

Committee Report

Community Development Committee



Committee meeting date: December 1, 2025

For the Metropolitan Council: December 17, 2025

Business Item: 2025-304

2050 Planning Assistance Grant Program and Small Communities Planning Program Funding Award
Recommendations

Proposed action

That the Metropolitan Council:

1. Set the grant award amounts for the 2050 Planning Assistance Grant Program as follows:
 - a. The base award amounts for eligible communities are as follows:
 - i. Sewered communities: \$40,000
 - ii. Unsewered communities: \$25,000
 - iii. County or Consortium: \$110,000
 - b. Eligible Planning Assistance Grant Program participants may choose to opt-in to either or both of the following incentive grants:
 - i. Advancing Regional Goals: \$10,000
 - ii. Early Plan Completion: \$4,000
 - iii. If an eligible participant opts into an incentive grant program and later either chooses not to or is unable to complete program requirements, they shall forfeit those grant dollars but there shall be no penalty.
2. Set the funding amounts for the 2050 Small Communities Planning Program as follows:
 - a. Each eligible community shall have an identified not-to-exceed (NTE) engineering budget allocation based on need and expected planning effort as determined by the type of wastewater and water supply services further detailed in Table 3 and Attachment 1 of this report.
 - b. Any additional engineering costs would be required to be the responsibility of the local government.

Summary of Community Development Committee discussion/questions

Executive Director LisaBeth Barajas presented the staff's report to the Committee. The Committee expressed appreciation for the focus on small communities who often struggle the most with completing comprehensive planning due to their limited staff capacity. Council Member Wulff inquired whether unused incentive grant funds could be redirected to other cities that are not eligible under the existing criteria, but still have a low net tax capacity per capita. Barajas explained that grant dollars are not fully paid out until the grantee has completed the plan requirements, so not until well after the deadline for comprehensive plans at the end of 2028. Council Member Morales discussed the Land Use Advisory Committee's consideration of the criteria (net tax capacity per capita) and what changes would mean for grant awards and the impact that those awards might have on communities. Committee members discussed the benefits of the focus on smaller communities.

The Committee passed the proposed actions, 6-1.

Business Item

Community Development Committee



Committee meeting date: Dec. 1, 2025

For the Metropolitan Council: Dec. 17, 2025

Business Item: 2025-304

2050 Planning Assistance Grant Program and Small Communities Planning Program Funding Award Recommendations

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

Proposed action

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1. Set the grant award amounts for the 2050 Planning Assistance Grant Program as follows:
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2. Set the funding amounts for the 2050 Small Communities Planning Program as follows:
 - a. Each eligible community shall have an identified not-to-exceed (NTE) engineering budget allocation based on need and expected planning effort as determined by the type of wastewater and water supply services further detailed in Table 3 and Attachment 1 of this report.
 - b. Any additional engineering costs would be required to be the responsibility of the local government.

Background

At the November 20, 2025, Land Use Advisory Committee Meeting, the Committee recommended approval of the funding award amounts for the Planning Assistance Grant Program and the Small Communities Planning Program for the 2050 planning cycle.

The Met Council adopted the LUAC and CDC recommended eligibility criteria for both programs on October 22, 2025 ([Business Item 2025-267](#)).

Both the LUAC and the CDC have reviewed and provided direction to guide the evolution of these two programs throughout 2025. The most recent update of LUAC's progress on these programs was shared with the CDC on October 20, 2025. CDC was supportive of LUAC's work on the

funding priorities and award amounts. In particular, Council members supported LUAC's priority to direct additional dollars towards engineering services costs for the Small Communities Planning Program. Most members voiced strong support for the Incentive Grant awards, although one member had concerns about its purpose and implementation.

The Planning Assistance grants provide direct financial support to 67 eligible participants. With two counties responsible for planning for the townships in their jurisdictions, that number actually represents 103 local governments. The new Small Communities Planning Program adds a significant increase in support for the region's smallest communities with the most demonstrated financial need. Up to 29 communities are eligible for that program. For the 2050 planning cycle, the Planning Assistance Grant Program and the Small Communities Planning Program in total support comprehensive planning efforts for 124 of 188 jurisdictions in the region.

In the 2030 and 2040 planning cycles, the Planning Assistance Grant Program provided financial support for 86 and 103 jurisdictions, respectively. The 2050 programs will provide financial support for 2/3 of the region's communities, representing a 20% increase from the 2040 planning cycle.

