

Business Item

Land Use Advisory Committee



Meeting Date: September 18, 2025

Topic

Small Communities Planning Program and 2050 Planning Assistance Grant Program Eligibility Criteria Recommendations

District(s), Member(s):	All Districts and Council members
Policy/Legal Reference:	Minn. Stats. §§ 473.191 and 473.867
Staff Prepared/Presented:	Angela R. Torres, Senior Manager, (651) 602-1566 Merritt Clapp-Smith, Senior Planner, (651) 602-1567
Division/Department:	Local Planning Assistance, Community Development

Proposed Action

After extensive analysis and discussion throughout 2025, the Land Use Advisory Committee (LUAC) forwards these recommendations to the Community Development Committee (CDC) for their consideration:

1. To be eligible for the new 2050 Small Communities Planning Program, a community must meet one of the following three criteria:
 - a. Current population (2024) is under 500 AND adjusted net tax capacity per capita (2024) is less than or equal to 175% of metro median net tax capacity per capita.
OR
 - b. Current population (2024) is between 500 to 999 AND adjusted net tax capacity per capita (2024) is less than or equal to 150% of metro median net tax capacity per capita.
OR
 - c. Current population (2024) is between 1,000 and 2,500 AND adjusted net tax capacity per capita (2024) is less than or equal to 125% of metro median net tax capacity per capita.
2. To be eligible for the 2050 Planning Assistance Grant Program, a community must meet one of the following three criteria:
 - a. Current population (2024) is between 2,500 to 14,999 AND adjusted net tax capacity per capita (2024) is less than or equal to 125% of metro median net tax capacity per capita.
OR
 - b. Current population (2024) is between 15,000 to 35,000 AND adjusted net tax capacity (2024) per capita is less than or equal to 100% of metro median net tax capacity per capita.
OR
 - c. County with land use planning authority for townships within their jurisdiction OR a consortium of 5 or more Dakota County communities in the Rural Service Area working collaboratively on their comprehensive plan updates.

Rationale

Minnesota Statutes Section 473.867, subd. 2, authorizes the Metropolitan Council to establish a Planning Assistance Fund to provide grants and loans to local units of government. The primary purpose is for reviewing and amending local comprehensive plans, fiscal devices, and official controls, as required by the Metropolitan Land Planning Act. Planning grants facilitate the local planning process to ensure that the region continues to coordinate planning across all jurisdictions focusing on the local governments most in need.

Further, Minnesota Statutes Section 473.191, subd. 1, authorizes the Metropolitan Council to enter into contracts or make other arrangements with local government units to provide services or assist with comprehensive planning. The Small Communities Planning Program provides the smallest communities with the most demonstrated need in the region, with the highest level of technical assistance in order to ensure completion of decennial planning requirements.

Thrive lens analysis

On February 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. As part of its implementation of Imagine 2050, the Council has committed to supporting local comprehensive planning. Following this policy direction, and incorporating feedback from grantees and staff experiences from previous funding cycles, the proposed approach aims to advance the core requirements of the Metropolitan Land Planning Act as well as Imagine 2050 regional goals.

Funding

The Planning Assistance Fund maintains a base balance after each decennial grant cycle to help maintain the fund through interest earnings. The Fund balance saw limited interest earnings over the past decade. Additionally, high rates of inflation and a different programmatic structure which focuses assistance on small communities and incentivizes regional goals have all increased the funding needs and impacted the budget for these programs.

In concert with the Community Development Finance Director and Executive Leadership, the budget established for the 2050 Planning Assistance Grant Program, with the Small Communities Planning Program and incentive grants is currently proposed to be \$5.64 million. The programs are funded through transfers from the Council's General Fund into the Planning Assistance Fund.

Budgetary decisions are ongoing and require additional Council commitment. This Business Item only entails the eligibility criteria for the programs and does not include any fiscal recommendations by the Committee.

