



Oregon

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June 4, 2009

TO: Land Conservation and Development Commission

FROM: Art Schlack, Chair, Grants Advisory Committee
Darren Nichols, Community Services Division Manager

SUBJECT: **Agenda Item 11, June 4-5, 2009 LCDC Meeting**

GRANTS ADVISORY COMMITTEE UPDATE

Approval of 2007-09 Grants Allocation Plan

The Grants Advisory Committee met on May 28, 2009 to review the agency's budget and to develop a draft *2009-2011 Grants Allocation Plan* for recommendation to the commission. Attached is the draft version of the plan. The recommended plan will be provided to the commission as soon as it is complete and in time for the commission's formal consideration at its July meeting.

Land Conservation and Development Commission

2009-2011 GENERAL FUND GRANTS ALLOCATION PLAN

INTRODUCTION

This plan provides general guidance to the Department of Land Conservation and Development (DLCD) in making 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 local government land-use planning and associated activities. The fund is divided into functional categories and made available for specific types of projects. During the 2007-2009 biennium, these categories included Periodic Review, Technical Assistance, Columbia River Gorge, Planning Assistance and a grant to the Oregon Consensus Program. An additional amount of funds, and an associated budget note, were authorized by the 2007 legislature for infrastructure planning grants in newly-urbanizing areas. Each of these is discussed in more detail in the following section of this plan.

Some of the grant categories were called for in budget notes during past biennia. Specifically, Planning Assistance and Columbia River Gorge grants were originally created in response to legislative direction. The infrastructure planning grants mentioned above did not create a new category or type of grant, and do not appear likely to be funded in the 2009-2011 biennium.

COMMITTEE RECOMMENDATIONS

The Grants Advisory 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, to qualifying proposals. As a result of SB 543 (1999), SB 920 (2003), and HB 3310 (2005), periodic review is currently focused on cities over a certain size and certain topics. SB 920 stopped new periodic review work programs until the end of the 2005-2007 biennium; in 2007, periodic review was re-started and the commission reinstated a streamlined version of periodic review for cities in metropolitan planning organizations with populations over 2,500 and for cities with populations greater than 10,000.

This plan covers the continued revival of periodic review planning activity. The committee recommends that Periodic Review grants be used only for completion of work tasks approved under the current version of periodic review, and that these grants continue to receive the highest priority for general fund grant dollars in 2009-2011. However, the department should inform cities now in periodic review (and any communities entering periodic review at the beginning of the biennium) that grant applications should be submitted as early in the biennium as possible, and that funds may be reprogrammed to other priorities to the extent that it appears that there is not sufficient demand for periodic review related activities.

Technical Assistance (TA) Grants. These grants are used for planning projects and related planning activities outside periodic review and for previous periodic review work tasks authorized by the commission prior to 2007. During the previous three biennia, TA grant awards were guided by the Grants Allocation Plan, which set economic development, regulatory streamlining, and population coordination as the highest priorities. TA grants were awarded on a competitive basis for the first time during 2003-2005, and the committee recommends continuing the use of substantive criteria for awarding grants in 2009-2011. The funds have been used to complete a variety of projects such as economic opportunity analyses (EOA), industrial land needs analyses, buildable lands inventories (BLI), and public facilities plans for jurisdictions not in periodic review. Smaller amounts of the fund have been used for code updates, local compliance with Columbia River Gorge Scenic Area management plan updates, dispute resolution, and miscellaneous projects that aligned well with the priorities established by the commission.

The committee recommends for 2009-2011 that technical assistance grants again be focused directly on high priority projects and only after higher priority periodic review projects have an opportunity to utilize grant funds. The committee's recommendation alters the priorities slightly compared to previous biennia. Priority projects are now recommended to be those that promote economic development, advance regulatory streamlining, provide coordinated county-wide population projections, or that provide infrastructure financing plans for urban areas, including redevelopment and infill. The latter priority is new. 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, 9 or 10 elements of comprehensive plans,
- public facilities planning for employment lands,
- code updates to streamline industrial or residential siting review,
- coordinated public facilities plans for urbanizing areas, and
- similar planning local and regional planning projects

SPECIAL CATEGORY GRANTS

Planning Assistance (PA) Grants. Sometimes called “small city/county” grants, Planning Assistance grants of \$1,000 are provided to cities under 2,500 population, and \$3,500 to counties

smaller than 15,000 population. These grants have been awarded since 1991. DLCD has few requirements for PA grants, leaving the use of the funds as flexible as possible to assist the operations of planning functions in these jurisdictions. Basic planning functions, such as the review of development permits, contribute to the economic development of these communities.

