

FY2017 Municipal Planning Grant Program Description



Program Overview

For state fiscal year (FY) 2017, the Vermont Department of Housing and Community Development (DHCD) will grant approximately \$457,000 to municipalities to promote community planning, revitalization and development activities that maintain Vermont's land use goal of compact settlements separated by rural lands.

The Municipal Planning Grant (MPG) Program funds a wide range of municipal planning projects as allowed by [24 V.S.A. §4306](#) (b) and (c). Projects that promote Vermont's historic settlement pattern will be given priority.

The maximum grant amount is \$20,000 for individual municipalities and \$35,000 for consortia. Applicants are required to provide a cash match for any grant request above \$8,000 (or \$15,000 for consortia). Projects requesting \$8,000 or less will require no matching funds (see [Funding](#) on page 2).

Grant funds are regionally apportioned, based on the percentage of municipalities with confirmed planning processes within each of Vermont's [11 regional planning commission \(RPC\) regions](#). Eligible municipalities compete within their region for grant funding. Funding decisions are made by the DHCD Commissioner, based on the competitive criteria listed under [Grant Selection Process](#) on page 4. Low scoring applications will not be funded.

Grant Timeline

MPG projects must be completed within 18 months.
No time extensions are granted.

- RPC Confirmation of Municipal Planning Process: by October 31, 2016
- Application Deadline: October 31, 2016 @ 7:00 p.m.
- Award Decisions: Early December, 2016
- Mid-Project Report Due: August 31, 2017
- Project Completion and All Funds Spent: May 31, 2018
- Final Report and Products Submitted: June 30, 2018

Who May Apply?

Municipalities with a local planning process that has been confirmed by October 31, 2016, are eligible to apply for grants of up to \$20,000. To be confirmed, an adopted plan must be approved by a regional planning commission and the municipality must maintain efforts to provide local funds for municipal and regional planning purposes as required by [24 V.S.A. §4350](#).

Municipalities without a confirmed local planning process may apply for funding but only to create a municipal plan approvable by the RPC. They must also have voted to provide local funds for municipal and regional planning purposes. Grant proposals from

Purpose of MPGs - to Carry Out Statewide Planning Goals

(b) It is also the intent of the legislature that municipalities... shall engage in a continuing planning process that will further the following goals:

(1) To establish a coordinated, comprehensive planning process and policy framework to guide decisions by municipalities, regional planning commissions, and state agencies.

(2) To encourage citizen participation at all levels of the planning process...

(3) To consider the use of resources and the consequences of growth and development...

(c) In addition, this chapter shall be used to further the following specific goals:

(1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside...

[24 V.S.A. § 4302](#)

municipalities that have received RPC recommendations to bring their plan into compliance with statewide requirements must address the changes identified by the RPC.

Municipal organizations other than the planning commission (such as the conservation commission) may apply for a grant, but only with prior approval of their town’s planning commission and selectboard. Each municipality may submit only one application per year.

Municipalities may not receive funding if they are (a) suspended or debarred by the Federal Government; (b) delinquent in submitting their subrecipient annual reports; or (c) delinquent in submitting their Single Audit Reports (if required).

Consortium Applications

Two or more municipalities may apply jointly for a consortium application (up to \$35,000). Applications must address a shared issue and must identify a lead municipality to administer the project. All municipalities in a consortium must have a confirmed local planning process by October 31, 2016. No member of a consortium may apply for an individual MPG the same year.

Definition of Municipality

For the purposes of the Municipal Planning Grant program a municipality is defined by [24 V.S.A §4303\(12\)](#). Under this definition an incorporated village is not considered a separate municipality unless the village adopts its own plan and one or more bylaws either before, concurrently with, or subsequent to such action by the town.

Funding

Municipalities may apply for any dollar amount between \$2,500 and \$8,000 without a local match requirement. (Minimum grant award is \$2,500.) Any grant amount above \$8,000 will require a local cash match: 33% of total project cost over \$8,000 (or 50% of MPG funds over \$8,000), as shown in the table below. The maximum amount of grant funds provided is \$20,000.

Consortia application grant awards are capped at \$35,000 with a local cash match: 33% of total project cost above \$15,000.