Recommended Funding Scenario

Table 1, below, shows the three funding scenarios that have been reviewed. The table identifies the number of communities by award amount for each Scenario (A, B, and C). Scenario A was provided as a baseline. Both Committees primarily favored Scenario C, indicating that the minor reduction to the individual planning grants to support other programs was far outweighed by the impact of additional assistance for small communities. LUAC Members Worthington and Doolan shared the following rationale with general agreement from the other Members. CDC members concurred at their October meeting discussion.

- The need and lack of capacity in small communities warrant more assistance within the Small Communities Planning Program. Smaller communities lack engineering resources in-house, generally, and also lack capital funds to make necessary improvements. Assistance for those communities would be more impactful.
- The difference between Scenarios B and C from Scenario A (baseline) is a 34% increase and a 25% increase, respectively, for those receiving planning grants over what was provided in the previous planning cycle. The difference between the two scenarios is not that material for planning grant recipients for the value it would provide to the small communities.

Table 1: 2050 Planning Assistance Grant Program Funding Scenarios

# of Eligible Participants*	Community type	Scenario A		Scenario B		Recommended: Scenario C	
		2040 Plan Levels	Total	Inflation-Adjusted	Total	Adjusted for Programs	Total
60	Sewered	\$32,000	\$1,920,000	\$43,000	\$2,580,000	\$40,000	\$2,400,000
4	Unsewered	\$20,000	\$80,000	\$27,000	\$108,000	\$25,000	\$100,000
3	County/Consortium	\$84,000	\$252,000	\$112,000	\$336,000	\$110,000	\$330,000
67			\$2,252,000		\$3,024,000		\$2,830,000

**Based on eligibility criteria adopted by the Council on 10/22/2025*

Program Budget

Table 2 below shows the overall program budget of \$5.64 million using the recommendation of Scenario C, which provides a higher level of support for the engineering costs anticipated in the Small Communities Planning Program. This total budget is intended to cover the costs for the 2050 Planning Assistance Grant Program, the two incentive grants that are a part of that Program, and the Small Communities Planning Program engineering services costs. The intention is to expend as close to the allocated budget as possible. This is the amount available for disbursement and excludes a reserve amount to maintain the Planning Assistance Fund for the next decennial cycle.

The total budget as identified in Table 2 below allocates \$3,768,000 for the Planning Assistance Grants, inclusive of the Incentive Grants supporting advancement of regional goals and early plan

completion. A total of \$1,870,500 is allocated for the Small Communities Planning Program engineering costs for the required wastewater, water supply, and surface water management planning in comprehensive plans. This would expend all but \$1,500 of the total overall program budget.

Table 2: Overall Program Budget using recommended award scenario

Programs	Overall Budget Based on Recommended Award Scenario (C)
Planning Assistance Grant Program	\$2,830,000
Incentive Grants Opt-in Program	\$938,000
Small Communities Planning Program	\$1,870,500
Wastewater Plan Estimated Costs	\$982,000
Water Supply Plan Estimated Costs	\$294,000
Surface Water Management Plan Estimated Costs	\$594,500
	\$5,638,500
Remaining Budget	\$1,500

Not-To-Exceed (NTE) Engineering Budget Allocation

Engineering services have been estimated to reflect the distinct conditions of each community, based on key variables. Wastewater planning considers how services are provided: through the regional wastewater system or a local municipal system; via individual septic systems; or some combination of these systems. Water supply planning considers where water supply is obtained: public water supply through various means, or through privately owned wells. Surface water depends on the level of assistance from the local watershed district or water management organization as well as impaired waters and the level of planning needed to protect them.

Table 3 below identifies the range of engineering costs by community type. This identifies the recommended budget allocation based on what type of services are provided. The table below shows how many communities fall into each type and the estimated costs to accomplish water planning for those communities. This illustrates how, even though the communities are small, there are different engineering needs.

The NTE budget allocation would be paid by the Met Council to consulting engineers retained by the Council for this purpose. Funds will not be provided to the local government directly.

Table 3: Range of Engineering Cost Estimates by Community Type

Type of Community Services	# of comms	Wastewater+ Water Supply Estimates	Recommendation Scenario C	
			Addl \$20,500 for Surface Water Mgmt	Estimated Total Cost
Sewered + Public (municipal) water supply	10	\$76,000	\$96,500	\$965,000
Sewered + Public water supply from neighbor	3	\$63,000	\$83,500	\$250,500
Sewered + Private water supply (wells)	2	\$61,000	\$81,500	\$163,000
Unsewered +Public (municipal) water supply	3	\$26,000	\$46,500	\$139,500
Unsewered + Public water supply from neighbor	3	\$13,000	\$33,500	\$100,500
Unsewered + Private water supply (wells)	8	\$11,000	\$31,500	\$252,000
TOTALS	29			\$1,870,500

Attachment 1 to this staff report identifies the recommended Not-To-Exceed (NTE) engineering budget allocation for each individual community based on the community types described in the table above. Any additional engineering costs in excess of the recommended NTE amount would be required to be

the responsibility of the local government.

