

Grants to Local Governments

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B.1. Purpose, Statutory Basis, Goals

Purpose

The department provides grants to help local governments maintain, improve and carry out local comprehensive plans and land use regulations. The grants help local governments meet requirements in the statutes and the statewide planning goals.

DLCD also works jointly with the Oregon Department of Transportation (ODOT) to provide Transportation and Growth Management (TGM) program grants to local governments for integrated transportation and land use planning.

General Fund planning grants are provided to local governments to help them perform a variety of planning tasks, including periodic review and economic development.

Coastal management grants are federal moneys awarded to coastal cities and counties to carry out tasks mandated by the federally approved Oregon Coastal Management Program (OCMP). Coastal communities may receive state General Fund planning grants as well as coastal management grants.

Appendix E & F includes a list of DLCD's planning grants and coastal management grants for the 2005-07 biennium. The department expects to continue all of these programs during the 2007-09 biennium.

Key Statutes

Grants – authorized by ORS 197.639 and 197.717 – are essential for assisting local governments in their compliance with statutory requirements.

Key Goals

The goals of the Grants budget unit are the following DLCD long-term strategic goals:

1. Promote Economic Development and Quality Communities

Increase projects that improve economic development and enhance livability and sustainability in communities statewide.

2. Secure Oregon's Legacy

Protect farm, forest, coastal and other natural and economic resources.

3. Improve Collaboration

Establish a network of public- and private-sector partners to identify and promote shared interests.

4. Improve Collaboration and Deliver the Highest Level of Customer Service Possible

Build workforce excellence and deliver the highest level of customer service possible.

5. Streamlining

Strive to make the statewide land use system less process-oriented and more outcome-oriented.

B.2. How are Services Delivered and to Whom?

General Fund Planning Grants

These grants are generally targeted to local jurisdictions to help them address certain high-priority issues. The department, for the second time in 2005-07, had a “Grants Allocation Plan” that set priorities for the use of General Fund grants. The plan was developed by an advisory group comprised of a range of stakeholders. The plan called for the following priority uses of General Fund grants during the biennium:

- Periodic review – Assist local governments to complete tasks on periodic review work programs;
- Economic development – Support local efforts to update comprehensive plans to provide an adequate supply of land for job creation and to plan for serving the land with necessary services;
- Government streamlining – Provide assistance to local governments to update their land development regulations in order to streamline procedural requirements, particularly as they relate to industrial siting;
- Columbia River Gorge Scenic Area – Assist Multnomah, Hood River and Wasco counties in their responsibilities in implementing the requirements of the National Scenic Area Act, and
- Small city and county grants – Also called “Planning Assistance Grants,” these are small awards to cities smaller than 2,500 population and counties smaller than 15,000 to assist in general planning obligations.

Examples of General Fund planning grants awarded during the 2005-07 biennium include:

- Ontario – A \$20,000 Periodic Review grant to complete an Economic Opportunities Analysis and update the economic development element of its comprehensive plan, and a \$40,000 Technical Assistance grant to update the housing needs and residential land supply sections of the plan;
- Troutdale, Fairview, Wood Village and Gresham – A \$70,000 Technical Assistance grant to plan for economic development in the Columbia-Cascade River District (north of I-84); and
- Cottage Grove – A \$40,000 Technical Assistance grant to amend its zoning ordinance to update and streamline code requirements.

The Grants Allocation Plan for the 2007-09 biennium has not been developed at this time, but priorities similar to those reported above (including maintenance of the Columbia River Gorge Scenic Area Grants) are anticipated.

On receipt of funds, DLCD notifies local governments that grants are available. The notices apprise them of eligibility and other grant requirements. Grants in some categories are competitive. Others are formula-driven and available to any eligible local government applicant.

Applications for the competitive grants are evaluated, ranked and awarded in accordance with announced criteria. DLCD enters into an agreement with each grant recipient specifying work to be accomplished and a schedule for completion. Local governments must finish all grant work by the end of the biennium.

Federal Coastal Grants

Because coastal local governments are critical partners in the implementation of the Oregon Coastal Management Program, OCMP places special emphasis on continually improving delivery of grants to coastal jurisdictions, directing grants to areas of program need, monitoring progress of grant work programs, and accounting for grant work products. To that end, thrice-yearly coastal network meetings are held at several coastal locations with local planners to participate in roundtable discussions of planning issues and concerns. OCMP sends quarterly newsletters to coastal jurisdictions alerting them to upcoming grant opportunities and deadlines, as well as other grant information. OCMP provides a grantee manual that explains the coastal grant

program, how to plan, write, and submit an application and administer the grant.

Internally, OCMP has developed a computerized grants database to assist in administering grants, tracking products, and utilizing grant results. This database is a first step toward a more efficient, web-based system of applying for and reporting on grants.