Match Calculation Based on Total Project Cost (TPC)

(Match) = 33% of TPC over \$8,000

A Total Project Cost (TPC)	B TPC over \$8,000	C Local Cash Match 1/3 of (B)	D MPG Funds
\$11,000	\$3,000	\$1,000	\$10,000
\$18,500	\$10,500	\$3,500	\$15,000
\$26,000	\$18,000	\$6,000	\$20,000

Match Calculation for Consortia

Match = 33% of Total Project Cost over \$15,000

\$45,000	\$30,000	\$10,000	\$35,000
----------	----------	----------	----------

Any source of cash match funds may be used, federal, other state grants, municipal, private or non-profit. **Contribution of staff or others’ time cannot be offered as a match**, but RPC staff consulting that is supported by other documented funds may be used as a match. Documentation of match funds is required at the close-out of the grant. If a project is completed with less than the total project cost expended, the match funds required will be reduced proportionately.

Municipalities with large, multi-year projects are encouraged to break projects into related, stand-alone phases that produce a defined product upon completion and then apply for another phase each year. However, because funds are allocated competitively each year, MPG support for subsequent phases cannot be guaranteed.

DHCD reserves the right to award less than the amount of the municipality's request, based on availability of funds.

Eligible Activities

The Municipal Planning Grant program supports a wide range of projects relating to planning and land use, and promotes cooperation, collaboration and the exchange of ideas. Eligible projects must have a clear connection to planning and implementation of the municipal plan and will be reviewed for conformance with the Regional Plan.

Funds may be used to:

- Underwrite expenses for public meetings and hearings, informational workshops citizen surveys, outreach and notification costs
- Support research, data collection, capacity studies, inventories and mapping
- Pay consultants, interns, regional planning commission staff, or legal fees associated with the project
- Purchase development rights, easements, and titles of properties for housing and conservation purposes identified in the municipal plan
- Purchase materials needed to produce a plan, bylaw, or implement or administer the project, like writing supplies, maps and copies
- Conduct other non-prohibited activities

Funds may **not** be used to:

- Support political activities
- Support projects incompatible with the Regional Plan
- Pay regional planning commission dues
- Reimburse expenses incurred before the grant is awarded
- Subsidize tax mapping (see [Mapping Requirements](#) below)
- Pay planning commissioners, selectboard members, or municipal staff
- Capitalize a "reserve" fund for use beyond the grant period
- Purchase computer hardware, software licenses or subscriptions, or other equipment not related to a specific grant funded planning event
- Pay for the cost of administering the MPG grant such as municipal or regional staff time for documenting grant expenditures and submitting the progress report and close-out
- Support plans, bylaws and policies that violate the State or Federal Fair Housing Act. Fair Housing Training is available to all grantees and is encouraged for projects which relate to housing and/or revisions to zoning bylaws. Please contact Shaun

Create a Planning Fund

Do you need assistance preparing a great town plan or implementing projects recommended in the plan? If so, consider creating a local planning fund of \$1,000 or more annually. These funds can be used, every year, or accumulated over several years, and will allow you to obtain the necessary technical assistance. The planning fund also allows the town to match grant funds.

Increasingly, local contributions are required by granting organizations and the MPG program is no exception. Currently, no match funds are required for MPG's that are less than \$8,000. In coming years, match funds may be required for all MPG's.

If you rely on MPG's, anticipate your planning expenses well in advance to accommodate municipal budget and state planning grant cycles. If seeking a grant for an important project, have a contingency plan in place in case the grant is not awarded.

Gilpin, Housing Policy Specialist at shaun.gilpin@vermont.gov if you are interested in participating.

Mapping Requirements

- All GIS mapping must follow applicable [VCGI data guidelines or standards](#).
- Parcel mapping projects will no longer be funded through MPGs. See the [Vermont Statewide Property Parcel Mapping Program](#) to learn about an initiative to map all parcels statewide.

Single Project

Due to the short timeline for MPG grants and limited funding available, only one project per municipality may be funded in each grant cycle. If multiple products and multiple consultants are proposed, an application may be deemed to have more than one project.

Development of town plans and bylaws in the same application are usually considered two separate projects and typically both are not funded. However, an issue-oriented amendment of both a section/chapter of the plan and the associated bylaws to implement that section of the plan, can be proposed as one project. For example, a flood resilience element of a plan and a bylaw amendment to adopt river corridor protection may be considered one project.