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 recommended award amounts and funding priorities for the programs and does not include any budget authorizations by the Committee. Budget authority for the grant program will be presented and voted on by the full Council as part of its 2026 budget adoption in December.

Attachments

Attachment 1: Engineering Cost Estimates by Community



Attachment 1: Engineering Cost Estimates by Community

Small Communities Planning Program eligible participants based on adopted eligibility criteria (10/22/2025)	WASTEWATER		WATER SUPPLY		SURFACE WATER MANAGEMENT	TOTAL	RECOMMENDATION (SCENARIO C)
	Type of Wastewater Service	Estimated Cost for Wastewater Engineering Services	Type of Water Supply Service	Estimated Cost for Water Supply Engineering Services	Estimated Cost for Surface Water Engineering Services	Estimated Cost for Engineering Services	Recommended Not-To-Exceed (NTE) Budget Allocation
Bethel	municipal sewer	\$ 58,000	Private wells	\$ 3,000	\$ 30,000	\$ 91,000	\$ 81,500
Birchwood Village	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Coates	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Cologne	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Grey Cloud Island Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Hamburg	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Hampton	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Hilltop	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Lake St. Croix Beach	unsewered	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Lakeland	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Lakeland Shores	unsewered	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Landfall	MUSA	\$ 58,000	Private wells	\$ 3,000	\$ 30,000	\$ 91,000	\$ 81,500
Lauderdale	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Lilydale	MUSA	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Loretto	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Maple Plain	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Mendota	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Miesville	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
New Germany	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
New Trier	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Nininger Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Pine Springs	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Randolph	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Ravenna Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Sciota Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
St. Bonifacius	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Vermillion	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Waterford Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Willernie	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
		\$ 982,000		\$ 294,000	\$ 870,000	\$ 2,146,000	\$ 1,870,500

Information Item

Land Use Advisory Committee



Meeting Date: September 18, 2025

Topic

Small Communities Planning Program and 2050 Planning Assistance Grant Program Funding Considerations

District(s), Member(s):	All Districts and Met 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

Background

At the [July 17, 2025](#), Land Use Advisory Committee (LUAC) meeting, due to limited time, the discussion on some items related to the Small Communities Planning Program and the 2050 Planning Assistance Grant Program were held over for discussion at the September 18, 2025, meeting. Those items include:

- programs that advance regional goals and incentivize early plan completion
- Small Communities Planning Program engineering services options

The Committee indicated support for maintaining the three award categories of Sewered, Unsewered, and County/Consortium. Staff have used that direction to present this information item to the Committee.

Following the July LUAC meeting, Met Council staff provided an update and summary of the LUAC meeting discussion items to the Community Development Committee (CDC). The CDC members broadly supported the work of the LUAC, the eligibility criteria development process, and the approach to the incentive grant programs. One member voiced concern about communities that are not eligible for these programs. However, the majority of CDC members voiced strong support for the Small Communities Planning Program, recognizing that engineering costs are one of the most costly parts of comprehensive planning.

At the September 18, 2025, LUAC meeting, Met Council staff will seek feedback from Committee members on funding considerations for the two planning assistance programs under review. As part of that discussion, the Committee will consider two potential incentive programs for local governments to not only increase local funding availability, but to help advance regional goals and contribute to an efficient review process. Additionally, Committee members will consider how participants in the Small Communities Planning Program might contribute to their local planning costs.

The Committee will review three potential funding scenarios for grant awards and review two potential options to consider how funds might be distributed based on these approaches and available funding. Staff seek confirmation of funding priorities from the Committee.

Funding Considerations

Planning Assistance Grants

Minnesota Statutes section 473.867, subd. 2, authorizes the Met 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, along with the Met Council's suite of technical assistance programs like the Sector Representative program and the updated Local Planning Handbook, 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.

The Met Council has provided grant funding to designated eligible communities in previous decennial review rounds to update local comprehensive plans. The Committee has considered these criteria extensively throughout 2025.

