



# Oregon

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## **Land Conservation and Development Commission**

### **2015-2017 GENERAL FUND GRANTS ALLOCATION PLAN**

**Final**

#### **INTRODUCTION**

This plan provides guidance to the Department of Land Conservation and Development (DLCD) for the department's grant allocation decisions within the General Fund grant program. The plan was developed by the commission's Grants Advisory Committee with assistance from DLCD staff and approved by the Land Conservation and Development Commission on May 21, 2015.

#### **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 2013-2015, 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.

Grant categories have from time to time been designated in department budget notes. For instance, the Planning Assistance and Columbia River Gorge grants were originally created in response to legislative direction. Whether the 2015-2017 budget contains grant-related notes will be unknown until after the commission approves this plan. DLCD will comply with any budget notes. [NOTE: The 2015-2017 DLCD budget did not include any grant-related notes.]

In 2013, the Legislature enacted [HB 2253](#), which requires the Portland State University Population Research Center to coordinate and develop population forecasts for jurisdictions statewide, and for the department to fund the work. The bill became Oregon Laws 2013, Ch. 574. Subsection 5 (6) of the bill provides, "The population forecasting program operated by the Portland State University Population Research Center pursuant to section 2 of this 2013 Act is the highest priority for the allocation of grant funding..." This was codified at ORS 197.639(6).

In 2014, the Legislature enacted [HB 4015](#), which requires certain state agencies to include considerations when exercising their grant-making authority. The bill became Oregon Laws 2014, Ch. 82. Sec. 2 of the bill states:

In awarding grants, loans or incentive funds for projects undertaken in connection with grant, loan or incentive programs, state agencies listed in section 3 (3)(a)(A) to (E) of this 2014 Act [which includes DLCD] shall, consistent with the programs' enabling legislation, rules and regulations, use regional priorities for community and economic development . . . in the consideration of project funding decisions and base decisions of which projects to undertake upon whether the project will:

- (1) Use regional and community-based problem solving.
- (2) Support regional and community-based means of integrating state and local resources and services.
- (3) Create jobs in relation to the economy and population of the region directly impacted by the project.
- (4) Involve investment of capital in relation to the economy and population of the region directly impacted by the project.
- (5) Have community support, as indicated by the support of the governing body of the local government.
- (6) Have obtained appropriate land use and environmental reviews and authorizations prior to utilization of funds.

These two pieces of legislation affect the Grants Allocation Plan.

## **GRANTS ALLOCATION**

The provisions of the plan are explained below and summarized in Exhibit B. In order to encourage early participation, the department will set an application deadline for the competitive categories of grant applications, and the deadline will give local governments ample time to prepare an application while still affording the department time to review the submittals and make awards early in the biennium. Applications received by the department will compete for funding according to the directions described below.

## **GRANT CATEGORIES**

***Population Forecast Grant.*** A new category of grant is created to respond to the legislative mandate in HB 2253 (2013). A special appropriation was provided by the legislature to help fund the grant to Portland State University for the 2013-2015 biennium, the first time PSU has prepared statewide population forecasts under the new law. This appropriation was supplemented with resources from the base grant fund. During 2015-2017, the entire cost of preparation of the forecasts is expected to come from the grant fund. There was not consensus on the advisory

committee that population forecasting should be funded through a grant, but the committee recognized that DLCD must comply with the law.

A Population Forecast grant category is created to fully fund PSU's work in development of county and city population forecasts statewide. DLCD will keep the grant as small as possible to conserve funds for other grants categories.

***Planning Assistance (PA) Grants.*** Grants of \$1,000 have been provided to cities under 2,500 population and grants of \$3,500 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.

DLCD will continue to offer PA grants to eligible cities and counties, with the amount for counties raised to \$4,000. Any funds not utilized by eligible cities and counties will be used to fund Technical Assistance grants.

***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, Multnomah, and Wasco), the commission has provided grants to cover a portion of the cost of implementing the Columbia River Gorge National Scenic Area Plan.

The Columbia River Gorge counties' National Scenic Area grants are continued for 2015-2017 at the same levels as the 2013-2015 biennium.

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

The dispute resolution grant is funded for 2015-2017 at the same level as 2013-2015.

***Periodic Review (PR) Grants.*** These grants assist communities with the completion of periodic review work tasks and are awarded non-competitively. 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. It is important for the department to help jurisdictions successfully complete periodic review programs quickly and efficiently – meeting statutory deadlines and making efficient use of scarce resources.