Background

At its last four meetings, the Land Use Advisory Committee (LUAC) has considered and discussed two forms of planning assistance the Met Council will offer to communities for 2050 comprehensive plan updates. The first is the 2050 Planning Assistance Grant program which will provide direct financial assistance through non-competitive grants, similar to those provided by the Met Council for the 2030 and 2040 planning cycles. Additionally, a new program, the Small Communities Planning Program, will provide direct professional planning services to help some of the region's smallest communities complete local plan updates.

The Committee members have expressed strong support for the Small Communities Planning Program and proposed criteria to identify potential participants. Members have also been supportive of potential updates to eligibility criteria for planning assistance grants which would shift the types of communities served to those that are smaller and more financially constrained.

At its [July 17, 2025, meeting](#), Committee members reviewed a list and maps of potentially eligible communities based on 2024 current population and 2024 net tax capacity data. Staff mentioned that the potential list of eligible communities might shift modestly before the September LUAC meeting, with the anticipated update of net tax capacity data from the Minnesota Department of



Revenue. The latest eligibility analysis, list, and maps in this business item use the updated data.

Based on the most current information available and the eligibility criteria considerations discussed to date, staff propose eligibility criteria recommendations for discussion. This Business Item reflects updated data and the extensive discussions and direction from the Committee as it relates to the methodology and analysis for the Small Communities Planning Program and the 2050 Planning Assistance Grant Program eligibility criteria. The Committee will consider forwarding these recommendations to the Community Development Committee at its meeting on September 18, 2025. This includes maps and a list of potentially eligible communities (Attachments 1 through 4).

Analysis Update of Potentially Eligible Communities

In the criteria eligibility data analysis to date, Met Council staff have been using 2024 Net Tax Capacity data submitted by communities to the Minnesota Department of Revenue [MN Revenue]. Met Council staff had anticipated updating the analysis with 2025 Net Tax Capacity data that communities submit mid-year to MN Revenue. However, staff recently learned that communities submit data on a rolling basis over several months, and that a full set of 2025 data for metro communities would not be available until late 2025.

Met Council staff consulted with Nick Greene, Property Tax Research Director from MN Revenue, to better understand data availability and timing. After staff discussion with Mr. Greene regarding the data needs and use for this program, he recommended that we update the 2024 Net Tax Capacity data with MN Revenue's 2024 "Adjusted Net Tax Capacity" (ANTC) data.

What is "Adjusted Net Tax Capacity" (ANTC) data?

Communities submit their Net Tax Capacity data to MN Revenue based on assessed values in the community. MN Revenue then compares a sample of the assessed values to actual sales and adjusts the net tax capacity numbers to reflect market conditions. The adjustment neutralizes the effect of differing assessment practices across communities. The resulting data, which takes MN Revenue six to nine months to prepare and release, is called the "Adjusted Net Tax Capacity." Mr. Greene said that the Adjusted Net Tax Capacity (ANTC) data set is the one typically used by other State agencies when determining community eligibility for grant and funding awards.

Based on the information from MN Revenue, Met Council staff recommend using the 2024 Adjusted Net Tax Capacity data for the planning assistance eligibility analysis. Staff updated the eligibility analysis based on 2024 ANTC data, with the result of only a few shifts in community eligibility:

Eligibility Changes using 2024 Adjusted Net Tax Capacity Data instead of 2024 Net Tax Capacity Data

Net Tax Capacity Per Capita was a criteria used during the 2040 planning cycle, and proposed for the 2050 cycle, to help measure the financial need of a community for assistance relative to other communities in the region. Net Tax Capacity (or Adjusted Net Tax Capacity) is divided by the 2024 population of each community to determine NTC per capita (or ANTC per capita).

Utilizing 2024 Adjusted Net Tax Capacity data instead of unadjusted 2024 Net Tax Capacity data on a per capita basis changes the list of eligible communities as follows:

- Decreases the number of communities eligible for grants from 68 to 64
- Decreases the number of communities eligible for the Small Communities Planning Program from 32 to 29

The ANTC data update had a rebalancing effect on the number of communities eligible for the programs. The 2024 population estimate updates earlier this year added to the overall total number of communities eligible. With this update, we see a minor decrease which balances out the two datasets and more closely reflects the initial analysis' community counts. The number of communities eligible for the grant program remains aligned with the program goal to support approximately the same number of communities as in the 2040 planning cycle (67). Attachments 1-4 to this report are updated maps and a list of eligible communities.