Planning assistance grants have historically been non-competitive grants that eligible communities may (but are not required to) apply for when funding becomes available following System Statement issuance and conclusion of the dispute period. Distribution of funds has typically been in two parts. The first half-payment is made after the executed grant contract is complete to help initiate the planning process. The second half-payment is made after the comprehensive plan has been authorized by the Met Council, the Plan has been locally adopted, and all reporting requirements are met to close out the grant contract. Plans from grant recipients must meet minimum planning requirements identified by the Met Council, must be consistent with regional policy plans, conform to regional system plans, and be compatible with plans of adjacent and affected jurisdictions to receive the second half-payment.

Small Communities Planning Program

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.

The Met Council has developed the Small Communities Planning Program to substantially increase the level of technical assistance being offered to this subset of the smallest communities. As a new program, costs have been scoped, specifically for engineering services, but there are some variables for discussion like local cost-share options. Planning assistance programs are not intended to cover the full scope of costs for the local planning requirements, and this remains the responsibility of the local governments to invest in their local plan development and meet statutory planning requirements.

Water Planning Engineering Service Needs

The engineering costs for comprehensive plans are often a significant portion of total planning costs. The costs are usually expended to hire a consultant and have, at times, not met local needs or exceeded initial cost estimates beyond budgeted costs. The intention of the Small Communities Planning Program is to provide the needed staff capacity to complete minimum planning requirements, to provide more cost-effective services, and support efficient planning processes for the smallest communities in the region. Yet, the engineering service needs of eligible Program communities vary. The services needed for each community are unique to the type of wastewater and water supply services that exist and the local surface water conditions. Engineering services will be tailored to the distinct conditions of each community, based on some key variables.

Wastewater System Plan

Community wastewater services may be provided by the regional wastewater system or a local municipal system; individual septic systems; or some combination of these systems. The Wastewater System Plan element of a local comprehensive plan update must address planning and engineering unique to each system. The engineering services for an unsewered community



will be comparatively simple, while the services for a community with a regional or municipal system will be significant.

There are 16 communities that have regional sewer services or provide local sewer services for their community. Engineering costs for these types of communities are estimated to be about \$58,000. There are 13 unsewered communities which use subsurface treatment systems (SSTS) throughout their community. Engineering costs for these communities are estimated to be about \$8,000. The total cost for wastewater engineering services is estimated to be about \$1,032,000.

Water Supply Plan

Community water supply may be provided by a public water supply or through privately owned wells. Public water supplies can be a regional/non-municipal service; an independent municipal community system; a municipal community system sourced from a neighbor; or a neighbor-provided municipal system and water source. The Water Supply Plan element of a local comprehensive plan update must address planning and engineering unique to each system. The engineering services for a rural community with private wells will be simple, while the services for a community with a regional or municipal system will be significant.

There are 15 communities that have some kind of public water supply system. Engineering costs for these types of communities are estimated to be about \$18,000. There are 14 communities which use private wells throughout their community. Engineering costs for these communities are estimated to be about \$3,000. The total cost for water supply engineering services is estimated to be \$312,000. This cost estimate does not include additional modeling, which might be helpful to the community's planning efforts but is not required to meet minimum planning requirements.

Surface Water Management

The type, quality and quantity of water bodies in communities varies widely. Some communities have hardly any water bodies, while others have multiple wetlands, lakes, streams or rivers, which may or may not be impaired (polluted). There are two primary factors that influence the level of engineering services needed to create a local Surface Water Management Plan for a community:

- The local watershed district and its capacity to conduct water management engineering and planning that can be shared with communities in its geography.
- The presence of impaired waters in the community and the level of water management planning needed to help protect them.

Some watershed districts or watershed management organizations provide a level of planning/engineering that meets local comprehensive plan requirements. Communities are sometimes able to adopt those plans by reference. However, these plans must be summarized and included in the local comprehensive plans.

Another consideration is that local surface water management plans are on a different timeline than local comprehensive plans. They are due in 2027, instead of 2028.

With 29 eligible communities, a high-level estimate for each local surface water management plan is estimated to be about \$30,000. The estimated engineering costs are shown in Table 1 below.



Table 1. Engineering services cost estimate

Plans	Type of Community	No. of Communities	Estimated Plan Cost	Cost Estimate
Wastewater Plans				\$1,032,000
	Regional or Municipal Sewer	16	\$58,000	\$928,000
	Unsewered (SSTS)	13	\$8,000	\$104,000
Water Supply Plans				\$312,000
	Public water supply	15	\$18,000	\$270,000
	Private wells	14	\$3,000	\$42,000
Surface Water Management Plans				\$870,000
TOTAL				\$2,214,000

Program Budget

Additional budget discussions for these two programs have evolved since the LUAC meeting in July. The overall budget has been established at \$5.64 million. This is intended to cover the costs for the 2050 Planning Assistance Grant Program, the two incentive grants that are a part of that program, and a portion of the Small Communities Planning Program engineering services cost-share with local governments. The intention is to expend as close to the allocated budget as possible. This is the amount available for disbursement and excludes a reserve amount to maintain the Fund for the next decennial cycle.

