



Proposals Distribute Federal Funding for Local Governments

As reported last week, legislation introduced by Senator Julie Rosen, [SF 4564](#), sets an appropriation amount and formula for distributing \$667 million of the state's share of the Federal Coronavirus Relief fund to local governments. SF 4564 was heard and passed in the Senate Finance Committee on Monday and sent to the Senate floor. A second proposal for distributing federal funds to local governments was introduced in the House today. Metro Cities is currently reviewing that proposal.

SF 4564 distributes \$667 million to all counties excepting Hennepin and Ramsey, which received a total combined distribution of funds directly from the federal government of \$316.9 million, or \$174.50 per capita. The bill appropriates an amount for the remaining counties equal to the per capita amount allocated to Hennepin and Ramsey counties by the federal government. The bill subtracts a portion of a county's distribution for direct re-distribution to cities and towns on a per capita basis, at \$87.00 per capita to cities and \$25.00 per capita to towns. The bill requires Hennepin and Ramsey counties to share their allocation with the cities and towns in their jurisdiction, using the same requirements in the bill for other counties. See [HERE](#) for the spreadsheet allocation to cities under SF 4564.

The bill allows funding to be used for COVID-19 expenses consistent with requirements in federal law. Unspent funds would be required to be returned to the state by November 1, 2020. Consistent with federal law, funds may be used for expenditures incurred between March 1, 2020 and December 30, 2020. The bill allows for local collaborative agreements and allows local governments expending funds under a collaborative agreement until December 15 to spend funds.

Metro Cities provided written testimony through a joint letter signed by Metro Cities, League of MN Cities, Coalition of Greater MN Cities, MN Association of Small Cities, and Municipal Legislative Commission. The letter stated support for provisions in the bill that provide for a direct appropriation of funds to cities using a per capita basis, support for the bill's allowance of a range of expenditures consistent with federal law, and the bill's use of a certification process for receiving funds as opposed to a reimbursement mechanism. City organizations did not take a position on the requirements for Hennepin and Ramsey counties in the bill.

The debate Monday centered on the allocation requirements for Hennepin and Ramsey counties, and included testimony by county officials opposing this provision. Senate staff indicated at the hearing that the US Treasury confirmed that federal law does not require nor preclude a state from imposing this requirement.

Today, a second proposal authored by Rep. Paul Marquart, [HF 4673](#), was introduced. Metro Cities is reviewing this bill and will provide further information in our Friday newsletter.

Metro Cities recommends that city officials track local COVID-19 expenses. Based on the survey we conducted a few weeks ago, cities are incurring or expect to incur a range of expenses. The information is very helpful as we advocate for funding support for local COVID-19 expenses.

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

Please let me know if you have any questions. I can be reached at 651-215-4002, or patricia@metrocitiesmn.org. Stay tuned for further information and updates.

House Passes Electronic Documents Bill

The House passed [HF4605-Freiberg](#), a bill that allows local governments, including cities, to accept documents and signatures electronically, by mail or fax during a peacetime public health emergency. The filings include documents for planning and zoning, land use, documents that require the signature of an architect, engineer, or landscape architect, birth and death certificates, and recording a notary commission. An amendment was adopted to include documents related to interior design. This authority would expire January 6th, 2021 or 60 days after the peacetime public health emergency is terminated, whichever is earlier. An amendment to allow county sheriffs to accept electronic signatures for conceal carry permits was not adopted. The Senate companion, [SF 4525 - Kiffmeyer](#), is awaiting action on the Senate Floor.

House Passes Data Privacy Omnibus Bill

The House passed the Senate version of an omnibus data privacy bill, [SF 3072-Limmer/Lesch](#). The bill makes changes to statutes regulating law enforcement's use of unmanned aerial vehicles (UAV's or drones), and provides limitations on the use of UAV's, including prohibitions on the use of facial recognition technology and data collection on public protests. The bill also requires a law enforcement agency to document each use of a UAV, create a written policy, and collect public comment. Additionally, SF 3072 requires a government entity to obtain a search warrant prior to accessing electronic communication information.

House Environment Supplemental Bill Passes to House Floor, Includes EAB Funding

The House Ways and Means Committee passed [HF 4554- Hansen](#) this week. The bill includes several funding provisions and makes environment policy changes. Provisions include funding for water quality standard rule making, a new approval process for local government plans related to the Mississippi River Corridor Critical Area, and a requirement that manufacturers provide accurate labeling for flushable nonwoven personal care wipes. Metro Cities supports the flushable wipes provision. The bill also includes funding for the maintenance of atlases for water resource management, funding to study ground and surface water interaction, and a study of how COVID-19 may travel through wastewater and drinking water systems. Additionally, the bill includes \$4.2 million for the DNR for Emerald Ash Borer (EAB) mitigation, including grants to communities. Metro Cities supports state funding for this purpose. An amendment was adopted that includes an extension of grants for EAB from 2019 to June 30th, 2021. The bill author stated that negotiations with the Senate are continuing, but that no final deal on the omnibus bill has been reached. The bill was passed to the House Floor.