Match for Larger Grant

MPGs may be used as a match for projects with grants from other programs. If you propose to use the MPG as a match, assign a component of the larger project to the MPG. Choose a component that can easily be completed within the MPG timeframe, that best meets the competitive criteria, and ensure it is an activity that will meet the grant requirements. For example, municipalities may use MPGs for the community outreach component of a major project. Include the workplan for the larger project as an attachment to the application.

Grant Selection Process (Competitive Criteria)

110 Points

DHCD uses competitive criteria and statewide priorities to score and rank applications. The statewide priorities are updated annually to comply with policy initiatives or legislation. Grants are awarded based on the application scores and the amount of grant funds available within respective regions. The DHCD Commissioner reserves the sole right and responsibility to allocate grant funding.

Applications are scored using the following statewide priorities and criteria:

1. Application Quality Including a Realistic Work Plan & Budget – Up to 25 points

The application is complete, well-written, internally consistent, and realistic; it describes a single, clearly defined project. The work plan is well-developed and tasks are appropriate for the proposed budget. Costs are well-documented. For multi-phased projects, the first phase has been well-executed and subsequent phases are well-defined.

2. Clear Linkage of Proposed Project to the Municipal Plan – Up to 20 points

For bylaw, capital budget, special studies and other types of implementation projects, the proposed project carries out the ideas and actions set forth within the municipal plan. Language within the plan that describes the project or elements of the project is included with the application.

If the project is a new or updated municipal plan, the plan or update will address pressing planning concerns in the community and the need is well-articulated in the application. (A recently expired plan or pending expiration of a plan alone is not

considered a pressing planning concern – see DHCD Guidance below.) Specific policies in the current plan that need revision are provided, with an explanation as to why an amendment or update is needed and why it is needed now.

3. Citizen Participation / Partnerships & Outreach – Up to 15 points

Citizen participation activities intended to educate and involve the public in planning are integrated into the work plan as appropriate to the project; the application demonstrates cooperation or coordination with relevant local and/or regional organizations and partners. Projects that [engage the public](#) from the start and that propose a variety of innovative methods for outreach and obtaining input, score the highest under this criterion.

4. Potential to Serve as a Statewide Model – 20 points (no partial points)

The project outcomes or products are likely to benefit other municipalities and can serve as an example or template for similar communities statewide.

5. Statewide Planning Goals – Up to 30 points (see guidance on page 9)

Priority projects for FY17 are:

a. Municipal Plan updates for:

- Promoting revitalization of historic centers and compact, walkable development including housing
- Addressing inconsistencies with statewide planning goals or incompatibility with the Regional Plan, identified by the regional planning commission review of the municipal plan. (Please include documentation in the application from the regional planning commission that summarizes the inconsistencies to be addressed.)

Applicants for municipal plan projects are encouraged to use the process described in the new [Planning Manual for Vermont Municipalities](#).

b. Bylaw updates for:

- Correcting clear conflicts with the Municipal Plan
- Increasing housing options in walkable places
- Promoting compact, walkable development

Priority bylaw projects will include a strong public outreach component.

c. Special Projects for Designated Areas – Downtowns, Village Centers, New Town Centers, Neighborhood Development Areas and Growth Centers – including the following:

- Plans, studies and bylaws to improve the physical and economic environment such as downtown master plans, revitalization plans and form based regulations.
- Infrastructure studies and capital improvement planning in support of designated areas.
- Applications for a new designated Neighborhood Development Area or Growth Center – please contact DHCD if you are considering an application to obtain one of these designations. The designation process must be initiated before a grant will be issued for this purpose.

Bonus Points – Projects related to an existing designated downtown, village center, or growth center are eligible for bonus points (20 points for downtowns, 10 for village centers and growth centers and 5 points for neighborhood development areas). The growth center and neighborhood points may be awarded in addition to the downtown and village center points when both qualify. The relationship of the project to the designation(s) must be described in the application for the bonus points to apply.