Funding Scenarios

Staff seek direction on funding priorities for the 2050 Planning Assistance Grant Program. Based on the recommended criteria established by the Committee, staff have considered three funding scenarios for discussion. These scenarios continue use of three community types for award amounts (sewered, unsewered, and County/Consortium) as supported by the Committee. Table 1 below identifies the number of communities by award amount for each scenario (A, B, and C).

Scenario A reflects the same funding amounts from the 2040 planning cycle as a baseline as applied to the communities that meet eligibility criteria supported for the 2050 planning cycle. Scenario B uses an inflation-adjusted approach to the baseline funding amounts using the U.S. Bureau of Labor Statistics Inflation Calculator. The 2040 award amounts are adjusted for 133.34% cost of inflation since June 2016 (rounded to the nearest \$1,000). Scenario C applies a minor reduction to each inflation-adjusted award amount to support the Small Communities Planning Program engineering budget, reserving up to \$194,000 for that effort.

Table 2: 2050 Planning Assistance Grant Program Funding Scenarios

# of Eligible Participants* Community type	Scenario A		Scenario B		Scenario C	
	2040 Plan Levels	Total	Inflation-Adjusted	Total	Adjusted for Programs	Total
60 Sewered	\$ 32,000	\$ 1,920,000	\$ 43,000	\$ 2,580,000	\$ 40,000	\$ 2,400,000
4 Unsewered	\$ 20,000	\$ 80,000	\$ 27,000	\$ 108,000	\$ 25,000	\$ 100,000
3 County/Consortium	\$ 84,000	\$ 252,000	\$ 112,000	\$ 336,000	\$ 110,000	\$ 330,000
67		\$ 2,252,000		\$ 3,024,000		\$ 2,830,000

*Based on recommended criteria from 9/18/25 (LUAC) using 2024 Population Estimates and 2024 ANTC per capita

The following sections will discuss incentives and engineering options that will impact which scenario is ultimately selected.

Incentive Grants

The Planning Assistance Grant Program provides the opportunity to incentivize communities to further support regional goals at the local level and to encourage early plan submittal which helps build in plan review efficiencies. At the July 17, 2025, LUAC meeting, Committee

members voiced strong support for both approaches to incentives using grant dollars. The CDC was also supportive of these approaches when updated on LUAC's progress on August 4, 2025.

Since the July LUAC meeting, staff have determined that the incentive grant awards must be fully funded and cannot be partially funded based on anticipated participation. This is a change to the previous proposal, and this expectation aligns with the revised budget with additional dollars secured to meet this need.

The recommendation for a \$14,000 maximum additional incentive for each community to increase their award amounts remains, but after further consideration, staff suggest that the incentive program award amounts shift slightly. Due to the amount of effort that integrated equity planning requires, different engagement approaches that are necessary to intentionally center diverse community voices, and innovative, community-specific planning approaches that would need to be developed, staff recommend that the regional goal incentive award be increased to \$10,000 per community and the early plan submission be revised to \$4,000 per community. These amounts better reflect the effort needed to meet the goals of each incentive grant while providing a higher level of assistance where it will likely be needed most.

Funding Considerations for Small Communities Planning Program Engineering Services

Funding considerations primarily focus only on the need to meet minimum planning requirements, to conform with regional system plans, and be consistent with regional policy plans. Additionally, none of the financial support programs for comprehensive planning are intended to pay the full cost of statutory planning requirements for local governments. Financial assistance has always been meant to supplement, not replace, the local government's responsibilities.

All engineering services for the Small Communities Planning Program will be provided through the Met Council via contracted services. Funds will not be directly provided to local governments. This allows for cost savings and efficiencies within the Met Council and reduces the time and coordination needed by limited local government staff throughout the planning process.

The initial cost-sharing approach suggested a reasonable proposal would be for the local government to retain full financial responsibility for completing the surface water management plan updates. This was proposed because of budgetary constraints. It is not feasible to include the full costs for surface water management plan engineering services (estimated at \$30,000 each) in the engineering budget; this would add approximately \$870,000.

However, it might be possible to structure the engineering services differently.

