

Land Conservation and Development Commission

2007-2009 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. It 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 2005-2007 biennium, these categories included Periodic Review, Technical Assistance, Columbia River Gorge, and Planning Assistance. An additional category – dispute resolution – is recommended for 2007-2009. Each of these is discussed in more detail in the following section of this plan.

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 is one DLCD budget note regarding use of grant funds for the 2007-2009 biennium, but it does not create a new category or type of grant.

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, closely resembling first-come, first-served. As a result of SB 543 (1999), SB 920 (2003), and HB 3310 (2005), periodic review has been increasingly focused on particular jurisdictions and topics. SB 920 stopped new periodic review work programs until the end of the 2005-2007 biennium, so this plan covers the revival of periodic review activity. HB 3310 has relieved most cities under 10,000 population and all counties from the requirement to complete periodic review.

The committee recommends that Periodic Review grants be used only for completion of tasks and that these grants have the highest priority for use of general fund grant dollars in 2005-2007.

Technical Assistance (TA) Grants. These grants are used for planning projects and related activities outside periodic review. During the 2003-2005 and 2005-2007 biennia, TA grant awards were guided by the Grants Allocation Plan, which set economic development, regulatory streamlining, and federal mandate compliance 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 2007-2009. The funds have been used to complete a variety of projects such as economic opportunity analyses, buildable lands inventories, industrial land needs analyses, 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 plan updates, dispute resolution, and miscellaneous projects that aligned well with the scoring criteria.

The committee recommends for 2007-2009 that technical assistance grants again be focused directly on high priority activities and projects. 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, and create or update coordinated county-wide population projections. The latter priority is new. This recommendation is based on executive orders from the Governor on Regulatory Streamlining, Industrial Lands and A Sustainable Oregon. In addition, the DLCDC budget includes a note regarding the use of \$500,000 of the grant fund.¹ The priority use of technical assistance grants includes this direction for the affected 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 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, and coordinated public facilities plans for urbanizing areas.

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 15,000. These grants have been awarded since 1991. DLCDC has few product or procedural requirements for PA grants, as their purpose is to assist routine operations of the planning

¹ "Unincorporated urbanized area public services and facilities are provided by several different governmental and special service district units. Failure among these agencies to develop long range unified public facilities plans have resulted in a fragmented and costly approach to service system delivery and construction. Consequences of this lack of coordinated planning and programming are apparent in the urban and urbanizable areas. An additional \$500,000 General Fund is provided in this budget to provide grants to local governments to develop coordinated plans for efficient and sustainable service delivery in unincorporated and urbanizing urbanized areas. The Department of Land Conservation and Development is directed to provide to the Emergency Board by December 2008 a report on the grants awarded during the biennium with documentation of the amounts of grants expended."

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 2007-2009 biennium in the same amount awarded during the 2005-2007 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 several biennia. The committee recommends that Gorge grants for 2007-2009 receive funding at the same level and be allotted in the same manner as the 2005-2007 biennium.

Dispute Resolution (DR) Grant. The Oregon Consensus Program (OCP) at Portland State University received technical assistance grants from DLCD during the 2003-2005 and 2005-2007 biennia to carry out dispute resolution services related to land use and planning. An important aspect of OCP's service includes assistance to parties to LUBA appeals pursuant to ORS 197.830(10)(b). OCP also provides assessment of cases to determine whether they are appropriate for mediation, and in some cases assists in mediation activities. The committee recommends that the dispute resolution grant be made a separate category and funded during 2007-2009 at the same level as 2005-2007.

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.

IMPLEMENTATION OF THE PLAN

The department is responsible for implementation of this plan with any needed 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. 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 approved this plan, as recommended by the Grants Advisory Committee, by voice vote on June 14, 2007.

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 07-09 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 2005-2007.
- Columbia Gorge grant program funding as the same level as 2005-2007.
- Dispute Resolution grant at the same level as the technical assistance grant in 2005-2007.
- Technical Assistance grants to develop coordinated plans for efficient and sustainable service delivery in unincorporated and urbanizing urbanized areas.
- Technical Assistance grants for economic development, regulatory streamlining, and coordinated county-wide population forecasting. 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 an adjustment is required.

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.