is discussed in more detail in the following section of this plan and in a background memo provided to the advisory committee, dated October 8, 2003 (Exhibit C).

Some of the categories have been designated in department budget notes during past biennia. Specifically, Planning Assistance and Columbia River Gorge grants were originally created in response to legislative direction. There are no DLCDC budget notes directing any particular grant types for the 2003-2005 Biennium.

COMMITTEE RECOMMENDATIONS

The Grants Allocation Plan Committee's recommendations are explained below and summarized in Exhibit B.

BASIC GRANT PROGRAMS

Periodic Review (PR) Grants. As the name implies, these grants are provided to local jurisdictions to complete or partially complete periodic review work tasks. Periodic review grants have been awarded non-competitively, closely resembling first-come, first-served. As a result of SB 543 (1999) and SB 920 (2003), periodic review has been focused on particular jurisdictions and topics. SB 543 exempted cities under 2,500 population and counties under 15,000 from the requirement to complete periodic review, although some have chosen to do so. Under SB 920, completion of periodic review tasks on existing work programs may no longer be mandatory, depending on the nature of the task and/or the population of the jurisdiction.

The committee recommends that Periodic Review Grants be used only for completion of tasks that remain mandatory under SB 920 and that these grants have the highest priority for use of general fund grant dollars in 2003-2005.

Technical Assistance (TA) Grants. These grants are used for planning projects and related activities outside periodic review or for completion of periodic review tasks in jurisdictions exempt from periodic review under SB 543. In addition to exempt-jurisdiction periodic reviews, TA grants funded projects such as planning commission training, code updates, and population projections. TA grants were also used to complete a variety of tasks such as buildable lands inventories and public facilities plans for jurisdictions not currently in periodic review. Like PR grants, TA grant awards have not been competitive.

The committee recommends that technical assistance grants be focused directly on high priority activities and projects that promote economic development and/or regulatory streamlining. This recommendation is based on legislative direction in HB 2011 that the department provide grants for economic development planning and on recent executive orders from the Governor on Regulatory Streamlining, Industrial Lands and A Sustainable Oregon. TA requests outside these priorities should be funded only after all applications of higher priority are considered. TA grants would, in effect, become competitive grants based on the merits of the project being proposed.

Examples of projects that could be funded with TA grants include intergovernmental agreements needed to increase efficiency of local government operations, updates to Goal 9 elements of comprehensive plans, public facilities planning for employment lands, code updates to streamline industrial or residential siting review, or identification of land having development constraints.

SPECIAL CATEGORY GRANTS

Planning Assistance (PA) Grants. Sometimes called “small city/county” grants, PA grants of \$1,000 were provided to cities under 2,500 population, and \$3,500 to counties smaller than 10,000. These grants have been awarded since 1991. DLCD has few product or procedural requirements for PA grants, as their purpose is to assist routine operations of the planning departments in these jurisdictions. Basic planning functions, such as review of development permits, contribute to the economy of these communities.

The committee recommends that DLCD continue to award Planning Assistance grants in the 2003-2005 biennium. This does not include a recommendation regarding the appropriate size of the grants, except that they should not exceed the amounts provided in the last biennium.

Columbia Gorge (CG) Grants. Grants have been provided to Hood River County, Multnomah County and Wasco County to cover a portion of the cost of implementing the Columbia River Gorge National Scenic Area Plan. These grants have existed for the last several biennia as a result of specific budget notes in the department’s budget.

The committee recommends that these grants continue in the 2003-2005 biennium, but the amount should be reduced commensurate with the overall reduction in the total grant funds and that criteria be established by the standing grants advisory committee to guide the amount of funding.

Dispute Resolution (DR) Grants. These grants were administered through the Dispute Resolution Commission, which was abolished by the 2003 legislature. The program mediated policy issues between government agencies and between individuals and agencies.

The committee recommends that grants for dispute resolution be available through the technical assistance grant program for those projects that are likely to contribute to economic development if successfully resolved. This does not include a recommendation regarding the amount of funding provided for these grants.

Regional Problem Solving (RPS) Grants. In the past, grants were awarded to the Lane COG and Rogue Valley COG to further the RPS projects in Lane and Jackson Counties. A budget note in the 01-03 biennium did not allow the department to continue

funding this program past June 30, 2002. The committee recommends this category remain discontinued.