Because of scarce resources and the department's current effort to develop rules that could create a new alternative to periodic review for many cities, no grants for new periodic review work programs will be approved during 2015-2017. PR grants will be used only for the completion of work tasks on existing periodic review work programs, and these grants will be allotted prior to awarding general fund grant dollars for Technical Assistance grants. This is not expected to exceed \$50,000.

**Technical Assistance (TA) Grants.** These grants are used for significant planning projects and related planning activities outside periodic review and for periodic review work tasks authorized by the commission prior to 2007. Oregon Laws Ch. 82, Sec. 2 (House Bill 4015) affects TA grant allocations (see pp. 1–2 for a quote of the relevant section).

TA grants will 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. Natural hazards planning
4. Provide infrastructure financing plans for urbanizing areas
5. Update comprehensive plans and implementing codes to respond to changes in state law

Including promotion of economic development as the top priority for TA grants is consistent with the economic development focus in Oregon Laws Ch. 82, Sec. 2. Regional priorities will be considered in making TA grant awards, as instructed by the law.

Regarding scoring criteria for TA grants, in addition to the priorities above and other considerations customarily employed by the department, the department will give extra consideration for (1) proposals from multiple jurisdictions to address regional issues, and (2) projects that result in a product that will benefit other jurisdictions such as a guidebook, model procedure, or template.

TA requests outside these priorities should be funded only after all applications of higher priority are considered.

**Community Development (CD) Grant.** This is a new grant category for 2015-2017. The purpose of CD grants will be to assist local governments with projects that implement their comprehensive plans. This implementation could be site planning, streetscape or specific-area planning, establishing a mechanism to finance development or other improvements, façade improvements, community visioning and team-building, or other project that furthers a local government's community and economic development objectives.

The CD grant program will receive a \$150,000 allotment from the grant fund, and roughly half of this amount will be granted through a competitive, application-based review process and half will be reserved for projects the director identifies over the course of the biennium that satisfy the award criteria.

The CD category will not be funded if the General Fund grant budget approved during the 2015 legislative session does not exceed \$1.85 million. [NOTE: The 2015-2017 DLCD grant budget does not exceed \$1.85 million, so the CD grant program will not be offered.]

## **LEVERAGING RESOURCES**

A local cash or in-kind match is not 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.

DLCD will partner with other agencies and programs, such as the Transportation Growth Management Program, the Regional Solutions Teams, and Infrastructure Finance Authority, as the primary approach for leveraging DLCD grant funds. Consideration of regional priorities in grant award decisions will promote leveraging state agency assistance, as other departments are also required to employ the same priorities in their investment decisions. (See the description of Oregon Laws Ch. 82, Sec. 2, regarding funding considerations under “Technical Assistance Grants,” pp. 4–5 above.)

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**

Melissa Anderson  
City of Albany

Jon Chandler  
Oregon Home Builders Association

Keith Cubic, chair  
Douglas County

Erin Doyle  
League of Oregon Cities

Mary Kyle McCurdy  
1000 Friends of Oregon

Mark Nystrom  
Association of Oregon Counties

Kelly Ross  
Western Advocates, Inc.

John Williams  
Metro

## **Exhibit B**

### **SUMMARY**

Grant funds for 2015-2017 should be allocated based on the following recommendations:

#### **Grant Program Categories recommended for funding**

Population Forecast

Planning Assistance (PA)

Columbia River Gorge (CG)

Dispute Resolution (DR)

Community Development (CD)

Periodic Review (PR)

Technical Assistance (TA)

#### **Grant Priorities**

- Planning Assistance grants of \$1,000 offered to cities with a population less than 2,500 and of \$4,000 to counties with a population less than 15,000.
- Columbia Gorge grants funded at the same level as 2013-2015:
  - Wasco County \$90,000
  - Hood River County \$80,000
  - Multnomah County \$70,000
- Dispute Resolution grant funded at the same level as 2013-2015: \$20,000.
- Remaining funds will be allocated to local jurisdictions to assist with the timely completion of current periodic review work tasks. This is not expected to exceed \$50,000.
- Remaining funds will be prioritized for Technical Assistance projects for economic development, regulatory streamlining, natural hazards planning, public facilities financing plans, and plan and code updates to address changes in state law. Projects outside these priorities are also encouraged and will be evaluated on the merits of the application.
- New Community Development grants funded with \$150,000 if the grant fund exceeds \$1.85 million.

#### **Leverage of Grant Funds**

The department should continue to coordinate with federal and state agency programs to achieve maximum results from general fund grants. Consideration of regional priorities adopted by Regional Solutions advisory committees will result in coordinated state investments.

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.