1. The Program could fund engineering costs for the wastewater and water supply plans as initially proposed. Additionally, Program could then provide supportive services to each participating community to assist in the incorporation of their completed local surface water management plans into their comprehensive plans. This provides support for the surface water management plans but relies on the local government to facilitate its development.
2. Alternatively, a community could be allocated a not-to-exceed (NTE) engineering allocation. This would need to be based on their community type for wastewater (sewered/unsewered) and water supply (public/private) planning which accounts for the level of effort each community would have to undertake. This would open an option for the local government to choose which engineering services (wastewater, water supply, or surface water management) they wish to prioritize out of that engineering allocation. Any additional engineering costs would be required to be the responsibility of the local government. This maintains the budget intent while allowing the flexibility for the local government to make decisions based on their local planning priorities.
 - a. This could be implemented using Scenario B from Table 2, which fully funds the inflation-adjusted baseline planning grant awards. The revised overall budget provides



for this level of support at an estimated \$11,500 for each participating community.

- b. This could be implemented using Scenario C from Table 2, which reduces the inflation-adjusted baseline planning grant awards by \$194,000 to provide an additional \$18,000 for each participating community.

Guidance from the Committee is needed as it relates to the level of support the Committee wants to direct towards the Small Communities Planning Program engineering costs.

Questions

- Do you have a preferred 2050 Planning Assistance Grant funding scenario?
- How would you recommend distributing funding for engineering services as part of the Small Communities Planning Program?
- Outside of additional funding, are there other suggestions related to local engineering costs as part of the Small Communities Program?

Next Steps

On November 20, 2025, the Committee is tentatively scheduled to make a formal recommendation to the Community Development Committee for both the Small Communities Planning Program and the 2050 Planning Assistance Grants Programs on the following:

- programs that advance regional goals and incentivize early plan completion
- Small Communities Planning Program engineering services options





Small Communities Planning Program and 2050 Planning Assistance Grant Program: Funding Considerations

Land Use Advisory Committee

Angela R. Torres, Senior Manager, Local Planning Assistance

September 18, 2025



Today's Agenda

Small Communities Planning Program and the 2050 Planning Assistance Grant Program

Funding Considerations

Water Planning Engineering Service Needs

Program Budget and Funding Scenarios

Discussion and Next Steps

Funding Background

Planning Assistance Grants

- Minnesota Statutes section 473.867, subd. 2: Establish a Planning Assistance Fund to provide grants/loans to local governments
- Non-competitive
- Eligibility established by the Council
- Two-part distribution of funds
- Plans must be consistent with regional policy, conform to regional system plans, and be compatible with plans of affected jurisdictions

Small Communities Planning

- Minnesota Statutes section 473.191, subd. 1: Enabled to enter into contracts with local governments to provide services or assist with comprehensive planning
- New program for smallest communities with most demonstrated need
- Engineering services, local cost-share options
- Not intended to cover the full scope of costs for the local planning requirements
- Local government responsibility to meet statutory planning requirements

Water Planning Engineering

Wastewater Plan

Service needs based on different community types:

- Regional or local sewer service, or unsewered
- 16 communities with regional or local sewer service
- 13 unsewered communities with SSTs
- Cost estimate: \$1,032,000

Water Supply Plan

Service needs based on different community types:

- Public water supply or private wells
- 15 communities with some type of public water supply system
- 14 communities with private wells
- Cost estimate excluding add'l modeling: \$312,000

Surface Water Management Plan

Service needs based on different community types:

- The type, quality and quantity of water bodies in communities varies
- Local watershed district or water mgmt. org. capacity
- Impaired waters
- Other agency planning requirements/ timelines
- 29 communities
- Cost estimate: \$870,000

Engineering Estimates

Small Communities Planning Program

Plans	Type of Community	No. of Communities	Estimated Plan Cost	Cost Estimate
Wastewater Plans				\$1,032,000
	Regional or Municipal Sewer	16	\$58,000	\$928,000
	Unsewered (SSTS)	13	\$8,000	\$104,000
Water Supply Plans				\$312,000
	Public water supply	15	\$18,000	\$270,000
	Private wells	14	\$3,000	\$42,000
Surface Water Management Plans				\$870,000
TOTAL				\$2,214,000

Program Budget and Funding Scenarios

Overall 2050 Planning Assistance Grant Fund Budget is \$5.64 Million

Includes:

- 2050 Planning Assistance Grants for 67 eligible grantees
- Incentive grants for eligible grantees to advance regional goals and encourage early plan completion
- Small Communities Planning Program cost-share estimated budget for water resources engineering

