



# Oregon

Kate Brown, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

[www.oregon.gov/LCD](http://www.oregon.gov/LCD)



May 5, 2016

TO: Land Conservation and Development Commission

FROM: Jim Rue, Director  
Rob Hallyburton, Community Services Division Manger  
Patty Snow, Ocean and Coastal Services Division Manager  
Matt Crall, Planning Services Division Manager

SUBJECT: **Agenda Item 11, May 19-20, 2016, LCDC Meeting**

## **GRANT PROGRAMS REPORT**

### **I. AGENDA ITEM SUMMARY**

Grant program managers for the various grant programs administered by the Department of Land Conservation and Development (the department, or DLCD) will provide the commission with information regarding status of the programs this biennium.

For additional information about the general fund grant program, please contact Rob Hallyburton, Community Services Division Manager, at 503-934-0018, or at [rob.hallyburton@state.or.us](mailto:rob.hallyburton@state.or.us).

For additional information regarding the coastal grant program, please contact Patty Snow, Ocean and Coastal Services Division Manager, at 503-934-0052, or [patty.snow@state.or.us](mailto:patty.snow@state.or.us).

For additional information concerning Transportation and Growth Management Program grants and services, please contact Matt Crall, Planning Services Division Manager, at 503-934-0046, or [matt.crall@state.or.us](mailto:matt.crall@state.or.us).

### **II. BACKGROUND**

The department administers three groups of financial assistance programs targeted for local government planning. The Community Services Division administers the general fund grant program, consisting of direct payments to grantees for updating comprehensive plans and planning-related activities. The Ocean and Coastal Services Division provides planning grants to coastal communities from its federal funds. The Planning Services Division works with the Oregon Department of Transportation to deliver services to local governments through a variety of services provided by the Transportation and Growth Management program.

### III. GENERAL FUND GRANT PROGRAM

The department budget includes grant funds each biennium from the general fund. In past biennia, some budgets included funds allocated to a specific project or activity while other budgets were unencumbered. Beginning with the 2015-2017 biennium, the first-priority use of general fund grant dollars is to fund the population forecast program carried out by the Population Research Center Portland State University, as required by ORS 195.033(11). That is the only external directive influencing grant decisions this biennium.

The [Grants Allocation Plan](#) approved by the commission guides department award decisions. For the 2015-2017 biennium, the following grant categories contain the indicated level of funding. Each category is described in the allocation plan.

Population Forecast	\$ 570,000
Planning Assistance	116,000
Columbia River Gorge	240,000
Dispute Resolution	20,000
Periodic Review	13,000
Technical Assistance	<u>568,115</u>
TOTAL	\$1,527,115

The allocation plan sets the amounts for Population Forecast, Columbia River Gorge, and Dispute Resolution grants. Planning Assistance and Technical Assistance grants are demand-driven; that is, the total amount allocated to these categories is not known until we receive requests. Technical Assistance grants receive the funds remaining after the other categories are funded. The allocation plan includes one other category – Community Development grants, to assist with plan implementation – that was not funded because the overall budget was insufficient to accommodate a new category.

Technical Assistance grants employ application-based, competitive awards. The review criteria include these priorities:

1. Promote economic development
2. Advance regulatory streamlining
3. Planning for natural hazards
4. Provide infrastructure financing plans for urbanizing areas
5. Update comprehensive plans and implementing codes to respond to changes in state law

This biennium, the department offered Planning Assistance grants totaling \$169,000 with \$116,000 accepted. The department received one periodic review grant application and it was funded in full. Technical Assistance grant applications requested \$1,713,575.

**Strategic Plan Alignment.** The department's [strategic plan](#) includes a description of core work and new strategies. The strategic plan recognizes the important role of the grant programs in the description of core work in Goal 2, "Promote Sustainable, Vibrant Communities," but is most relevant in Goal 4, "Provide Timely and Dynamic Leadership to Support Local and Regional Problem Solving." This goal includes the objective to "improve capacity of local governments to carry out their land use responsibilities."

All of the grant programs are important for improving the capacity of local government planning, but the general fund grant program, and especially Technical Assistance grants, is the only statewide, general-purpose program serving the wide variety of planning needs at cities and counties. The department found the grant programs to be so central to state's interest in improving local government planning capacity that the strategic plan includes the strategy, "Seek an increase in grant funding for local governments." A policy option package to carry out this strategy will be proposed (*see* agenda item 9, Discussion and Acknowledgment of the Department's 2017-19 Agency Requested Budget).