Note

- Poor administrative performance on previous MPGs will affect the competitiveness of an application (points deducted from overall score).
- When application scores are tied and only one can be selected for funding, preference will be given to the municipality without a recent Municipal Planning Grant, or for the plan/bylaw that is most out-of-date. Otherwise these factors will not influence ranking of applications.
- Experience has shown that funding the development of plans and bylaws to include “adopted” versions as a deliverable product is not realistic. Municipal planning and community consensus take time. Applicants are therefore encouraged to use the grant for activities leading up to (and including) distribution of a draft plan or bylaw for the first required public hearing by the planning commission.

DHCD Guidance for Municipal Plan Updates

Municipal plans expire eight years after adoption (or expire in five years for plans adopted before July 1, 2015) unless they are readopted.

Prior to any re adoption, the planning commission shall review and update the information on which the plan is based, and shall consider this information in evaluating the continuing applicability of the plan. 24 V.S.A. §4387(b). Once the applicability of the plan is determined, an approach to re adoption can be decided. Options for re adoption can range from simple to complex, including:

- 1. Readopt with minor updates.** If the existing plan is sufficient and no new issues of significance have arisen in the community since the last plan adoption, the existing municipal plan can be readopted without major changes to the document. This involves incorporating any available new data, addressing all new statutory requirements, and reporting changes in the status of implementation strategies. Any time the plan is readopted, the eight-year time period is re-set.
- 2. Major re adoption.** When new issues of concern arise in a municipality that require a comprehensive planning approach, a major municipal plan overhaul may be necessary, requiring extensive public participation and a re-examination of the plan’s goals and implementation strategies.

Amendments: A municipality may amend the plan to make technical or editorial changes, to add a new element, to incorporate separate plans by reference or to address specific issues such as energy or village revitalization. A whole plan update is not required for an amendment, and adopting an amendment will not change the expiration date.

MPG Funding Priorities: Plan updates that occur mainly because a plan is expiring will be less competitive than those that are needed to address well-defined local concerns.

Check out the new [Planning Manual for Vermont Municipalities](#) for ideas on launching an effective planning process and ways to improve your town plan.

Grant Awards and Administration

Award notices are sent via email to successful applicants through the online [Grants Management System](#). In the event of partial funding, applicants are asked to submit a modified work plan and budget. Grant agreements and other required documents will be made available online, shortly thereafter. Completion and electronic submittal of these forms will be required for payment. All grants management forms and instructions will be available through the Grants Management System. Details of payment and reporting are as follows:

- **First Payment** – Upon execution of the grant agreement, a requisition may be submitted for an advance payment of 40% of the award amount.

- **Second Payment** – Mid-project reports are due August 31, 2017. Requisition for 30% of the award may be submitted along with a progress report.
- **Final or Close Out Reimbursement** – Up to 30% of the award is made on a *reimbursement basis*. The reimbursement is made when the project and its deliverables, as detailed in Attachment A of the Grant Agreement, are complete, and the expenditures are properly budgeted and documented (copies of invoices and canceled checks or a detailed transaction report) showing that the funds were spent for the purposes specified in the grant agreement. Invoices must show that grantees have spent or obligated all grant funds and match funds, if applicable, no later than May 31, 2018. Funds that are unused as of that date, as well as expenditures that are ineligible or are not documented, must be returned to DHCD.

While grant activities must be completed by May 31, 2018, grantees have up to one month after that date to assemble a final report. Final reports must be submitted online no later than June 30, 2018.

Purchase of goods and services through the grant must conform with the procurement requirements defined in [Attachment D to the Grant Agreement](#). In most cases, consultants must be selected through [a competitive process](#).

All final products and public communication must acknowledge funding from the Municipal Planning Grant Program, administered by the Vermont Department of Housing and Community Development, Agency of Commerce and Community Development.

Amendments

Minor alterations to the work plan or the approved budget may be allowed but only upon request and approval from DHCD. Substantial alterations are not allowed and the end product must remain the same.

No time extensions are offered. Projects that cannot be completed within the grant period under the terms of the grant agreement are closed out. The grant will cover eligible work completed and documented costs, however, ineligible or undocumented costs will not be funded and associated funds must be returned.

Consultant Selection

The rules for consultant selection are detailed in the grant agreement procurement provisions (see [Attachment D of the FY17 Grant Agreement](#)). There have been some key changes to the selection process in FY17.