# of Eligible Participants* Community type		Scenario A		Scenario B		Scenario C	
		2040 Plan Levels	Total	Inflation-Adjusted	Total	Adjusted for Programs	Total
60	Sewered	\$ 32,000	\$ 1,920,000	\$ 43,000	\$ 2,580,000	\$ 40,000	\$ 2,400,000
4	Unsewered	\$ 20,000	\$ 80,000	\$ 27,000	\$ 108,000	\$ 25,000	\$ 100,000
3	County/Consortium	\$ 84,000	\$ 252,000	\$ 112,000	\$ 336,000	\$ 110,000	\$ 330,000
67		\$ 2,252,000		\$ 3,024,000		\$ 2,830,000	

**Based on recommended criteria from 9/18/25 (LUAC) using 2024 Population Estimates and 2024 ANTC per capita*

Comparison of Funding Scenarios

Scenario A

- Provides the same level of funding as the previous planning cycle
- Updated to reflect the 2050 eligibility criteria
- Lower level of support than in the previous planning cycle when inflation is considered

Scenario B

- Adjusts upward the funding amounts committed in the previous planning cycle to account for inflation
- Updated to reflect the 2050 eligibility criteria
- Meets the intent of the program commitments
- Balances support between grants, incentives, and small community needs

Scenario C

- Adjusts upward the funding amounts committed in the previous planning cycle to account for inflation
- Updated to reflect the 2050 eligibility criteria
- Prioritizes support for small community needs

Planning Assistance Incentive Grants

Advancing Regional Goals

- People-centered regional goals like:
 - Our region is equitable and inclusive.
 - Our communities are healthy and safe.
 - Our region is dynamic and resilient.
- Opportunities to support Regional Goal Frameworks for Equity, Environmental Justice, Anti-Displacement, Community Centered Engagement, and Commitments to American Indian communities
- **Recommendation:**
\$10,000 each grant eligible community

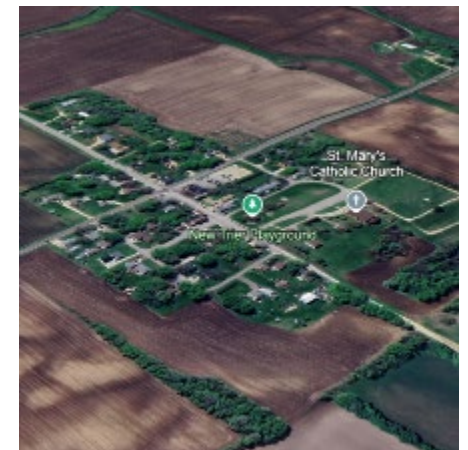
Process Efficiencies: Early Plan Submission

- Statutory requirement for a 15-day plan review
- Staggered deadline spreads out plan submissions
 - Increases efficiency and accuracy in plan reviews
 - Allows Council staff to better serve local governments and continue high levels of service throughout the planning process
 - Supports better relationships with local governments
- **Recommendation:**
\$4,000 each grant eligible community

Engineering Considerations

Small Communities Planning Program Engineering Services

- Minimum planning requirements only (conformance, consistency, compatibility)
- Financial assistance meant to supplement, not replace, local government's responsibilities
- Provided through the Met Council via contracted services; not directly provided to local governments
- Cost savings and efficiencies within the Council and within the Program
- Reduces time needed from local government staff with limited capacity
- The initial cost-sharing approach:
 - local government retain full financial responsibility for surface water management plan update
- Surface water management plan engineering services estimated at \$30,000 for each community
- Adds approximately \$870,000 to budget need



Engineering Funding Options

What level of support do you want to provide for Engineering Services?

Wastewater and Water Supply engineering only

- Fund wastewater and water supply plans only
- Provide supportive engineering services to incorporate completed local surface water mgmt plans into comp plans
- Supports surface water mgmt plans but relies on the local govt to facilitate development
- Allows Program contingency; retains flexibility to manage unanticipated costs for all 29 communities
- Implemented using **Scenario B**

Not-to-exceed (NTE) using Scenario B

NTE engineering allocation based on community type for wastewater (sewered/unsewered) and water supply (public/private) planning:

- Local choice and prioritization
- Local governments fund any additional engineering costs
 - Implemented using **Scenario B**
 - Estimated \$11,500 allocation for each community

Not-to-exceed (NTE) using Scenario C

NTE engineering allocation based on community type for wastewater (sewered/unsewered) and water supply (public/private) planning:

- Local choice and prioritization
- Local governments fund any additional engineering costs
 - Implemented using **Scenario C**
 - Reduces the inflation-adjusted baseline planning grant awards by \$194,000
 - Estimated \$18,000 allocation for each community

Discussion



Questions

- Do you have a preferred 2050 Planning Assistance Grant funding scenario?
- How would you recommend distributing funding for engineering services as part of the Small Communities Planning Program?
 - *What level of support do you want to provide for engineering services?*
- Outside of additional funding, are there other suggestions related to local engineering costs for the Small Communities Planning Program?
- Is there additional information you might need to feel prepared to make a recommendation to the CDC?