**Example Projects.** DLCD has collaborated with University of Oregon's Green Cities class in hosting community design workshops in several cities in the Mid-Willamette Valley since 2013. The workshops are intended to give participants a chance to work closely with community leaders to identify and prioritize specific spatial planning and urban design issues and solutions. The cities of Cascade Locks and Donald used their 2013-2015 Planning Assistance grants to cover expenses for the event. Costs were incurred for event materials and the final report preparation and presentation, delivered by the course instructor. The workshops provide small communities an opportunity to engage with their citizens and to identify a vision for the future of their community. The workshops in Cascade Locks and Donald focused on downtown development, urban design, and enhancing walkability and bikability.

The city of Sutherlin received a 2013-2015 Technical Assistance grant to complete economic development planning, including an economic opportunities analysis (EOA). This is a first-priority use of TA funds. The Sutherlin city manager reports that:

1. We learned the "unique to the site" development processes necessary that can be legitimately demonstrated to a prospect business helping us in costing out the expense of infrastructure and utility services to each site, thus saving the prospect business the necessary initial investment to do so.
2. We were able to establish a Target/Cluster Industry list for the city of Sutherlin.
3. This EOA resulted in the creation of a draft city of Sutherlin Economic Development Plan, a first ever for our city.
4. This EOA helped us to finalize specific site data for all 18 industrial-zone parcels on a new economic development web site: [www.sutherlinlands.com](http://www.sutherlinlands.com).
5. This EOA unified certain property owners to create a private-public partnership in successfully acquiring additional grant funds from Douglas County Industrial Development Board to create a "prospect-specific" site prospectus and marketing brochure to recruit an economic development tourism-product investor onto the site.

6. After completing this brochure and sending out to various prospect investors, we have now successfully recruited a committed investor currently planning to construct a \$150M destination resort, timber history interpretative center, convention center and six-flags type tourism entertainment water-park called “Oregon Only.” The city of Sutherlin and the Oregon Only development team made a joint presentation to the Regional Solutions Team in 2015.
7. Finally, and in summary, this EOA has fundamentally positively transformed our lower-economic environment to a new era in prosperity and improved quality of life.

For the second biennium, the department reserved a portion of its Technical Assistance grant funds to help multiple counties update the exclusive farm use and forest chapters of their zoning codes. In the “Multi County Code Update Project,” the department contracts with the consultant instead of providing a separate grant to each county. The consultant, although being paid by the department, works for the respective counties in writing draft code amendments and presenting the updates to decision-makers. During 2013-2015, three counties – Coos, Hood River, and Union – successfully completed the updates while Lake County went to hearing but has not completed adoption for local reasons. For 2015-2017, the consultant is currently working with Clatsop, Lane, and Lincoln counties and will begin soon with Klamath, Morrow, and Sherman counties.

***Looking ahead.*** The department received about three dollars in requests for each available Technical Assistance grant dollar. Most of these applications were for projects that aligned well with the priorities; those that were denied were mostly priority projects – there simply wasn’t enough funding. The department suspects that the demand is considerably greater than the applications represent as many jurisdictions do not apply because their most pressing needs do not align with the priorities, the local capacity to manage the project is insufficient, or the potential applicant believes (perhaps mistakenly) that it is futile due to perceived criteria (e.g., “only big cities get those grants”).

With additional funds, the general fund grant program could assist more communities with their planning needs, under the same or a modified priority scheme. The abandoned Community Development grant could be resurrected, allowing the department to assist communities with needs outside of comprehensive planning and zoning. With enough resources, the commission could entertain reinstitution of a periodic review program.

#### **IV. COASTAL GRANT PROGRAM**

The Ocean and Coastal Services Division (OCSD) normally provides more than \$650,000 per biennium in grant awards to 37 local governments (city, county and special districts) from federal Coastal Zone Management funds. The OCSD offers two types of coastal program grants. During the 2013-2015 biennium, \$612,000 was provided in Coastal Zone Planning Assistance grants. All coastal jurisdictions received a minimum Planning Assistance grant of \$2,700. These Planning Assistance grants enable local governments to maintain core planning services, review development proposals, prepare plan changes, update ordinances, and do other planning work. These grants are distributed on a formula basis.

Also during the 2013-2015 biennium, the OCSD also awarded \$37,470 in competitive Technical Assistance grants. These grants ranged from \$1,500 to as much as \$10,000. Cities and counties used these funds to conduct special projects related to economic development, coastal hazards, geographic information systems (GIS), information technologies and wetland inventories. Technical Assistance grant priorities for the past biennium were tsunami or other hazard plan updates and estuary plan updates.

During the 2015-2017 biennium, OCSD has not been able to issue any Planning Assistance grants because of the 30 percent reduction in federal coastal funds due to the disapproval of Oregon's Coastal Nonpoint Source Pollution Program. OCSD was able to issue three Technical Assistance grants this biennium because of federal funding carryover from a prior grant. These projects are detailed below.