During the 2007-2009 biennium, 8 counties and 142 cities were eligible for planning assistance grants. All 8 counties (100%) took advantage of the offer but only 88 cities (62%) participated in the program. The grants advisory committee has offered to assist department staff to advertise the Planning Assistance grant program more actively and to encourage full participation in the program. The committee recommends that DLCD continue to award Planning Assistance grants in the 2009-2011 biennium in the same amount awarded during the previous biennium.

Columbia Gorge (CG) Grants. Counties within the Columbia River Gorge National Scenic Area are responsible to coordinate and implement federal planning requirements in addition to more typical state and local laws. To assist those counties (Hood River County, Multnomah County and Wasco County) the commission has provided long-standing grants to cover a portion of the cost of implementing the Columbia River Gorge National Scenic Area Plan. The committee recommends that Gorge grants receive funding for 2009-2011 at the same level and in the same manner as the 2007-2009 biennium.

Dispute Resolution (DR) Grant. The Oregon Consensus Program (OCP) at Portland State University received technical assistance grants from DLCD during the past three biennia to provide dispute resolution services related to land use and planning. An important aspect of OCP's service includes assisting parties to LUBA appeals pursuant to ORS 197.830(10)(b). OCP also assesses cases to determine whether they are appropriate for mediation, and in some cases assists with mediation services.

Following a presentation from OCP staff about the relative effectiveness of dispute resolution and consensus-building projects at different stages during the planning process, the committee asked OCP to provide a summary of OCP activities for 2007-2009 and asked to consider whether priority should be given to OCP projects that engage or utilize consensus-building and dispute resolution efforts earlier in the planning process. The committee recommends that the dispute resolution grant be funded at the same level as 2007-2009.

LEVERAGE

The committee believes that a local cash or in-kind match should not 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 planning a project. Increased lead time may result in missed opportunities and cash matches may be particularly difficult for small jurisdictions. Regardless of any match requirement, a local government provides in-kind resources for grant administration and facilitates the local decision-making process which typically represents a significant local commitment.

That said, matching funds provide a more fully funded project and thereby 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 with matching funds. All funding sources that will contribute to the successful completion of a project should be considered, including: cash and in-kind; local and non-local; public and private.

IMPLEMENTATION OF THE PLAN

The department is responsible for implementing this plan with any necessary oversight, monitoring and further refinements by the Grants Advisory Committee. The department will report periodically on the types and amounts of grant applications received from local governments and those approved. The committee will meet again in late 2009 and quarterly or as needed during the remainder of the 2009-2011 biennium.

In the meantime, the committee will consider how to improve coordination with local governments and with other agencies to leverage department grant funds. Committee members will also review and advise the department regarding the content and process for alerting small cities and counties of the availability of Planning Assistance grants.

The Land Conservation and Development Commission approved this plan, as recommended by the Grants Advisory Committee, by voice vote on _____.

Exhibit A

GRANTS ADVISORY COMMITTEE MEMBERSHIP

Jon Chandler
Oregon Home Builders Association

Todd Cornett
Wasco County Planning

Linda Ludwig
League of Oregon Cities

Mary Kyle McCurdy
1000 Friends of Oregon

Sherry Oeser
Metro

Art Schlack, chair
Association of Oregon Counties

Kelly Ross
Western Advocates, Inc.

Sandi Young
City of Wilsonville Planning

Exhibit B

SUMMARY OF RECOMMENDATIONS

The department's grant funds for the 2009-2011 biennium should be allocated, based on the following recommendations:

Grant Program Categories to be Funded

Periodic Review (PR)
Technical Assistance (TA)
Columbia Gorge (CG)
Planning Assistance (PA)
Dispute Resolution (DR)

Grant Priorities

- Periodic Review grants for completing work tasks.
- Planning Assistance grants at the same level as 2007-2009.
- Columbia Gorge grant program funding at the same level as 2007-2009.
- Dispute Resolution grant at the same level as 2007-2009.
- Technical Assistance grants for economic development, regulatory streamlining, coordinated county-wide population forecasting, overdue periodic review tasks, and public facilities financing plans. These Technical Assistance grants should be funded at a level roughly equal to Periodic Review grants. This level of funding should be reviewed by the Grants Advisory Committee during the biennium to determine whether adjustment is required in response to the local demand for assistance.

Leverage of Grant Funds

Coordinate with federal and state agency programs to get the maximum results from general fund grants: TGM, OECDD, ERT, EPA.

Maintain relationship with ODOT and 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. 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.