Metropolitan Council Begins MCES Rate Work, Announces Budget Webinars

The Metropolitan Council Environment Committee began the work of setting 2021 wastewater rates. The committee heard an informational budget overview and received an initial proposal for the 2021 rate proposal. MCES staff shared a proposal that includes a 2.0% wastewater charge increase. The proposal would leave the Sewer Availability Charge (SAC) at its current level. The overall budget is proposed to grow by 3.9% over the 2020 budget. Staff informed the committee that staff will be seeking public input from two virtual customer webinars that are scheduled for May 21st and June 11th. The Environment Committee would then review public input and adopt a

budget recommendation. To view the staff presentation, click [here](#).

Customer webinars will cover the MCES Proposed 2021 Budget, municipal wastewater charge and the MCES Capital Improvement Program. Webinar information is below. Click on the link for each webinar and click on the “register” event at the bottom of the event page. Registration is required for these events.

- **Thursday, May 21 from 9:00 – 10:00 a.m.**
 - [Click here to register for the May 21 Webinar](#)
 - **Event Password:** MCESBudget2020
- **Thursday, June 11 from 2:00 – 3:00 p.m.**
 - [Click here to register for the June 11 Webinar](#)
 - **Event Password:** MCESBudget2020

Questions about the municipal wastewater charge can be directed to MWC@metc.state.mn.us. Questions about the 2020 MCES Budget Webinar can be directed to Kate Nyquist at kate.nyquist@metc.state.mn.us.

House Capital Investment Bill Passes Ways and Means Committee

The House Ways and Means Committee heard and passed HF 2529-Murphy, the omnibus capital investment bill. See below for provisions of interest to Metro Cities.

Inflow and Infiltration Mitigation Assistance

The bill appropriates \$9.5 million for inflow-infiltration mitigation funding for metropolitan cities. Funding for I/I is a Metro Cities initiative that would assist eligible cities in the metropolitan area as they undertake efforts to mitigate I/I on local public systems.

Housing

The bill includes \$200 million in housing infrastructure bonds and \$48 million in general obligation bonds. It also includes an additional \$14 million in housing infrastructure bonds for emergency shelters.

Environment

The bonding bill includes \$3 million to DNR for the Shade Tree Program for grants to cities, counties and townships for the removal and planting of shade trees in public land to mitigate the effects of tree pests including Emerald Ash Borer (EAB). Metro Cities supports this provision. The bill appropriates \$10 million to MPCA for grants to local governments for building sustainable and resilient stormwater infrastructure that mitigates flood risk impacts of extreme weather events. The bill also appropriates \$15 million to BWSR to acquire land for the Local Government Roads Wetland Replacement Program. An additional \$8 million is allocated to acquire wetland banking credits for the Local Government Roads Wetland Replacement Program. Metro Cities supports these provisions.

Public Facilities Authority:

The PFA is recommended for a total appropriation of \$327 million. This funding includes \$25 million for the State Revolving Loan Program for both clean water and drinking water projects.

The bill also appropriates \$100 million for the Water Infrastructure Funding Program for grants to cities for water infrastructure projects. Of these funds, \$60 million is for wastewater projects on the MPCA's project priority list and \$40 million is for drinking water projects on the Department of Health's project priority list.

Transportation

The bill includes total appropriation of \$452.9 million that is appropriated for transportation. This includes \$102 million in Trunk Highway Bonds. Transportation provisions include:

-\$53.2 million for the Local Road Improvement Fund (LRIF) for grants to construct and reconstruct local roads with statewide or regional significance. Local projects receiving funding under the LRIF program:

- \$1.5 million to Anoka County for East River road & TH 610
- \$5.5 million to Dakota County for Diffley Road
- \$7 million to Golden Valley for Douglas Dr. and TH 55
- \$14 million to Maple Grove for a project near TH 610
- \$794,000 to Oak Park Heights for 60th St. Realignment
- \$1.5 million to Ramsey County for I-35E and County Road J
- \$7 million to Richfield for 77th St. underpass
- \$3.6 million to Scott County for TH 13 Interchange
- \$3 million to Washington County for TH 36 Interchange
- \$53.2 million for the Local Bridge Replacement and Rehabilitation program for projects that replace or rehabilitate local deficient bridges.

