

## History of the Virginia Planning District Commissions

### What are Planning District Commissions?

Planning District Commissions (PDCs) are voluntary associations of local governments that provide a variety of technical and programmatic assistance to these localities relating to issues of regional significance. They are intended to “foster intergovernmental cooperation by bringing together local elected and appointed officials and involved citizens to discuss common needs and determine solutions to regional issues.”<sup>1</sup>

PDCs arise directly from a recommendation first put forward in 1968 from the Virginia Metropolitan Area Study Commission, known as the Hahn Commission after its chairman, Marshall Hahn (then president of the Virginia Polytechnic Institute). The Hahn Commission’s recommendations (ultimately put into legislation in the form of the Virginia Area Development Act, or VADA) reflected a growing trend in regional planning in Virginia and throughout the United States. They remain a critical component of regional cooperation and development.

Formally created in 1968 in response to a growing recognition that growth and infrastructure problems often transcend local boundaries,<sup>2</sup> PDCs were intended to encourage and facilitate local government cooperation in addressing problems and opportunities that are greater than any one locality.<sup>3</sup> The VADA legislation requires PDCs to prepare a regional comprehensive plan. It also requires PDCs to review all local applications to state or federal agencies for grants or loans.

In 1995, some changes were made to the regional planning process in the Regional Cooperation Act (The Act), which requires each PDC to complete a regional strategic plan with input from elected and appointed members from its member localities, the business community, and citizen groups. The Act also requires several other duties of the PDCs, including:

- To conduct studies on issues and problems of regional significance;
- To identify and study potential opportunities for cost savings and staffing efficiencies through coordinated local government efforts;
- To identify mechanisms for the coordination of local interests on a regional basis;
- To implement services upon the request of member local governments;
- To provide technical assistance to local governments;

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<sup>1</sup> *Planning District Commissions*. Virginia Department of Housing and Community Development. Web. 10 Apr. 2012. <<http://www.dhcd.virginia.gov/commissiononlocalgovernment/pages/pdc.htm>>.

<sup>2</sup> Commonwealth of Virginia. Joint Legislative Audit and Review Commission. *Review of Regional Planning District Commissions in Virginia*. By Philip A. Leone. 15th ed. Vol. Senate Document. Richmond, 1995. Print.

<sup>3</sup> *Planning District Commissions*. Virginia Department of Housing and Community Development. Web. 10 Apr. 2012. <<http://www.dhcd.virginia.gov/commissiononlocalgovernment/pages/pdc.htm>>.

- To serve as a liaison between local governments and state agencies as requested;
- To review local government aid applications as required by applicable state and federal law and regulation;
- To develop regional functional area plans as deemed necessary by the commission or as requested by member local governments;
- To assist state agencies, as requested, in the development of substate plans;
- To participate in a statewide geographic information system, the Virginia Geographic Information Network, as directed by the Department of Planning and Budget; and
- To collect and maintain demographic, economic, and other data concerning the region and member local governments and act as a state data center affiliate in cooperation with the Virginia Employment Commission.

PDCs receive funding primarily in the form of grants from federal, state, and local government institutions. Of these, federal funding is by far the largest single source. Because they are heavily dependent on grants, the ability to secure and maintain funding plays a large role in the range of services offered by each PDC.<sup>4</sup> Providing technical assistance to member localities is by far the most prevalent of services, accounting for 1,408 activities during the 2009-10 Fiscal Year.<sup>5</sup>

There are 21 PDC s in the Commonwealth of Virginia. Each is a legal political subdivision of the Commonwealth, chartered by the local governments in each PDC region as authorized by the Regional Cooperation Act.<sup>6</sup> Participation is strictly voluntary.

Creation of PDCs came at a time when the Commonwealth faced rapid economic growth and tremendous urban development. As a result of these dramatic economic and demographic changes, it was recognized that often problems that originate outside the boundaries of one locality still must ultimately be addressed by another. It was believed that a more coordinated regional approach might be more effective in addressing these issues. PDCs are not, however, regional governments.

### Early planning efforts in Virginia

Land use planning in Virginia is by no means new. As early as Jamestown, government regulated land use to promote the public interest and health (such as regulations requiring

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<sup>4</sup> Commonwealth of Virginia. Joint Legislative Audit and Review Commission. *Review of Regional Planning District Commissions in Virginia*. By Philip A. Leone. 15th ed. Vol. Senate Document. Richmond, 1995. Print.

<sup>5</sup> Department of Housing and Community Development. Commonwealth of Virginia. *Biennial Report to the Governor and General Assembly on Virginia's Planning District Commissions*. FY2009-10 ed. Richmond, 2010. Print.