Small Communities Planning Program

Based on the discussions and direction from the Committee beginning in January 2025 and ongoing analysis, the eligibility criteria analysis prioritizes adjusted net tax capacity per capita and community population with the intention to serve as many communities as practical.

Recommendations for the 2050 Small Communities Planning Program Eligibility Criteria

A community would be eligible for direct professional planning services from the Met Council under the new Small Communities Planning Program, if they meet one of three sets of criteria shown below and in Table 1. Under these criteria a total of 29 communities would be eligible for participation in the Small Communities Planning Program.

- Current population (2024) is under 500 AND adjusted net tax capacity per capita is less than or equal to 175% of metro median net tax capacity per capita.
- Current population (2024) is between 500 to 999 AND adjusted net tax capacity per capita is less than or equal to 150% of metro median net tax capacity per capita.
- Current population (2024) is between 1,000 and 2,500 AND adjusted net tax capacity per capita (2024) is less than or equal to 125% of metro median net tax capacity per capita.

Table 1. 2050 Small Communities Planning Program eligibility criteria and communities served

	Current Population (2024)	Adjusted Net Tax Capacity Per Capita (2024) (metro median = 100%)	# of Communities Eligible by Criteria	Total # Communities Eligible for the Program
General Eligibility Criteria	Under 500	Less/equal to 175% metro median	12	29
	OR			
	500 to 999	Less/equal to 150% metro median	9	
	OR			
	1,000 to 2,500	Less/equal to 125% metro median	8	

2050 Planning Assistance Grant Program

Based on the discussions and direction from the Committee beginning in January 2025 and ongoing analysis, the eligibility criteria analysis prioritizes adjusted net tax capacity per capita and community population with the intention to serve as many communities as practical.

Recommendations for 2050 Planning Assistance Grant Program Eligibility Criteria

A community would be eligible for a Planning Assistance Grant under the recommended eligibility criteria for the 2050 planning cycle, if they meet one of three sets of criteria shown below and in Table 2. Under these criteria a total of 64 individual communities, 2 counties, and 1 consortium group would be eligible for planning assistance grants. The County or Consortium eligibility criteria would provide support for up to 37 communities in addition to the two counties. Participants in the Consortium would forego participation in other planning assistance programs.

- Current population (2024) is between 2,500 to 14,999 AND adjusted net tax capacity per capita (2024) is less than or equal to 125% of metro median net tax capacity per capita.
- Current population (2024) is between 15,000 to 35,000 AND adjusted net tax capacity per capita (2024) is less than or equal to 100% of metro median net tax capacity per capita.
- County with land use planning authority for townships within their jurisdiction OR a consortium of 5 or more Dakota County communities in the Rural Service Area working collaboratively on their comprehensive plan updates.



Table 2. 2050 Planning Assistance Grant Program eligibility criteria and communities served

	Current Population (2024)	Adjusted Net Tax Capacity Per Capita (2024) (metro median = 100%)	#of Communities Eligible by Criteria	# Eligible for Planning Assistance Grant
General Eligibility Criteria	2,500 to 14,999	Less/equal to 125% metro median	38	64*
	OR			
	15,000 to 35,000	Less/equal to 100% metro median	26	
County or Consortium Eligibility Criteria	County with land use planning authority for townships within their jurisdiction		20 townships and 2 counties	2 counties
	OR			
	Consortium of 5 or more Dakota County communities in the Rural Service Area working collaboratively on their comprehensive plan updates*		17	1 group

* Note: A collective of small cities and townships in the Rural Service area of Dakota County have collaborated during the last three planning cycles (2020, 2030, and 2040) to complete their comprehensive plan updates together. These communities will have the option of participating in the Dakota County Collaborative (Consortium) again. However, if a community chooses to participate in the Consortium, it must forego participation in other planning assistance programs.

