



MEMORANDUM

To: CMAP Working Committees

From: Bob Dean, Deputy Executive Director for Local Planning

Date: April 2015

Re: Local Match Requirements for Local Technical Assistance (LTA) Program

Since its initiation in spring 2011, the LTA program has provided planning assistance to communities across the Chicago metropolitan area. To date, nearly 100 plans have been completed, with 50 more underway. While the program has been quite popular and is considered a success, improvements can always be made. During summer and fall 2014, in partnership with working committees and other stakeholders, CMAP staff have evaluated the program and recommended several changes, as described in [this memo](#).

The most significant change involves local match. Most programs like LTA, whether they offer technical assistance or grants, require some form of local match, typically making up 20% of the project cost. CMAP's program evaluation found that local commitment is a key contributor to the success of a project, and a local match contribution can help to demonstrate local commitment and increase local ownership. However, it is important to structure the match requirement in a way that does not preclude the involvement of higher-need communities.

CMAP staff recommends that local match requirements for LTA projects begin with the new call for projects to be issued in May 2015. In March, the CMAP Board discussed staff's recommendations and provided direction to move forward. Over the next month, staff intends to discuss the local match proposal with working committees and other stakeholders to answer questions, provide clarifications, and adjust the recommendations if necessary.

Discussion of key issues

Evaluating need. As the concept of local match was discussed during fall 2014, stakeholders repeatedly emphasized the importance of keeping the program accessible to smaller, lower-capacity communities. In the evaluation of LTA projects, CMAP already measures "community need" on a scale of 0 to 100 using tax base, median household income, and population size. This may also be a suitable indicator of ability to contribute a local match.

Staff recommends describing the method used to calculate “need score” within the application materials. Applicants that wish to know their community’s score would be able to contact CMAP to request this information.

Requiring match on a sliding scale. CMAP staff suggests the concept of a sliding scale, with match requirements varying according to need. Staff recommends several gradations of local match requirement:

- Very high need communities (scores over 65): 5% match requirement
- High need communities (scores between 50 and 65): 10% match requirement
- Moderate need communities (scores between 35 and 50): 15% match requirement
- Low and very low communities (scores under 35): 20% match requirement

Approximately half of the region’s communities fall into the low and very low categories, requiring a full 20% match, and the other half qualify for a reduced match of less than 20%.

A simpler method would divide the region into two types of communities – those with reduced match (say, 5%), and those with full match (20%). While this is simpler, it will likely generate concerns by the communities that are barely “on the wrong side of the line,” and are required to pay a 20% match, compared to similar communities that must only contribute 5%. Gradations help to avoid a single, major dividing line. Therefore, staff recommends using the sliding scale method.

It is also worth noting that the bottom of the scale is proposed to be set at 5%, not 0%. The average LTA project has a value of \$100,000, and staff believes that communities can afford a match of \$5,000 if the project is truly a priority, or can find a partner organization to contribute this funding for them. However, please note that some project types are recommended to be exempt from match requirements – see below for further detail on this.

Determining appropriate geography to assess match. For most municipalities, a single need score is appropriate, but in the cases of larger geographies, there are significant geographic differences between parts of the community. This is particularly true for the City of Chicago and for Counties. For these applicants, jurisdiction-wide projects will have need score calculated for the entire geography. But for projects that have a tighter geographic focus – a neighborhood within the City of Chicago, or a specific unincorporated area within a County – need will be calculated based on the demographics of the target geography, rather than the entire jurisdiction. Practically, for example, this means that City-sponsored projects in lower-income areas of Chicago will be classified as very high or high need, requiring a 5% or 10% match, while City-wide projects or those in higher-income areas would require the full 20% match.

Some applications are submitted by multijurisdictional organizations – often Councils of Government (COGs), but sometimes smaller groups of municipalities or townships. In these cases, an average need score will be calculated based on the scores of the individual participants. In the case of multijurisdictional projects, the participating communities will need to work out among themselves how much each community will contribute, prior to CMAP committing LTA resources.

For park districts, townships, and similar units of government, CMAP staff will attempt to approximate the method used for measuring need across municipalities, using the best available data for the geography covered.

Treatment of projects sponsored by nongovernmental organizations. In some cases, applicants are not units of government at all. This is particularly common in the City of Chicago, where many applications are submitted by nonprofit organizations. In these cases, need scores will be calculated based on the geography of the target project. For example, a community-based organization with a project focusing on a single neighborhood in the City of Chicago would calculate need based on the demographics of that neighborhood, while a larger nonprofit with a project that benefits a multi-community area would calculate need based on the average need scores of the communities that it serves.

In the cases of nonprofit applicants, the nonprofit organization itself is responsible for providing the local match. They could get this match from various sources – including philanthropic organizations, larger umbrella nonprofits, or public sources, like contributions from the municipality in which they are located.

In-kind contributions. Many stakeholders suggested that higher-need communities be able to offer in-kind contributions of staff time rather than a financial commitment. CMAP fully agrees that LTA project sponsors need to commit significant time to make a project a success. However, time should be committed in addition to, rather than instead of, the financial contributions described above. Lower-need and higher-need communities alike must spend time on projects to make them successful.

During this year's project evaluation, applicants were asked to contribute approximately 200 hours per project of time; only the applicants that agreed to this, and could identify the individuals who would commit the time, were selected. Time commitments were made on behalf of staff, elected officials, planning commissioners, and volunteers. This time commitment should also continue through future years of the program. For future projects, CMAP staff will ask for time commitments to be detailed in the MOU between CMAP and the project sponsor.

Exempt project types. Staff recommends that certain types of projects should be exempt from the matching requirements. First, staff proposes that Planning Priorities Reports also be exempt from the match requirements. These reports are meant to help higher-need communities understand their needs and recommend an appropriate activity to address these needs. Planning Priorities Reports also provide an opportunity to gauge local commitment, as they involve close working relationships with community leaders over a number of months.

In communities with "very high" or "high" need, staff recommends also exempting projects identified in Planning Priorities Reports from the local match requirement, as long as the community demonstrated significant commitment during the writing of the Planning Priorities Report. In other words, communities that are not capable of contributing a local match can still receive free assistance – but they will need to go through a prioritization process first, and demonstrate local commitment throughout that process, before the free assistance will be given.

This may also be appropriate for other implementation projects in higher-need communities – for example, a zoning ordinance update that follows a comprehensive plan.

Finally, staff also recommends that other very small projects, with a cost of \$25,000 or less, also be exempted from match requirements. Projects this small are rare; only five of the 100 completed projects have had a cost under \$25,000. Small projects like this are typically selected because they align directly with a regional priority of CMAP, and are essentially local explorations of regional issues that provide value to the agency as a whole.

Overmatching. Staff recommends that applicants should be permitted to overmatch, or contribute more local match than is required. Applicants that overmatch should be given more favorable consideration in the evaluation process than those that do not, but overmatching will not guarantee a successful application – the project will still need to be evaluated positively.

Consultant vs. staff-led. Staff recommends that match be required for all types of projects – whether they are led by staff or contracted to consulting firms.

Payment schedules. A simple payment arrangement is recommended for local match. Staff recommends requesting the match at the project’s midpoint. Another option is to invoice throughout the project, but that is more administratively time-consuming, both for CMAP and the project sponsor.

Amount and use of match. The purpose of collecting a local match is to ensure local commitment, and it is not expected to significantly impact CMAP’s budget. Approximately \$250,000 (which is a ballpark estimate) is likely to be contributed in local match in a given year. Staff recommends that all local match collected be added to the general fund and used to support the LTA program.

ACTION REQUESTED: Discussion.

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