<sup>6</sup> An Introduction to Planning District Commissions

tanneries to be located on the outskirts of town).<sup>7</sup> But legislative interest in land use planning came to Virginia legislators as early as the late 1800s.

In 1888, the Land Subdivision Act established state requirements for the subdivision of tracts into lots and plans for laying out towns or cities.<sup>8</sup> This was the early framework for subdivision and zoning ordinances of today.

Partially owing to Herbert Hoover's tenure as Secretary of Commerce under Presidents Warren G. Harding and Calvin Coolidge in the 1920s, efforts to promote planning and zoning became popular in the United States. In July of 1921, Coolidge created the Advisory Committee on City Planning and Zoning, which issued several model acts to be adopted by states.<sup>9</sup>

In 1926, the Virginia General Assembly adopted the Zoning Act, which gave further authority to local governments to divide areas of its jurisdiction into districts and to specify allowable land uses within each district. This Act created the first zoning commissions and boards of zoning appeals. It is unclear, however, whether the Zoning Act was modeled after Hoover's model legislation.

#### State Planning Board

The Roosevelt Presidential Administration continued the interest in planning at a national level and encouraged states to become active in this endeavor. In 1933, Governor Pollard created the State Planning Board which consisted of 12 members. Initially, all funding was provided by the National Planning Board, the Virginia Chamber of Commerce, the League of Virginia Municipalities, the University of Virginia, and the Virginia Polytechnic Institute.

The early State Planning Board began to implement a scientific approach to land use development. It conducted numerous studies on subjects including population trends, industrial development, state forest lands, agriculture, water resources and mineral resources. The State Planning Board completed an inventory of needed public works and proposed public works administration projects analyzed against social desirability and population needs.<sup>10</sup> The actions are similar to the functions of PDCs today.

With focus on responsible fiscal management, the State Planning Board planned geographic and economic distribution of public works and the development of a statewide planning program based on estimates of actual needs of communities and the communities' ability to pay for

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<sup>7</sup> Hart, John F. "Colonial Land Use Law and Its Significance for Modern Takings Doctrine." *Harvard Law Review* 109.6 (1996): 1252-300. Print.

<sup>8</sup> "A Historical Overview of State and Regional Planning in Virginia." *Office of Policy Analysis and Research, Department of Housing and Community Development*. April 1991.

<sup>9</sup> Knack, Ruth. "The Real Story Behind the Standard Planning and Zoning Acts of the 1920s." *Land Use Law and Zoning Digest*. February, 1996.

<sup>10</sup> "A Historical Overview of State and Regional Planning in Virginia." *Office of Policy Analysis and Research, Department of Housing and Community Development*. April 1991.

facilities. The State Planning Board also collected data for state highway planning. The Planning Board was made into a permanent state agency in 1938.<sup>11</sup>

### Local and regional planning commissions

During the 1940s, the State Planning Board became actively involved in drafting enabling legislation for local planning and encouraging these efforts on a local level. In 1944, the Virginia General Assembly passed legislation to create regional planning commissions. The first proposed commission was the Central Virginia Commission, and was to be composed of the Counties of Albemarle, Buckingham, Fluvanna, Greene, Louisa, Madison, Nelson, and Orange, but it never organized.<sup>12</sup>

However, the Planning Board persisted in its efforts, and made an effort to divide the state into 26 planning regions. This effort was unable to garner political support and was ultimately never put into effect. The Board did, though, continue to provide financial and technical assistance to localities.

In 1948, the State Planning Board was abolished during a government reorganization and its duties were given over to the new Division of Planning and Economic Development (DPED). This new division was given instructions to work closely with the newly created Advisory Council on the Virginia Economy,<sup>13</sup> underscoring the relationship between regional planning and economic development. Four sections were established in the DPED:

1. Local planning
2. Industrial development
3. Research
4. Mapping and surveys

During the tenure of the Division of Planning and Economic Development, the primary focus of the agency was to assist localities with planning and developing local planning commissions. This effort was largely successful as by 1950 there were 83 local planning commissions; by 1957, this had grown to 133.<sup>14</sup> As local planning commissions grew, so too did the need for regional planning commissions.

In 1966, separated separation was made to planning and industrial development, creating the State Division of Planning. This new agency had responsibilities for state planning, but also continued to encourage localities to develop planning commissions and provided services to those commissions. This agency was short-lived, and would become the Division of State Planning and Community Affairs in 1968.

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<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

During this period, Virginia was experiencing rapid urban and industrial growth. This economic and demographic shift prompted the Virginia General Assembly to establish the Metropolitan Area Study Commission (Hahn Commission) in 1966 to develop recommendations for dealing with this newfound growth in the Commonwealth.