Pre-Application Process

Consultants may be selected before the application is submitted. If a municipality engaged in a [competitive procurement process](#) while developing the grant application and selected a contractor at that time, there is no requirement to re-open the selection process if the grant is awarded, provided the scope of work remains substantially similar to what was in the contractor's proposal.

Simplified Bid Process

For contracts up to and including \$10,000, the grantee is required to obtain price or rate quotations from a reasonable number of sources, but no less than two, and maintain a record of the same in its files.

The only exception to this requirement is if the grantee is using the services of the regional planning commission, in which the simplified bid process is not required.

Competitive Bid Process

For contracts more than \$10,000, the grantee is required to use a competitive selection method, soliciting from an adequate number of sources. A Request for Proposals (RFP) or Request for Qualifications (RFQ) should be broadly publicized to permit reasonable competition. The grantee must maintain records in its files to document how the decision was made.

Consultants working on an earlier phase of a multi-phase project may be re-selected for the project phase funded by the MPG, to maintain continuity between phases.

Guidance on Statewide Priorities

Nearly all municipal planning projects are eligible for MPGs but those that meet the statewide priorities have the best chance of receiving funding based on the scoring system described above.

In FY17, as in recent years, MPG priorities focus on helping municipalities make their villages, downtowns and neighborhoods, vibrant places to live and work. Coordinated investment in these centers furthers all our statewide goals – economic, environmental, and social. It takes sustained local commitment and active planning to successfully revitalize and create walkable centers. For this reason, MPGs direct funding in a way that helps municipalities conduct the critical planning necessary to bring great places life. Removing conflicts between local plans and bylaws, and between the local and regional plans are also priorities for MPGs.

This guide explains the kinds of projects that will receive priority points.

a. **Municipal Plan** updates for:

- Promoting revitalization of historic centers and compact, walkable development including housing.
- Addressing inconsistencies with statewide planning goals or incompatibility with the Regional Plan, identified by the regional planning commission review of the municipal plan. (Please include documentation in the application from the regional planning commission that summarizes the inconsistencies to be addressed.)

Promoting compact, walkable places – preservation of historic villages, planning a new neighborhood near the village or retrofitting a shopping center to serve multiple uses all start with stating the intention to do so in the Municipal Plan. The plan doesn't need to solve all the problems identified in the planning process – just chart a path toward solutions. Simply identifying next steps and who is responsible makes progress possible, whether it is obtaining state designation, updating bylaws, or preparing a streetscape plan.

Promoting housing in walkable places – if people in your community have too few options for places to live in and around the villages and downtown, using your town planning process to focus on housing solutions will be a priority in FY17. The issues may vary from not enough units to the wrong kind of units, or that homes are not affordable. In the application, explain the housing problems your community faces and the process you will use to address those issues through the municipal plan including the community outreach and partnerships you will engage.

Addressing inconsistencies – priority points will be available to municipalities with a local plan that is incompatible with the regional plan or is inconsistent with the statewide planning goals. Any such conflicts are identified in the consultations that regional planning commissions (RPCs) conduct periodically with municipal planning commissions, as well as in the RPCs' municipal plan approval process. Documentation of the inconsistency in the form of an RPC consultation report or the previous municipal plan review, and a clearly expressed intent to address the conflict is necessary to obtain priority points. Since the issue causing the conflict is often controversial, explain in the application how you will keep the public and key stakeholders informed and engaged. Also describe the ways you will keep the Selectboard and other key municipal officers involved in decision-making throughout the planning process.

Applicants for municipal plan projects are encouraged to review and use the processes and tools described in the new [Planning Manual for Vermont Municipalities](#).

b. Bylaw updates for:

- Correcting clear conflicts with the Municipal Plan
- Increasing housing options in walkable places
- Promote compact, walkable development

Bylaws that Conflict with the Municipal Plan – updates that aim to correct clearly discernable conflicts between an existing bylaw and the municipal plan are especially important because Vermont statute requires that bylaws conform to the Municipal Plan. For example, if commercial strip development is prohibited or strongly discouraged in the Municipal Plan but the Zoning Map shows a commercial district lining all major highways, this could be a clear conflict. Or if a municipal plan identifies the need for a new type of housing in the community but the bylaw prohibits that kind of housing development, this is also a conflict that should be addressed.