Coastal field representatives and the OCMP grants coordinator monitor progress on local grants by meeting with local planning staff or consultants and by reviewing progress and final reports. Staff is available via telephone, email, standard mail, and in-person visits to assist local jurisdictions with writing successful applications and with administering the grants once awarded.

OCMP provides grant assistance in three basic categories:

Coastal Management Grants – Grants totaling \$340,000 are provided to local governments on an annual basis. These grants enable cities and counties to carry out a variety of basic planning activities such as plan amendments, citizen involvement, and development reviews. Grant amounts to each jurisdiction are based on a formula that provides a minimum amount to each jurisdiction and adds funding based on population and complexity of planning issues.

Technical Assistance Priority Project Grants – OCMP provides grants to local governments for technical assistance and priority projects. Cities and counties are encouraged to develop projects related to storm water management and coastal water quality, technical capacity building, special inventories, economic development planning, and other activities that add to the local planning program.

306A Acquisition and Small Scale Construction Grants – These projects could include low-cost projects such as:

- Construction of paths, walkways, fences, parks, rehabilitation of historic buildings and structures;
- Purchase of an easement for public right-of-way to the beach or purchase of an ecologically important area to preserve;
- Revitalization of deteriorating or underutilized urban waterfronts or ports for public use or safety; and
- Educational, interpretive and other management costs.

Transportation and Growth Management Program Grants

Oregon's Transportation and Growth Management Program (TGM) works with local governments to expand transportation choices for people. Jointly managed by DLCD and the Oregon Department of Transportation (ODOT), TGM's funding comes primarily from the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

During the 2005-07 biennium, TGM provided \$4.7 million in grants and direct community assistance to local governments.

Transportation Planning Grants are used by local governments to:

- Develop, update, or refine Transportation System Plans;
- Plan for streets and connections between them; and
- Prepare pedestrian, bicycle, transit, and streetscape design plans.

Integrated Transportation and Land Use Planning Grants are used to support transportation-efficient land use plans for downtowns, residential neighborhoods, or commercial and mixed-use districts.

B.3. Performance Measures

DLCD grants are a key factor in meeting most of DLCD's performance measures. This is because local governments use the grant funds to help them address the requirements of Oregon's statewide planning program. However, the only performance measure that directly applies to grants is No. 15:

- Percent of local grants awarded to local governments within two months after receiving application.

B.4. Factors Affecting Services

Many local governments have great difficulty allocating their own property tax-based funds to carry out the land use planning programs. Few, if any, external funding sources are available. Local governments look to DLCD for grants to fund such planning programs.

During the 2001-03 and 2003-05 biennia, DLCD received an increase in federal coastal grant funds and was thus able to significantly increase

planning and technical assistance grants to local governments. However, federal grant funds to coastal states have been reduced for 2005-07. DLCD will continue local planning and technical assistance grants but at a slightly reduced level compared to 2001-05 bienniums.

In 2001-03, General Fund granting ability was reduced due to state budget cuts, and the Fund was not increased for 2003-05. DLCD has focused available grant dollars on a narrower set of projects and issues. The 2005-07 Governor's Recommended Budget maintains the grant fund at the 2003-05 level.

B.5. Involvement in Interagency and Intergovernmental Programs

- DLCD staff works with the Economic Revitalization Team (ERT) to identify needs for grant funding and coordinate grant awards to local jurisdictions.
- DLCD and the Oregon Department of Transportation (ODOT) operate the joint Transportation and Growth Management (TGM) program that provides grants to local governments. Grant funds are in ODOT's budget. Grants are also reviewed by TGM's advisory group, which advises the department on grant priorities.

B.6. Revenue Sources

GENERAL FUND

FEDERAL FUNDS:

- **Coastal Zone Management Act (CZMA)**
Coastal Program

B.7. Historical Expenditures and the Governor's Recommended Budget

	General Fund	Federal Funds	Other Funds	All Funds
2003-05 Actuals	1,875,844	1,622,055	0	3,497,899
2005-07 Estimates	2,153,863	1,573,000	0	3,726,863
2007-09 GRB	2,220,632	1,621,763	0	3,842,395

B.8. Program Growth or Reduction

General Fund levels for DLCDC in grant programs have remained stable in the last biennia.

B.9. Essential Packages

- **Package 030, Inflation/Price List Adjustments:** A standard inflation increase of \$66,769 in General Fund and \$48,763 in Federal Funds for a total of \$115,532.

B.10. Governor's Proposed Budget Reductions

None.

B.11. Policy Packages

No policy packages were approved at Governor's Recommended Budget for 2007-09.

B.12. Budget Notes from 2005

No budget notes for 2005 apply to this budget program unit.

B.13. Audits

None.