### The Hahn Commission and the Virginia Area Development Act

In 1966, the Virginia General Assembly created the Metropolitan Areas Study Commission to which Governor Mills E. Godwin, Jr. appointed 15 members.

This commission found that high levels of rural migration to urban areas were creating problems for both; rural areas were losing young workers while urban areas were burdened with additional expenses.<sup>15</sup> The conclusion was that a holistic approach to solving these problems needed to be taken.

According to a Joint Legislative Audit and Review Committee (JLARC) report issued in 1995, the Hahn Commission believed that individual local governments were not capable of dealing with the problems of the day, which were greater than merely locally significant. The Hahn Commission recommended a new concept, the creation of Planning District Commissions and Service District Commissions, which would essentially function as regional levels of government. No Planning District Commission has ever become a Service District Commission, so this type of agency will not be discussed in this history.

However, recognizing that principles of strong local government had both a strong tradition and a great deal of public support, the Hahn Commission recommended that PDC membership among jurisdictions be strictly voluntary.

The result of the Hahn Commission was the Virginia Area Development Act (VADA), passed in 1968, in which the Virginia General Assembly created the framework:

“to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance. The cooperation resulting from this chapter is intended to facilitate the recognition and analysis of regional opportunities and take account of regional influences in planning and implementing public policies and services. The planning district commission shall also promote the orderly and efficient development of the physical, social and economic elements of the district by planning, and encouraging and assisting localities to plan, for the future.”<sup>16</sup>

The VADA authorized and required the creation of PDCs.

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<sup>15</sup> Temple, Edward. “From Regional Concept to Implementation.” *Public Management*. April 1970.

<sup>16</sup> Legislative Code of Virginia

## Creation of the Planning District Commissions

Unlike some states, in which the creation of planning districts is created from the bottom up (localities choose to join with one another), in Virginia, the system was created top-down by the General Assembly and administered through the Division of State Planning and Community Affairs (DSPCA; also created in the 1968 legislative session).

The General Assembly tasked the DSPCA with establishing the PDCs.<sup>17</sup> The division was responsible for mapping the Commonwealth's counties, cities, and towns into logical districts for area-wide planning. Interestingly, the Director of DSPCA was given final authority to draw the districts; neither the governor nor the General Assembly was given a role or veto in the process of their boundary establishment.<sup>18</sup> While the DSPCA did hold public hearings and receive local input, ultimately the decision was made by the Director alone.

Eager to begin its task, DSPCA staff began an aggressive campaign to establish PDCs. It set a timeline of one year for establishing them. It used several criteria in determining appropriate boundaries:

1. Groupings of localities classified as Standard Metropolitan Statistical Areas by the U.S. Census should not be split up
2. A planning district should be large enough to make it a planning region, but small enough that travel distances for commission members should be reasonable
3. It should contain at least three independent governments
4. A planning district should include at least 100,000 people
5. Geographic and Economic considerations
  - a. Political compatibility
  - b. Natural land boundaries
  - c. Identifiable socio-economic units<sup>19</sup>

In an eight-week period in 1968, DSPCA staff met with the Boards of Supervisors in every county and the Council in every city and town in the Commonwealth.

The DSPCA recommended 22 Planning Districts (in 1990, the Peninsula PDC and the Southeastern Virginia PDC merged, creating the Hampton Roads PDC and reducing the total number of PDCs to 21). Public hearings were held in each, and some minor boundary modifications were made. Then, in July 1969, final district delineations were announced.<sup>20</sup>

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<sup>17</sup> The Division of State Planning and Community Affairs was abolished in 1976.

<sup>18</sup> "How Virginia's Planning District Boundaries Were Drawn." January, 1991.

<sup>19</sup> Ibid

<sup>20</sup> Ibid.

While the DSPCA had the authority to set the boundaries for PDCs, participation by localities is voluntary (as ordered by the VADA), and comes into existence only when local governments within the district ratify a charter agreement which sets forth such particulars as the commission's name, the community in which it is to be headquartered, and the number of representatives each member jurisdiction may appoint. In Virginia, a majority of commission representatives must be elected officials of a local member government.

Despite these limitations, localities embraced the concept and within a year PDCs were established in 19 of 22 Planning Districts. Formal creation of the additional three was completed within the next two years. While PDCs took root and became a permanent fixture within the Commonwealth, no PDC ever became a service district because of difficulties inherent in the enabling legislation.