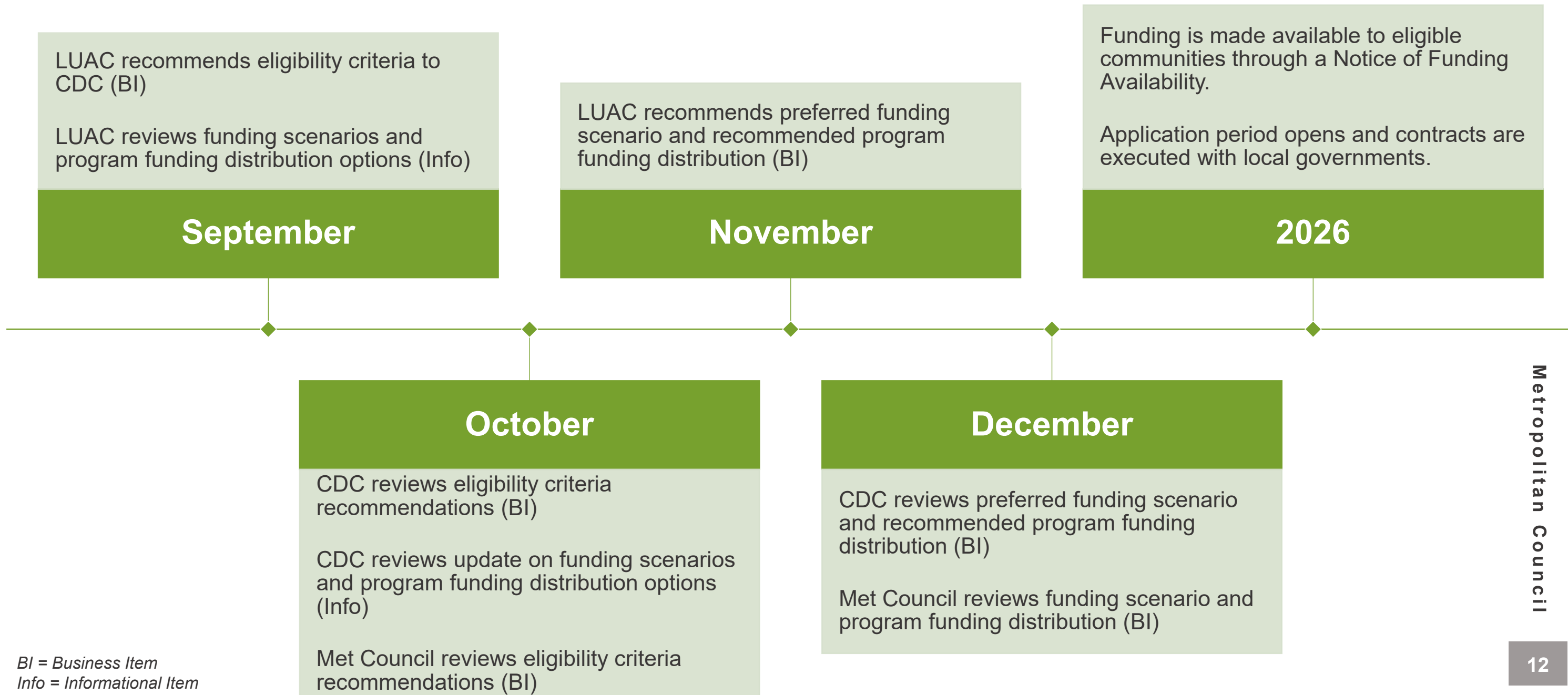
Next Steps



Preparing to take action

- The Committee is tentatively planned to make a formal recommendation for the eligibility criteria for both the Small Communities Planning Program and the 2050 Planning Assistance Grants Program as a Business Item for consideration at the November 20, 2025, Committee meeting on the following:
 - programs that advance regional goals and incentivize an efficient review process
 - Small Communities Planning Program local cost-share options

Tentative Adoption Schedule





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