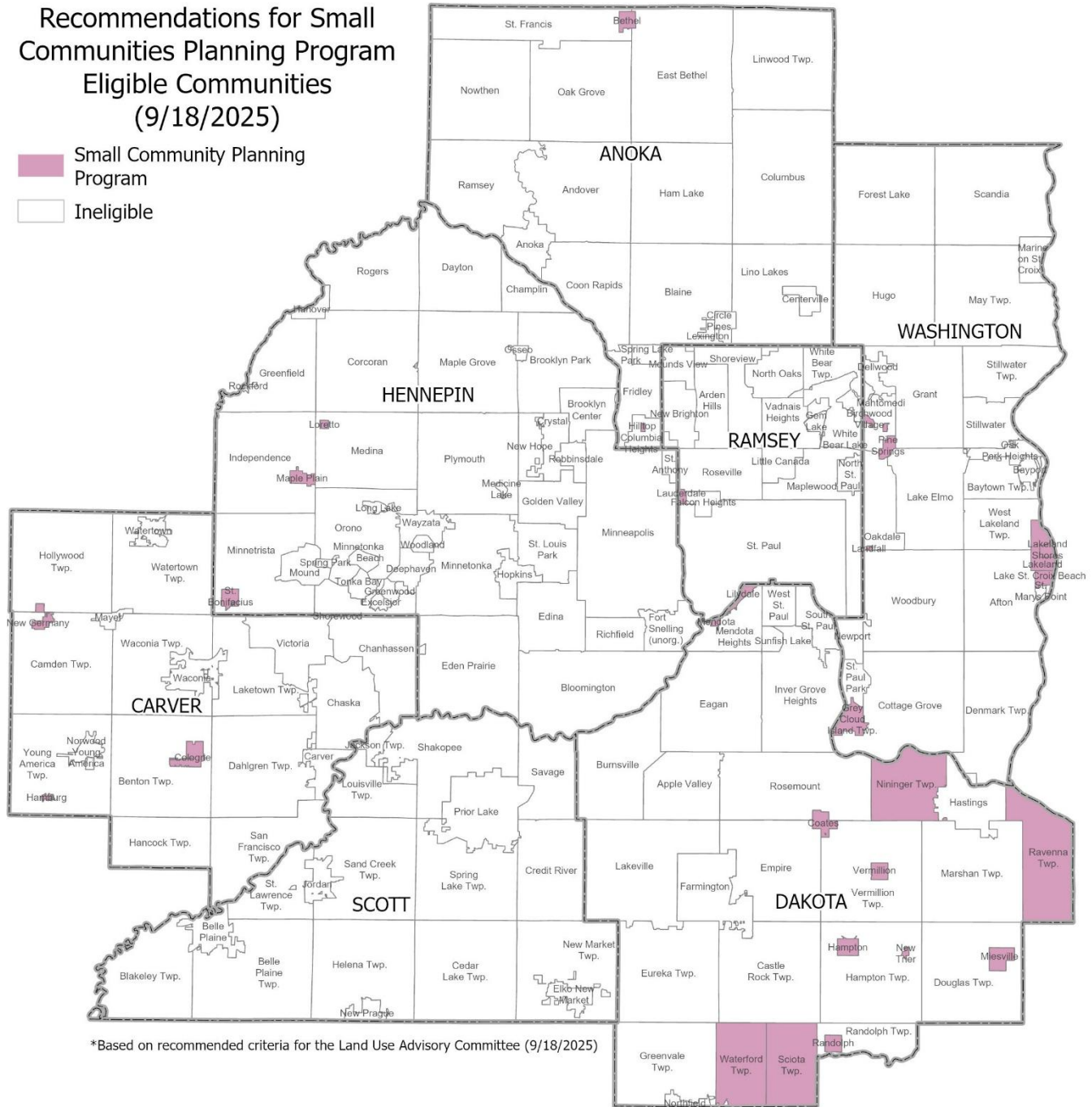
Attachments

- Attachment 1: Map of Small Communities Planning Program eligible communities based on recommended criteria (9/18/2025)
- Attachment 2: Map of 2050 Planning Assistance Grant Program eligible communities based on recommended criteria (9/18/2025)
- Attachment 3: Map of Small Communities Planning Program and the 2050 Planning Assistance Grant Program eligible communities based on recommended criteria (9/18/2025)
- Attachment 4: List of Small Communities Planning Program and the 2050 Planning Assistance Grant Program eligible communities based on recommended criteria (9/18/2025)