The Virginia Area Development Act gives responsibility of determining structure of the commission to the commissions themselves. PDCs determine the number of commissioners, terms of office and method of selection, voting rights, dues, frequency and schedule of meetings, and staff size.<sup>21</sup>

### Statewide planning

With its first major task accomplished, the DSPCA began to find its efforts spread among a number of different priorities, such as statewide planning issues, instead of the PDCs it created.

In 1970, The Governor's Management Study noted that a "wide variety of programs...had accrued to this agency—ranging from advising community action agencies, to preparing local plans, to gerontological planning."<sup>22</sup> The report went further, calling the Division (then two years old) a failure at becoming the central planning agency for the state and recommending combining the DSPCA with the Commonwealth's Budget Division.

From 1973 to 1976, State Senator William Hopkins led the Commission on State Governmental Management (the Hopkins Commission) which sought to review all state government functions, with an eye towards restructuring agencies, programs, and responsibilities. This report was critical of DSPCA, less of its staff than its functions. The Hopkins Commission believed that the DSPCA was burdened with many new state programs that did not fit within any other agency, and that DSPCA had become a sort of "catch-all."<sup>23</sup>

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<sup>21</sup> Commonwealth of Virginia. Joint Legislative Audit and Review Commission. *Review of Regional Planning District Commissions in Virginia*. By Philip A. Leone. 15th ed. Vol. Senate Document. Richmond, 1995. Print.

<sup>22</sup> "A Historical Overview of State and Regional Planning in Virginia." *Office of Policy Analysis and Research, Department of Housing and Community Development*. April 1991.

<sup>23</sup> Ibid.

Noting that it had failed to create a state master plan, the Hopkins Commission recommended against a master plan, believing it to be impossible. Instead, the Commission recommended breaking up DSPCA's many functions and assigning them to existing or new agencies. The Virginia General Assembly acted upon this report, and assigned budget planning functions of the DSPCA to the Department of Planning and Budget, while local and regional planning programs were assigned to the new Department of Housing and Community Development (under which PDCs reside today).

The effort of creating a master plan was abandoned, and state level planning increasingly was associated with the budget process.

### The Second Hahn Commission

At the same time Senator Hopkins was leading the Commission on State Governmental Management, T. Marshall Hahn was asked to reprise his role, this time as the chairman of the Governor's Ad Hoc Committee to Review the Virginia Area Development Act (1972). Perhaps harkening back to his early efforts to create PDCs as functional regional governments, the Hahn Commission report included many recommendations to increase the powers and abilities of the PDCs.

This time, the Hahn Commission report was not received as favorably, and the Virginia General Assembly enacted none of the Commission's recommendations. In fact, three years later the House Committee on Counties, Cities, and Towns issued its own report on VADA, which called for restraining the powers of PDCs.<sup>24</sup> The Commonwealth also failed to establish a standard set of policies regarding land-use planning, instead focusing on developing an integrated budget process.

Through the end of the 1970s, PDCs continued local planning efforts, albeit with limited financial resources and little support from the Commonwealth. In 1975, a legislative report on VADA concluded that PDCs "are fulfilling the legislative intent of the Virginia Area Development Act by fostering intergovernmental cooperation through planning."<sup>25</sup>

However, by 1985, a survey of PDC directors found that estimated time spent by PDCs on regional planning had fallen from 26.5 percent in 1976 to only 14.1 percent.<sup>26</sup> This was largely a function of funding; previously the largest funding source for PDCs was federal funding, which required the development of regional plans. This funding source had been replaced by local

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<sup>24</sup> Ibid.

<sup>25</sup> Commonwealth of Virginia. Joint Legislative Audit and Review Commission. *Review of Regional Planning District Commissions in Virginia*. By Philip A. Leone. 15th ed. Vol. Senate Document. Richmond, 1995. Print.

<sup>26</sup> Ibid.

funding. In fact, “local funding growth from FYs 1985 to 1993 was more than twice as great as state funding growth, and nearly 50 percent greater than federal funding growth.”<sup>27</sup>

As a result, these once regionally-oriented planning commissions lost sight of comprehensive planning and began to focus upon other tasks for which they had received funding. The programs offered had shifted from regional planning efforts to service delivery, at a time when the Commonwealth needed excellent regional planning.

### Rapid economic and demographic changes

Like the 1960s, which spawned the Hahn Commission and the creation of PDCs, the 1980s were once again a period of rapid economic growth and fundamental demographic changes for the Commonwealth. Virginia found itself with a booming population in the urban areas and economic depression and stagnation in the rural areas.

This continued rapid growth in the metropolitan corridor was once again coupled with depressed economies and depopulation in rural Virginia. Together, these issues were a major stimulant for a renewed series of initiatives focusing on various aspects of growth and development.