Housing Bylaws in Walkable Places – updating bylaws to increase housing options in settlements are a priority, whether there is a conflict with the Municipal Plan or not. If your bylaws make most historic homes in your village non-conforming, prohibit the kinds of multifamily development that are needed in your community or create other barriers to meeting the demand for homes in places where there is walking and biking access to schools, shops, and services, consider applying for an MPG. In the application, clearly describe the specific housing problems that the existing bylaws create and consider ways to handle opposition to changes in the bylaw. See the [Design Guide](#) in the Neighborhood Development Area Designation Application for some simple bylaw adjustments that can improve housing options.

Bylaws for Compact Development – your bylaws may need an overhaul of the development rules governing not just housing but all parts of your village, downtown and surrounding neighborhoods. Zoning and subdivision regulations commonly date back to the 1960s-70s, requiring a suburban, auto-oriented pattern of development. Priority points are available for bylaw projects that update regulations to enable the historic pattern of development and improve the pedestrian environment, such as prohibiting large parking lots in front of commercial buildings.

While simple adjustments can be made to bylaws for this purpose without preliminary planning, major bylaw updates benefit from first conducting a study of the existing pattern of development or by creating a physical plan for development and infill. These physical planning projects are described under Priority c. below.

Public Outreach for Bylaws – priority bylaw projects will include a strong public outreach component, ensuring sustained communication between the Planning Commission and Selectboard, Trustees or City Council. Bylaws are often complex and in municipalities where the Legislative Body adopts zoning and subdivision bylaws, it is critical to maintain regular communication to make sure board members understand and buy into the changes before the proposed bylaw reaches their table. In all municipalities – but especially where bylaws are adopted through a townwide vote – the work plan and budget should include public information and outreach early and often, with special efforts to communicate directly with those most likely to be affected by the proposed bylaw changes.

c. Special Projects for Designated Areas – Downtowns, Village Centers, New Town Centers, Neighborhood Development Areas and Growth Centers – including the following:

- Plans, studies and bylaws to improve the physical and economic environment such as downtown master plans, revitalization plans and form based regulations
- Infrastructure studies and capital improvement planning in support of the designated areas
- Applications for a new designated Neighborhood Development Area or Growth Center – please contact DHCD if you are considering an application to obtain one of these designations. The designation process must be initiated before a grant will be issued for this purpose.

Vermont's [state designation programs](#) recognize locally identified compact centers, where municipal, regional and state interests align. By investing grants and other support in these areas, we can leverage the limited resources we have available to accomplish the most possible.

Physical planning – allows municipalities to arrive at images that convey a vision of what future development and redevelopment might look like and can take many forms including revitalization plans, master plans, area wide plans, streetscape plans, concept plans, etc. Physical plans are recommended as a prerequisite to a comprehensive overhaul of zoning and subdivision bylaws in a compact center, before developing policies for parking, sidewalks and other infrastructure, and to inform long term capital improvement plans. They give the public sector, landowners, businesses, and developers a picture of what the community aims to achieve over time. Physical plans often evolve as circumstances change and new information and ideas come to light so some communities may prepare multiple plans over time at increasing levels of detail. Physical plans also create opportunities for a wide range of people, especially young people and those who are primarily visually oriented, to engage in planning for their community, making it a tool for revitalizing municipal government. It focusses on visible improvements that helps translate the big-picture view of the Municipal Plan into concrete realities.

Infrastructure – planning for transportation, stormwater treatment, broadband, parks and greenspace, public gathering places, energy generation and distribution, etc. are necessary for successful centers. Before applying to the MPG program for an infrastructure project, please check first with your regional planning commission or the other state agencies to understand what programs they offer for the public facilities your community wishes to improve.

- [Transportation – VTrans Municipal Assistance Bureau](#)
- [Water, Wastewater and Stormwater Facilities and more – Department of Environmental Conservation](#)
- [Parks and Open Space – Department of Forest Parks and Recreation](#)
- [Energy and Broadband – Department of Public Service](#)

Designation applications – Municipalities applying for [Growth Center designation](#) may seek MPG funding for preparing the Growth Center application but the municipality must be involved in the preliminary application process to obtain priority points. In most cases, the [Neighborhood Development Area designation](#) can be completed without expert assistance. However, priority points will be given for an application, if after consultation with DHCD staff, it is determined that funding is needed to prepare an application.