Land Conservation and Development Commission

2013-2015 GENERAL FUND GRANTS
ALLOCATION PLAN

INTRODUCTION

This plan provides general guidance to the Department of Land Conservation and Development (DLCD) for the department’s grant allocation decisions. The plan was developed by DLCD staff and the commission’s standing Grants Advisory Committee.

THE GENERAL FUND GRANT PROGRAM

DLCD’s general fund grants are used primarily for Oregon communities’ comprehensive planning and plan updates. The fund is divided into functional categories and made available for specific types of projects. During 2011-2013, the categories included Periodic Review, Technical Assistance, Columbia River Gorge National Scenic Area, Planning Assistance to Small Cities and Counties, and a Dispute Resolution grant to the Oregon Consensus Program.

During past legislative sessions, additional categories have been designated in department budget notes. For instance, the Planning Assistance and Columbia River Gorge grants were originally created in response to legislative direction. More recently, the 2007 legislature directed the department to prioritize additional funds for infrastructure planning in urbanizing areas. The department does not currently expect funds to be constrained by a budget note for 2013-2015.

COMMITTEE RECOMMENDATIONS

The Grants Advisory Committee’s recommendations are explained below and summarized in Exhibit B. For 2013-2015, the committee anticipates funding projects that are ready to proceed early in the biennium. For 2009-2011, the committee recommended implementing a deadline for grant applications, and that practice continued in 2011-2013 and the committee recommended an application deadline continue to be employed for 2013-15. The department is pleased to report that the application deadline resulted in generally earlier project start dates, more efficient grant administration, and overall higher quality grant products. The advisory committee made its
recommendation earlier this cycle, so applications may be sent, and funded projects started, on an even more timely basis this coming biennium.

In order to encourage early participation, the department will set an application deadline for periodic review and technical assistance grant applications that gives local governments ample time to prepare an application while still affording the department time to review the submittals and make awards earlier in the biennium than has been recent past practice. Applications received by the department will compete for funding according to the priorities described below.

**GRANT CATEGORIES**

1. **Planning Assistance (PA) Grants.** Grants of $1,000 are provided to cities under 2,500 population and grants of $3,500 are provided to counties smaller than 15,000 population. These grants to smaller communities have been awarded since 1991. DLCD has few requirements for PA grants, leaving the use of the funds as flexible as possible to support planning functions and contribute to the economic development in eligible communities.

The committee recommends that DLCD continue to offer PA grants to eligible cities and counties at the same level. Any funds not utilized by eligible cities and counties will be used to fund Technical Assistance grants.

2. **Columbia River Gorge (CG) National Scenic Area Grants.** LCDC recognizes that counties within the Columbia River Gorge National Scenic Area are responsible to coordinate and implement federal planning requirements in addition to state and local laws. To assist those counties (Hood River County, Multnomah County and Wasco County), the commission has provided grants to cover a portion of the cost of implementing the Columbia River Gorge National Scenic Area Plan.

The committee recommends that the commission continue to help fund Columbia River Gorge counties’ National Scenic Area planning for 2013-2015. The committee recommends funding the Gorge grants at the same levels as the 2011-2013 biennium.

3. **Dispute Resolution (DR) Grant.** The Oregon Consensus Program (OCP) at Portland State University received grants from DLCD during the past four biennia as part of the commission’s commitment to help provide dispute resolution services related to land use and planning. An important aspect of OCP’s service includes assisting the parties to LUBA appeals to settle disputes before beginning formal arguments. OCP assesses cases to determine whether they are appropriate for mediation and in some cases assists with mediation services.

The committee recommends that the dispute resolution grant be funded at the 2011-2013 level.

4. **Periodic Review (PR) Grants.** These grants assist communities with the completion of periodic review work tasks and are awarded non-competitively in a manner closely resembling first-come, first-served. Since 2007 the commission has supported a streamlined version of
periodic review for cities in metropolitan planning organizations (MPO) with populations over 2,500 and for cities statewide with populations greater than 10,000.

The committee recognizes that periodic review must be carefully administered to maximize the overall success of Oregon’s statewide planning program and to help Oregon’s most populated communities successfully prepare for future development. The successful implementation of periodic review requires careful management of the periodic review schedule and the department’s ability to offer sufficient grant resources. The committee agrees that it is important for the department to help jurisdictions successfully complete periodic review programs quickly and efficiently – meeting statutory deadlines, avoiding “backlogs” in the program, and making efficient use of scarce resources.

The committee specifically discussed proposed legislation that could affect the future of whether cities are required to complete periodic review. The committee agreed that available grant funds should be used to help cities currently in periodic review to complete periodic review work programs.