However, unlike previous periods, the Commonwealth faced new worries about the environmental and resource consequences these changes were bringing about. The environmental degradation of the Chesapeake Bay, for example, was tied to the broader issues of population growth and land use problems, according to the Chesapeake Bay Commission’s Land Use Roundtable Report.<sup>28</sup>

In 1983 and 1984 the Governor’s Commission on Virginia’s Future decided that the Commonwealth could no longer take a back seat on comprehensive planning, and recommended that the state government take a lead role in establishing policy in the use of land. It recommended the creation of a state agency to assume land use functions; it also recommended assigning regional planning agencies a strong role in developing and administering statewide policy.<sup>29</sup>

Furthermore, the commission recommended the the Department of Planning and Budget be responsible for strategic planning in state government and the permanent creation of a citizens’ advisory group to provide additional persepctives on planning issues within the Commonwealth.

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<sup>27</sup> Ibid.

<sup>28</sup> Chesapeake Land Use Roundtable. Chesapeake Bay Commission. *Report of the Land Use Roundtable - Land Use Initiatives for Tidewater Virginia: The Next Step in Protecting the Bay*. Richmond: Senate of Virginia, 1988. Print.

<sup>29</sup> Ibid.

## The JLARC Report

In 1995, the Joint Legislative Audit and Review Commission (JLARC) issued a “Review of Regional Planning District Commissions in Virginia.” The report stemmed from the Commonwealth’s effort at the time to review state and local relations and growing concern over the role of regional cooperation and coordination. As a result, Senate Joint Resolution 310 of the 1993 Virginia General Assembly session directed JLARC to review the Commonwealth’s regional PDCs and their role in issues surrounding state and local relations. Specifically, the report set out to determine the weight given by PDCs to regional planning, the level of resources and initiative devoted to completing this task, and the substantive results given these factors. As such, the report provided the General Assembly a written account of PDC activities, the extent to which PDCs were meeting their obligations under the VADA, and considerations for assessing what the role of PDCs should be and the Commonwealth’s role with regard to PDCs.<sup>30</sup>

The report relied on a number of methods for gathering information on PDCs, including on-site interviews with PDC Directors, written information requests to PDCs, and surveys of local government administrators. PDCs were found to garner significant support among their respective localities, many having achieved noteworthy accomplishments since their creation. Among local government officials surveyed, 91 percent of survey respondents reported having all service requests fulfilled by their PDC and, with only 17 percent reported as “dissatisfied” and 2 percent as “very dissatisfied” with the services performed by their PDC. However, many local administrators did say more could be done by PDCs in the way of regional promotion and initiative.<sup>31</sup>

Pursuant to the observation of many local officials, the report’s principal finding was that while the VADA established PDCs to identify and address local challenges through regional focus and planning, PDCs had become increasingly “locally-oriented” since their creation; essentially performing more services to meet the individual needs of localities with less emphasis on a comprehensive view of regional needs. As a result, the report found that key elements of the VADA were not being fulfilled by PDCs.<sup>32</sup>

The VADA outlines two specific requirements of PDCs. The first is the development of a comprehensive plan guiding the development of the district that is reviewed at least every five years. Two PDCs had never prepared reports, six PDCs plans were developed but not adopted, and in the remaining districts, many plans had not been updated since the late 1970s. The report also found that the majority of PDCs had no ambitions of developing these plans. Further, in determining community and regional needs, challenges, and vision for the future, strategic

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<sup>30</sup> Commonwealth of Virginia. Joint Legislative Audit and Review Commission. *Review of Regional Planning District Commissions in Virginia*. By Philip A. Leone. 15th ed. Vol. Senate Document. Richmond, 1995. Print.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

planning by PDCs was found to be underutilized. Instead, efforts were largely confined to the preparation of special purpose (e.g. wastewater, recreation, etc.) plans for member localities.<sup>33</sup>

The second requirement of PDCs as articulated under the VADA is to review all applications of localities for state and federal funds to determine district-wide significance and whether or not they conflict with other plans for the region. Similar to the comprehensive planning requirement, the report found that PDCs were by and large not meeting their obligations under the VADA. Two PDCs were not conducting reviews at all, while reviews of the remaining PDCs were not being conducted adequately. Combined, the report concluded that “PDC priorities, it has been found, have shifted away from the original regional planning focus of the VADA and moved increasingly to local services as well as some regional projects.”<sup>34</sup>

In helping to explain the above findings, the report identified several factors affecting PDC priorities. The Commonwealth was cited as providing little guidance on the role PDCs should play in state policy and regional facilitation and demonstrating an overall lack of commitment to PDCs. Specifically, the report pointed to the lack of guidance offered by the VADA on the role of PDCs as regional facilitators. While the Act delineated specific activities to be performed by PDCs, no overarching role for PDCs in the regions was identified.<sup>35</sup>