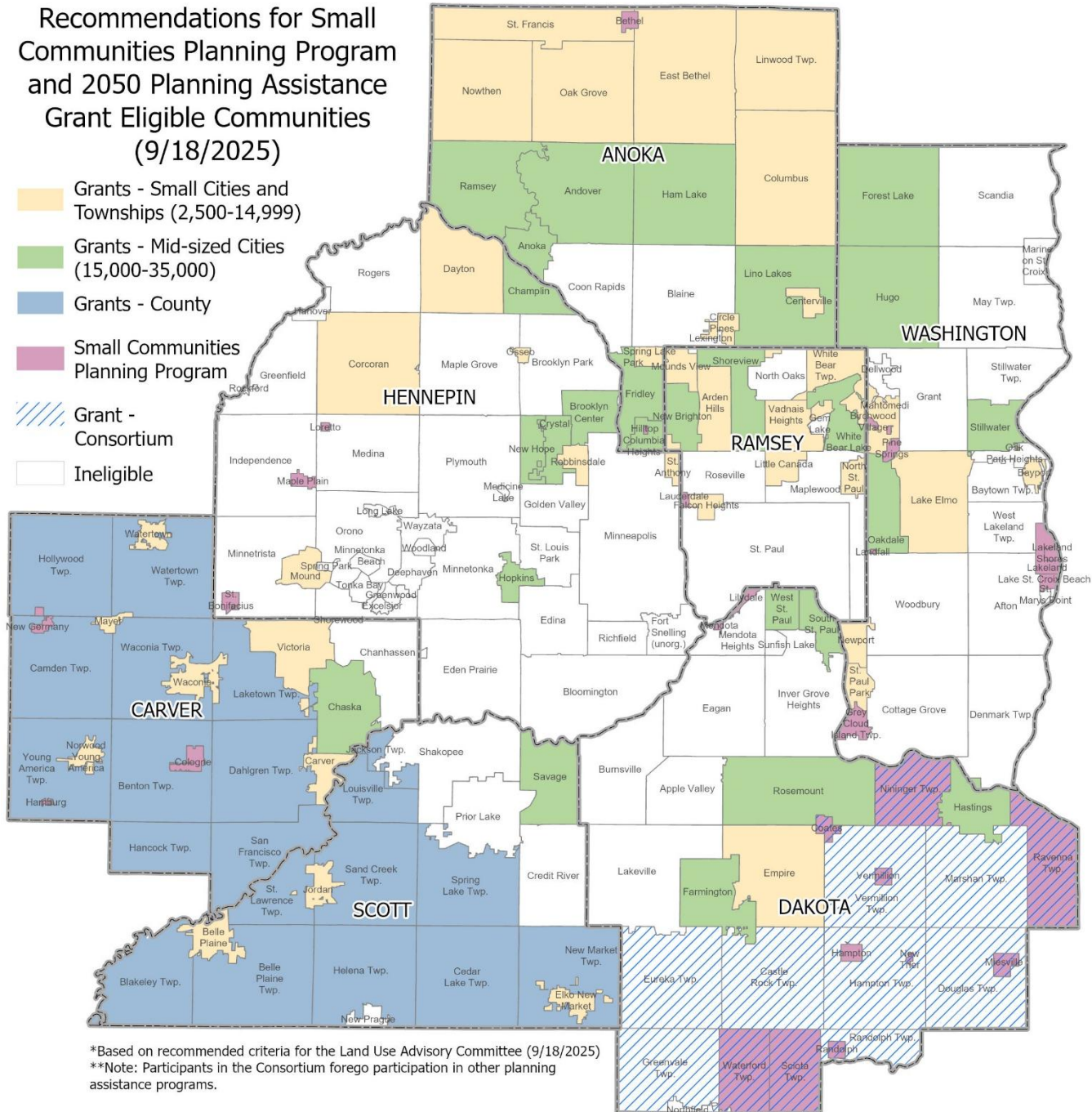
Recommendations for Small Communities Planning Program Eligible Communities (9/18/2025)