Wetland Planning (WP) Grants. These grants were provided to complete adoption of implementing regulations to comply with Goal 5. This category was used during the 2001-2003 biennium as a one-time state match for federal money. The committee recommends Wetlands Planning Grants be discontinued for the 2003-2005 biennium.

LEVERAGE

The committee decided that a local cash or in-kind match should not be required for individual grants to leverage the department's funds. A cash match must be budgeted, which increases the lead-time to plan a project. This may result in missed opportunities. Also, a cash match may be particularly difficult for small jurisdictions. Regardless of any requirement, a local government provides in-kind resources for grant administration and the local decision-making process.

Matching funds provide a more fully funded project and thereby increase the likelihood that it will be successfully completed. Further, matching funds demonstrate commitment to a project. Therefore, within the priorities above, greater consideration should be given to projects with matching funds. All sources of funding which will contribute to the successful completion of a project should be considered, including: cash and in-kind; local and non-local; public and private.

The committee determined that the budget note asks primarily for leverage of grant funds at the program level rather than for individual grants. Coordinating with other agencies and programs, such as Transportation Growth Management Program (TGM), Economic Revitalization Team (ERT) and Oregon Economic and Community Development Department (OECDD), should be the primary approach to leveraging.

OTHER RECOMMENDATIONS

DLCD staff asked the committee for guidance regarding several procedural elements of the grant program that affect priority-setting. These dealt with whether consideration should be given to geography, jurisdiction size, or growth rate for distribution of grants given (particularly TA), and whether there should be an emphasis on fewer, larger or more, smaller grants.

Regarding distribution, the committee felt that no area of the state should be left out, but that there should not be a criterion that includes a pre-set percentage of the fund dedicated to particular regions. Jurisdiction size and growth rate are less important than satisfying the other priority criteria, but the criteria should not be applied in a manner that excludes small or slow-growing jurisdictions.

Regarding the size of grants, the committee recommends that the emphasis should be funding projects that can be successfully completed. There should not be an arbitrary size limit on PR and TA grants.

IMPLEMENTATION OF THE PLAN

The department is responsible for implementation of this plan with any needed oversight, monitoring and further refinements by the continuing advisory committee established under SB 920. The department will report periodically on the types and amounts of grant applications received from local governments and those approved. Also, the committee will consider how to improve coordination with other agencies as well as other ways to leverage the department's grant funds.

[The Land Conservation and Development Commission adopted this plan by voice vote on December 3, 2003]

**Exhibit A
COMMITTEE MEMBERSHIP**

Anna Braun
League of Women Voters

Jon Chandler
Legislative Advocates, Inc.

Steven Grasty, Judge
Harney County

The Honorable Betsy Johnson
State Representative, District 31

Linda Ludwig
League of Oregon Cities

Doug McLain
Clackamas County Planning Division

Mary Kyle McCurdy
1000 Friends of Oregon

Sherry Oeser
Metro

Doug Parker
City of Lebanon Planning

Art Schlack
Association of Oregon Counties

Burton Weast
Western Advocates, Inc.

Sandi Young
City of Florence Planning

Bill Zelenka
Crook County Planning

Exhibit B SUMMARY OF RECOMMENDATIONS

The department's grant funds for the 03-05 biennium should be allocated, based on the following recommendations:

Grant Program Categories to be Funded

Periodic Review (PR)

Technical Assistance (TA)

 Columbia Gorge (CG)

 Dispute Resolution (DR)

Planning Assistance (PA)

Grant Priorities

1. Periodic Review grants for work tasks which are mandatory under SB 920. ("First come first served" with the emphasis on successfully clearing the "backlog" of jurisdictions in periodic review)
2. Planning Assistance and Columbia Gorge grant program funding in specific, to be determined amounts.
3. Technical Assistance grants for economic development and regulatory streamlining, including grants for coordination agreements and periodic review work tasks which are non-mandatory under SB 920.

Leverage of Grant Funds

Coordinate with TGM program to get the maximum results from general fund grants.

Review grant applications with the Economic Revitalization Team to assure coordinated results.

Establish a relationship with OECDD to coordinate planning for industrial lands.

Keep data on other funds used in conjunction with DLCD grant funds to complete local projects, including local in-kind and cash match, other state funds, federal funds and private funds. Do not require a local match as a condition of grant approval, but give priority to grant applications from local jurisdictions that demonstrate local commitment through cash or in-kind match.

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