Inadequate state funding was also identified as reason for the increasingly local focus of PDCs. As federal planning grants waned throughout the 1970s and funding from the Commonwealth remained stagnant, PDCs increasingly relied on localities to make up the difference. As PDCs’ funding became more local so too did their priorities. The state funding received by PDCs, the report found, received little oversight by the Commonwealth, leaving the Commonwealth largely unaware of PDC activities and whether they benefited the regions.<sup>36</sup>

In addition to providing a vague regional role for PDCs, the report found the VADA posed problems for PDCs in adopting regional comprehensive plans. Comprehensive plan adoption, as framed by the VADA, was meant to guide PDC activities, having no impact on those localities choosing not to adopt. As a result, there was little incentive for localities to adopt comprehensive plans as they were not legally significant and served to restrict their land use activities. A further disincentive was the cumbersome process required to amend comprehensive plans should changes need to be made. Certain structural deficiencies, such as annexation and competition over economic development, were also identified as impediments to regional plans and problem-solving.<sup>37</sup>

Finally, the report found that PDC priorities were largely dictated by both PDC Directors and local government officials. As previously discussed, the level of satisfaction among localities for

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<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

their respective PDC was relatively high. This sentiment, the report concluded, led to a belief among local government officials that the then way of doing PDC “business” was working. Receiving substantial benefits for their locality, the benefits of regionalism did not receive consensus among local government officials at the time.<sup>38</sup>

In determining the future role PDCs should play in relation to state and local government, the report offered three policy alternatives to consider. First, reduce or end state commitment and funding to PDCs, including the elimination of certain provisions of the VADA, such as the requirement to complete a comprehensive plan. Given the relatively small financial commitment to PDCs at the time, coupled with the fact that most PDCs were viewed as providing a number of valuable services, the report recommended against this option. Second, the report recommended the Commonwealth maintain and strengthen PDC operations by requiring the following:

- requiring greater accountability for the State general purpose funding;
- periodically reviewing PDC boundaries;
- developing a coherent State policy toward PDCs;
- requiring the preparation by PDCs of annual work programs;
- involving PDCs more in selected activities;
- modifying the distribution of the State general purpose funding.<sup>39</sup>

The third and final recommendation made by the report was to dramatically redirect PDC priorities to focus on regional work. In other words, a significant shift from the locally oriented work PDCs had come to perform to the infusion of additional state resources. Below is the summary of JLARC recommendations for this option:

- revise the VADA to define the primary purpose of PDCs as the identification of regional problems and facilitation of regional solutions to those problems,
- amend the VADA to require PDCs to prepare regional strategic plans in lieu of or in addition to regional comprehensive plans,
- require in the Appropriation Act that the general purpose appropriation provided to each PDC is to be used on activities benefiting the region,
- provide additional state funding to PDCs, to the extent that additional services demanded from them and cannot be met with the shifting of priorities alone,
- consider whether changes to PDC membership are desirable and might promote regionalism, such as including state representatives on the PDCs, or changing the state policy governing local government participation in PDCs,
- consider redirecting selected current local financial aid programs to regions, such that only local governments which conducted elected activities cooperatively with other local governments would receive funding, and

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<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

- consider creating a regional incentive fund, with grants awarded based on the merits of the proposals, specifically their potential for cost savings and improved services through regional cooperation.<sup>40</sup>

One of the most direct impacts of the JLARC Report was the modification of the VADA through adoption of the Regional Cooperation Act in 1995. Pursuant to the recommendations of the report, the Act declared PDCs set the stage for state and local government to address regional issues. Specifically, the Act deemed “It is the purpose of the planning district commission to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance.”<sup>41</sup> In essence, encouraging localities to seek out regional solutions to local challenges. As previously discussed (“What are Planning District Commissions”), the Act requires several other duties of PDCs, including the completion of a regional strategic plan with input from its elected and appointed members from its member localities, the business community, and citizen groups.