- Small Community Planning Program
- Ineligible



Recommendations for Small Communities Planning Program and 2050 Planning Assistance Grant Eligible Communities (9/18/2025)

- Grants - Small Cities and Townships (2,500-14,999)
- Grants - Mid-sized Cities (15,000-35,000)
- Grants - County
- Small Communities Planning Program
- Grant - Consortium
- Ineligible



*Based on recommended criteria for the Land Use Advisory Committee (9/18/2025)
 **Note: Participants in the Consortium forego participation in other planning assistance programs.

Small Communities Planning Program and 2050 Planning Assistance Grant Program
LIST OF ELIGIBLE COMMUNITIES (Based on recommendations to LUAC on 9/18/2025)

2050 Planning Assistance Grant Program			
Small Cities and Townships (2,500-14,999)	Mid-sized Cities (15,000-35,000)	County or Consortium	Small Communities Planning Program
Arden Hills	Andover	Carver County, <i>includes:</i>	Bethel
Bayport	Anoka	Benton Twp.	Birchwood Village
Belle Plaine	Brooklyn Center	Camden Twp.	Coates
Carver	Champlin	Dahlgren Twp.	Cologne
Centerville	Chaska	Hancock Twp.	Grey Cloud Island Twp.
Circle Pines	Columbia Heights	Hollywood Twp.	Hamburg
Columbus	Crystal	Laketown Twp.	Hampton
Corcoran	Farmington	San Francisco Twp.	Hilltop
Dayton	Forest Lake	Waconia Twp.	Lake St. Croix Beach
East Bethel	Fridley	Watertown Twp.	Lakeland
Elko New Market	Ham Lake**	Young America Twp.	Lakeland Shores
Empire	Hastings		Landfall
Falcon Heights	Hopkins	Scott County, <i>includes:</i>	Lauderdale
Jordan	Hugo	Belle Plaine Twp.	Lilydale
Lake Elmo	Lino Lakes	Blakeley Twp.	Loretto
Lexington	New Brighton	Cedar Lake Twp.	Maple Plain
Linwood Twp.**	New Hope	Helena Twp.	Mendota
Little Canada	Oakdale	Jackson Twp.	Miesville
Mahtomedi	Ramsey	Louisville Twp.	New Germany
Mayer	Rosemount	New Market Twp.	New Trier
Mound	Savage	Sand Creek Twp.	Nininger Twp.
Mounds View	Shoreview	Spring Lake Twp.	Pine Springs
Newport	South St. Paul	St. Lawrence Twp.	Randolph
North St. Paul	Stillwater		Ravenna Twp.
Norwood Young America	West St. Paul	Dakota Co. Consortium <i>includes:*</i>	Sciota Twp.
Nowthen**	White Bear Lake	Coates	St. Bonifacius
Oak Grove**		Miesville	Vermillion
Osseo		New Trier	Waterford Twp.
Robbinsdale		Randolph	Willernie
Spring Lake Park		Vermillion	
St. Anthony		Castle Rock Twp.	
St. Francis		Douglas Twp.	
St. Paul Park		Eureka Twp.	
Vadnais Heights		Greenville Twp.	
Victoria		Hampton Twp.	
Waconia		Marshan Twp.	
Watertown		Nininger Twp.	
White Bear Twp.		Randolph Twp.	
		Ravenna Twp.	
		Sciota Twp.	
		Vermillion Twp.	
		Waterford Twp.	
38	26	39	29

*Participants in the Consortium forego participation in other planning assistance programs.

**Indicates that this is one of four unsewered communities.