***Strategic Plan Alignment.*** As indicated above, the department's [strategic plan](#) includes a description of core work and new strategies. The strategic plan recognizes the important role of grant assistance to local governments in the coastal zone to ensure compliance with coastal goals under Goal 1, Conserve Oregon's Natural Resources. Under Goal 2, "Promote Sustainable, Vibrant Communities", the plan recognizes the important role of the grant programs in the description of core work. Finally, grant assistance is addressed in Goal 4, "Provide Timely and Dynamic Leadership to Support Local and Regional Problem Solving." This goal includes the objective to "improve capacity of local governments to carry out their land use responsibilities."

***Projects.*** This year, OCSD has awarded \$61,100 in Technical Assistance grants for the following projects: \$16,100 to Coos County to update the Coquille River Estuary Management Plan, \$40,000 to Astoria for a five-year economic development strategy, and \$5,000 to Clatsop County to complete their wetland program development. OCSD will also award \$15,000 in Technical Assistance grants for tsunami planning in two mid-coast jurisdictions. OCSD also anticipates awarding approximately \$15,000 in Technical Assistance grants for estuary plan updates this coming year.

***Looking ahead.*** OCSD will not be able to award any Coastal Planning Assistance grants until either federal funding is restored or general fund is appropriated to backfill the reduction in federal Coastal Zone Management funds. The department is planning to submit a Policy Option Package that would restore the withheld federal funding (*see* agenda item 9, Discussion and Acknowledgment of the Department's 2017-19 Agency Requested Budget).

## **V. Transportation and Growth Management Program**

The [Transportation and Growth Management Program \(TGM\)](#) is a partnership between DLCD and the Oregon Department of Transportation (ODOT). TGM provides [grants](#) to local governments to plan for vibrant, livable places where people can walk, bike, take transit or drive where they want to go. TGM is the primary funding sources for local planning on transportation and integrated land use and transportation. TGM has been funding local planning since 1993, and completed over 1,100 planning projects. The grants budget is roughly \$5 million per biennium, divided into two annual grant cycles.

Projects are eligible if they are for planning work leading to local policy decisions. Projects must result in an adoption-ready plan or land use regulation amendment. Examples include:

- Transportation system plans (TSPs) including elements such as transportation needs, street networks, bikes and pedestrian networks, safe routes to school, transit, and freight
- Updates to TSPs to address new needs, comply with new state or federal requirements, or maintain consistency with a regional transportation plan
- Implementation such as streetscape designs, cost estimates, capital improvement plans, funding plans, land use regulations required by the Transportation Planning Rule, infill and redevelopment strategies, and intergovernmental agreements
- Refinement plans for specific areas (corridor plans) or topics (safety plans)
- Area plans such as a downtown, mixed-use area, or neighborhood
- Concept plans before or after an expansion to an urban growth boundary to plan transportation and land use
- Interchange area management plans where there is a land use-related component

TGM grants cannot fund construction or the detailed engineering designs that would be used for construction. Projects that are primarily to provide outreach, study an issue, compile data, or inventory information are generally not eligible for a grant, but may be eligible under other community assistance elements of the TGM program:

- [Education and Outreach](#)
- [Code Assistance](#)
- [Quick Response](#)
- [TSP Assessment](#)

In some cases projects within these four elements can be very similar to grants. They differ on their scale (they are generally smaller than grants) and timing (applying anytime rather than once per year).

The criteria used in rating requests for community assistance services include:

Addresses a Need and Supports TGM Objectives	40 Points
Timely and Urgent	25 Points
Project Approach is Reasonable	20 Points
Community Support	5 Points
Sponsor Readiness and Capacity	10 Points
<i>Innovation</i>	<i>Up to 10 bonus points</i>

***Strategic Plan Alignment.*** TGM fits well within Goal 2 (Promote Sustainable, Vibrant Communities), and is closely aligned with the second strategy:

Land use and transportation planning are linked to provide for the development of well-functioning, well-designed, and healthy communities.

***Example Projects.*** Newberg is looking to transform its downtown, which will be easier after the initial phase of the Newberg-Dundee Bypass is completed. TGM funds helped develop a comprehensive land use and transportation plan so residents can create the kind of downtown the community wants, including new guidelines for pedestrian and bicycle facilities in the downtown area.

The Monroe Street Neighborhood Greenway Concept Design Project in Milwaukie helped determine improvements that would make this east-west route across Milwaukie a safer street for all users (bicycles, pedestrians, vehicles, residents, etc.). The project engaged local stakeholders to create a Concept Plan that will guide future investments to help reduce traffic volumes and speeds. It includes recommendations for neighborhood bikeways that will connect to other bike trails in the area and keep through traffic off neighborhood streets.

***Looking ahead.*** Applications are open for 2016 grants, and will be accepted through June 10. Roughly \$2.5 million will be awarded in August. Successful applicants will then develop a detailed statement of work, select consultants and negotiate contracts. Project should be starting in early 2017.