### The Regional Competitiveness Act

One year after adopting the Regional Cooperation Act, the Virginia General Assembly passed the Regional Competitiveness Act in 1996 as a measure of further strengthening the role of regional strategic planning and cooperation and the Commonwealth’s commitment to PDCs. In addition to the findings of the JLARC Report, the passage of The Act was also the result of the growing recognition that *regions* are the engines that drive economic activity. Now forced to compete with Europe, Asia, and elsewhere, the continuation of Virginia as an excellent place to live, work, and do business increasingly falls on the regions that comprise it. At its core, the Act incentivized the continuation and development of regional strategic planning and cooperation.<sup>42</sup>

The primary method for rewarding regional strategic planning and cooperation was the establishment of an incentive fund, whereby regional partnerships *choosing* to participate could receive annual incentive payments if they met certain criteria. As mandated by The Act, the Virginia Department of Housing and Community Development (DHCD) was responsible for administering the fund and establishing a statewide advisory committee to develop recommendations for distributing funds to localities based on the criteria enumerated in the Act.<sup>43</sup>

Accordingly, in 1996, Governor George Allen appointed a 12-member Advisory Committee to implement the Act. The following criteria established by the Act and expanded upon by the Advisory Committee had to be met by partnerships to be eligible to receive incentive funding:

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<sup>40</sup> Ibid.

<sup>41</sup> Legislative Code of Virginia

<sup>42</sup> Commonwealth of Virginia. Virginia Department of Housing and Community Development. *Regional Competitiveness Program: Program Guidelines*. Richmond, 2001. Print.

<sup>43</sup> Legislative Code of Virginia

1. Members of the regional partnership had to include representatives from both the public and private sector. Believing substantive change could only come from involving the entire community, the Act mandated partnerships be comprised of leaders and key decisions makers of local government, elementary and secondary education, higher education, the business community, and civic groups.
2. Develop a regional strategic economic development plan for the purpose of identifying key issues affecting economic competitiveness and formulating a plan of action to address those issues. At a minimum, as established by the Act, plans had to include a comparison of the following demographic and economic measures between the region and its competitor regions in the southeast United States: (a) median family income (b) job creation (c) differences in median family income levels among the localities in the region. Using the information above to identify regional economic competitiveness issues, a plan of action, covering a five-year period, had to be developed to include strategies for addressing those issues.
3. Develop an annual report documenting the partnership's progress towards addressing regional competitiveness issues through strategies identified in the regional strategic economic development plan. Progress was assessed based on desired, measurable outcomes identified by the partnership in the plan.
4. Identification of existing and proposed joint activities within the region to implement regional strategic economic development plan strategies.<sup>44</sup>

The eligibility of a region to receive incentive funding was determined via a scoring system based on the joint activities identified by the partnership. The Act prescribed weighted values for 14 separate issue areas ranging from education (a maximum of 10 points) to law enforcement (a maximum of 5 points) and required a region to receive at least 20 points among any of the issues areas in order to qualify for funding. The score received for each joint activity by the region was based on the significance of the activity in its ability to address economic competitiveness obstacles, the complexity of implementing the activity, the fiscal resources dedicated to the activity, the number of regional localities participating in the activity, and the activity's ability to improve cooperation among participating local governments. Once eligible, regions received incentive funding for a minimum of five years.<sup>45</sup>

In 1996 and 1997, \$3 million was appropriated under the Act. In 1999, at its height, the program received \$10 million in funding from the Virginia General Assembly. Beginning in 2002, however, the Regional Competitiveness Act was subject to cuts made by the Warner Administration to reduce the Commonwealth's \$2.1 billion budget deficit. As such, the

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<sup>44</sup> Commonwealth of Virginia. Virginia Department of Housing and Community Development. *Regional Competitiveness Program: Program Guidelines*. Richmond, 2001. Print; Legislative Code of Virginia.

<sup>45</sup> Ibid.

Advisory Committee lost four-fifths of its funding in 2002, and by February of 2003, all incentive payments were eliminated.<sup>46</sup>

Another setback to the Regional Competitiveness Act came as result of a 2003 report by the Joint Subcommittee to Study the Operations, Practices, Duties and Funding of the Commonwealth's Agencies, Boards, Commissions, Councils and Other Governmental Entities (created by the House Joint Resolution 159 passed by the 2002 Virginia General Assembly). In the report, it was noted that the Advisory Committee was considered "very inactive" as Governors Gilmore and Warner made no appointments and the Committee had not met since 1996 or 1997. Along with the suggestion by DHCD staff that the Advisory Committee be deactivated, the report deemed the Advisory Committee "a candidate for elimination." As such, during its 2003 session, the Virginia General Assembly passed HB 2429 amending and reenacting the Regional Competitiveness Act, abolishing the Advisory Committee.<sup>47</sup>

In total, between \$20 and \$50 million in incentive funding was rewarded to eight regional partnerships over the life of the program. Although short-lived, many credit the Act and incentive payments it provided as helping fund many important regional projects and fostering a regional mindset in addressing economic competitiveness challenges. Although the Act remains unfunded, many of the partnerships formed while incentive funding was available still exist and continue to carry out those activities deemed critical to remaining competitive in the global economy and promoting regional strategic planning and cooperation.<sup>48</sup>

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<sup>46</sup> Global Urban Development. *Metropolitan Economic Strategy Report on Hampton Roads, Virginia*. By Alicia Fazzano. Washington, D.C, 2004. Print; Commonwealth of Virginia. Joint Subcommittee to Study the Operations, Practices, Duties, and Funding of the Commonwealth's Agencies, Boards, Commissions, Councils and Other Governmental Entities. *Interim Report: Boards and Commissions*. Richmond, 2003. Print.