The committee recommends that Periodic Review grants be used only for the completion of work tasks approved under the current version of periodic review and that these grants continue to receive the highest priority for remaining general fund grant dollars.

5. Technical Assistance (TA) Grants. These grants are used for significant planning projects and related planning activities outside periodic review and for previous periodic review work tasks authorized by the commission prior to 2007.

The committee recommends that technical assistance grants again be focused on the following topics in the listed order of priority. The priorities are for projects that:

1. Promote economic development
2. Advance regulatory streamlining
3. Provide infrastructure financing plans for urbanizing areas
4. Update comprehensive plans and implementing codes to respond to changes in state law
5. Provide coordinated county-wide population projections

TA grants will only be awarded after higher priority periodic review projects have the opportunity to utilize grant funds. TA requests outside these priorities should be funded only after all applications of higher priority are considered.

Examples of projects that could be funded with TA grants include:

- Intergovernmental agreements to increase efficiency of local government operations
- Updates to Goal 5, Goal 9 and Goal 10 elements of comprehensive plans
- Public facilities planning, especially for employment lands
- Code updates to streamline industrial or residential siting review
- Coordinated public facilities plans for urbanizing areas
- Similar local and regional planning projects
LEVERAGING RESOURCES

The committee does not recommend that a local cash or in-kind match be required for individual grants. Typically for a local government to provide a cash match, the match must be budgeted ahead of time which increases the lead time for project planning. Cash matches may also be particularly difficult for small jurisdictions. The required lead time and the uncertainty of grant awards present barriers to participation for some communities and may result in missed opportunities for the program. Regardless of any hard match requirement, however, a local government must provide in-kind resources for grant administration and must facilitate the local decision-making process.

The department recognizes that matching funds provide a more fully funded project and increase the likelihood that a project will be successfully completed. Matching funds also demonstrate local or regional commitment to a project. Therefore, within the priorities above, greater consideration should be given to projects that offer hard matching funds. All funding sources that will contribute to the successful completion of a project will be considered, including cash and in-kind, local and non-local, and public and private investments.

The committee has previously recommended that the department primarily leverage grant funds at the program level rather than for individual grants. The committee has specifically recommended that DLCD partner with other agencies and programs, such as the Transportation Growth Management Program, the Regional Solutions Teams, and Business Oregon, as the primary approach for leveraging DLCD grant funds. The department will continue to seek opportunities for local, state, and federal investment partnership. Under current budget circumstances, projects that demonstrate regional coordination and cost sharing opportunities will be strongly considered in an effort to maximize the impact of planning grants in Oregon communities.

IMPLEMENTATION

The department is responsible to implement this plan and to seek any necessary oversight, monitoring or further refinement by the Grants Advisory Committee. The department reports periodically on the types and amounts of grant applications received from local governments and the specific applications approved for funding.
Exhibit A

GRANTS ADVISORY COMMITTEE MEMBERSHIP

Jon Chandler
Oregon Home Builders Association

Erin Doyle
League of Oregon Cities

Christina Deffebach
Metro

Keith Cubic
Douglas County

Michael Eliason
Association of Oregon Counties

Mary Kyle McCurdy
1000 Friends of Oregon

Kelly Ross
Western Advocates, Inc.

Vickie Hardin Woods
City of Salem
Exhibit B

SUMMARY OF RECOMMENDATIONS

Grant funds for 2011-2013 should be allocated based on the following recommendations:

**Grant Program Categories recommended for funding**
- Columbia River Gorge (CG)
- Planning Assistance (PA)
- Dispute Resolution (DR)
- Periodic Review (PR)
- Technical Assistance (TA)

**Grant Priorities**
- Planning Assistance grants at the same level as 2011-2013 (pending local participation).

- Columbia Gorge grants funded at the same level as 2011-2013:
  - Wasco County $90,000
  - Hood River County $80,000
  - Multnomah County $70,000

- Dispute Resolution grant funded at $20,000

- Remaining funds will be allocated to local jurisdictions to assist with the timely completion of current periodic review work tasks.

- Remaining funds will be prioritized for technical assistance projects for economic development, regulatory streamlining, public facilities financing plans, plan and code updates to address changes in state law, and coordinated countywide population forecasts. Projects outside these priorities are also encouraged and will be evaluated on the merits of the application.

**Leverage of Grant Funds**
The department should continue to coordinate with federal and state agency programs (e.g. TGM, OBDD, RST, EPA) to achieve maximum results from general fund grants.

The department should maintain its relations with ODOT, Business Oregon, and the Regional Solutions Centers to coordinate planning for industrial and other employment lands.

The department should continue to track 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. Does not require a local match as condition of grant approval, but gives priority to grant applications from local jurisdictions that demonstrate local commitment through cash or in-kind match and/or local partnerships.