<sup>47</sup> Commonwealth of Virginia. Joint Subcommittee to Study the Operations, Practices, Duties, and Funding of the Commonwealth's Agencies, Boards, Commissions, Councils and Other Governmental Entities. *Interim Report: Boards and Commissions*. Richmond, 2003. Print; Legislative Code of Virginia.

<sup>48</sup> Council of New Jersey Grantmakers. *Facing Our Future: Detailed Description of Options*. By Joseph Blaney, Kathe Callahan, and Paul Saeman. 2012. Print.

VAPDC History  
Next Chapter

Since the demise of the Regional Competitiveness Act, Virginia's PDCs have remained active in promoting opportunities for regional collaboration. Beyond cooperative activities with other governmental organizations, the PDCs have tried to strengthen their ties with the private sector. One of the legacies of the Regional Competitiveness Act was a strengthening of the relationships between PDCs and the private sector in their respective regions. The Competitiveness Act helped to bring business representatives into the process of developing a vision and strategy for building regional economies and improving the quality of life of citizens.

The PDCs have continued to work closely with their member communities to expand collaborative opportunities and have expanded cooperative efforts with other PDCs in the Commonwealth through the Virginia Association of Planning District Commissions (VAPDC). The Association's two annual conferences allow meaningful content and networking opportunities for PDC staff, elected officials, state agency representatives, and private sector partners. In addition to offering opportunities for learning and dialogue, VAPDC continues to strengthen its focus and message, ensuring that the Association is a resource for its member PDCs and others interested in regional collaboration. In 2005, VAPDC began holding an annual Leadership Planning Retreat that has evolved into the creation and implementation of a Strategic Plan for the organization.

One of the key initiatives of the VAPDC has been an attempt to broaden relationships with the leaders of state agencies. In the fall of 2008, the VAPDC hosted a special luncheon for PDCs and state agency leaders to promote dialogue and interest in areas where collaboration can benefit the region and the Commonwealth. This special luncheon was so beneficial that it has now become an annual event. These meetings have allowed PDCs to better understand the many programs/projects undertaken by state agencies, and have provided PDCs the opportunity to share with state agency heads the wide range of programs/projects they are pursuing.

From 2008 to the present, Virginia's PDCs have been expanding the types of services they provide to their member governments. For example, most PDCs have been involved in economic development activities since their inception in the late 1960's and early 1970's, but in recent years several PDCs have taken on a significant role in tourism development. Some PDCs operate Destination Marketing Organizations, while others have provided the support needed to create new tourism entities in more rural parts of the Commonwealth. PDCs have expanded their efforts in other areas beyond tourism. Several PDCs have been heavily involved in promoting high-speed broadband in both urban and rural communities. They have worked with both state and federal agencies to obtain grants to help ensure that counties, cities and towns are ready for the new economy of the 21<sup>st</sup> century.

The above represent only a few examples of how PDCs are looking at new ways to support local governments and the Commonwealth. In 2012, the VAPDC developed a “Best Practices” monograph that highlighted numerous ways PDCs were expanding their work. *Virginia’s PDCs: Saving the Commonwealth and its Localities Money through Regional Efficiencies*, has been widely distributed throughout the state and reinforces the efforts PDCs are making to help promote efficiency and effectiveness in governmental activities.

The importance of regionalism in Virginia continues to grow. This is illustrated by a recent report from Virginia’s Joint Legislative Audit and Review Commission, *Encouraging Local Collaboration through State Incentives*, which focused on how the Commonwealth could help greater levels of regional cooperation among counties, cities and towns in K-12 education, public safety, public utilities and procurement. The results of the study were encouraging in terms of the number of governments who supported efforts to enhance regional cooperative activities.

The work of PDCs will continue to evolve as new demands are placed on state and local governments to do more with less. Regional cooperative activities that create efficiencies will help governments to continue to provide needed services while keeping costs reasonable. The National League of Cities noted in a 2000 report that the 21<sup>st</sup> Century will have to be the century of regionalism since it will be difficult to provide key services without local governments working together.