Two local bridge projects were included in the bill. \$55 million is recommended to be allocated to St. Paul for the Kellogg Bridge and \$3.5 million to Washington County for the 4th St. Bridge over I-694.

-\$10 million for the Safe Routes to School program for projects that create nonmotorized transportation for students to and from school.

-\$5 million for the replacement of railroad warning devices.

-\$1 million to assess and review a project to extend Northstar Commuter Rail service to St. Cloud.

-\$3 million to DEED for the Transportation Economic Development Infrastructure program for transportation projects that improve economic development and job creation.

-\$2 million for the state to install electric vehicle charging stations on public property.

Metropolitan Council

The bill appropriates \$10 million to the Metropolitan Council for park improvements to the Metro regional parks system and \$55 million for the B and D Line Bus Rapid Transit projects. The bill also appropriates \$2 million each for design work on the Riverview and Rush Line transit corridors.

Senate Passes Business Reopening Plan

The Senate passed a bill that would provide a process for businesses to reopen. [SF 4511](#) – Mathews would preempt the governor’s executive orders that required certain businesses to close and give them a path to reopen.

The bill would require a business to provide a site-specific plan for employees and members of the public. The reopening business would also be required to provide a statement “that the business will meet any testing protocols established and comply with any COVID-related workplace safety recommendations and guidance provided by the Minnesota Department of Health and the Centers

for Disease Control and Prevention to assist businesses and employers in providing a safe and healthful workplace and business operation”.

Finally, the bill would preempt a board or licensing agency from imposing any additional penalties for a violation of the governor's emergency executive orders. Contact Charlie Vander Aarde at 651-366-7564 or charlie@metrocitiesmn.org with any questions.

Senate Passes Small Business Grant Program

[SF4481](#) – P. Anderson would provide grants to small businesses impacted by the COVID-19 pandemic. The bill funds the grants with \$60 million – a \$2.4 million transfer from the loan guarantee fund and \$57.6 million from the coronavirus relief fund.

\$30 million would be directed to greater Minnesota and \$30 million would be directed to the metropolitan region. The metro grants would be administered by the same lenders DEED partners with for the small business emergency loan program.

Grants of up to \$10,000 would be made to individual businesses that: are located in the state of Minnesota and owned by a permanent resident of Minnesota; have a permanent physical location; are in good standing with the secretary of state and the Department of Revenue; employ the equivalent of 50 full-time workers or less; and can demonstrate financial hardship as a result of the COVID-19 outbreak.

The grant funds received by individual businesses shall be used for working capital to support payroll expenses, rent, mortgage payments, utility bills, and other similar expenses that occur in the regular course of business.

Of the \$60 million in the grant program, some of the funds are further directed to distribution across the state. A minimum of \$18 million must be awarded to businesses that employ the equivalent of six full-time workers or less; and a minimum of \$15 million must be awarded to minority business enterprises, businesses that are majority owned and operated by veterans, or businesses that are majority owned and operated by women. Contact Charlie Vander Aarde at 651-366-7564 or charlie@metrocitiesmn.org with any questions.

Governor's COVID-19 Briefings

Below are highlights from this week's Monday and Tuesday briefings from Governor Walz and his administration. See the state's [COVID-19 web page](#) for the latest specific health data. The Governor will conduct a briefing Wednesday evening at 6:00 p.m.

Monday:

The Department of Health discussed the drug Remdesivir, which received approval from the FDA for emergency use for severe cases of COVID-19. MDH has guidance and other information on the drug on its website. MN health officials received their first shipment of the drug on Saturday and more was received on Tuesday. Director Ehresmann focused her remarks on the department's continuing work around case investigations and contact tracings.

Tuesday:

The bulk of Tuesday's briefing was centered around the department's plans to support long-term care facilities to better protect both residents and staff. This was largely a reiteration of the administration's "Five-Point Battle Plan," which was announced Thursday. Click [HERE](#) to view the full MDH presentation on the plan.

DEED Awards Redevelopment Grants

DEED awarded nearly \$3.8 million to redevelop 10 sites in eight different cities throughout Minnesota, including six awards in the metro region. The cities of Minnetonka, Minneapolis, Rosemount and Saint Paul all received awards for redevelopment projects in their cities. More information on the awards can be found on the [DEED website](#). Metro Cities has advocated for annual funds for the redevelopment grant program and demolition loan program at the Capitol and at the agency.

Multifamily Consolidated Request for Proposals Intent to Apply Deadline

The Multifamily Consolidated Request for Proposals (RFP) Intent to Apply due date is quickly approaching. MHFA encourages applicants to apply and submit documentation before the deadline to make sure everything is submitted on time.

Applicants who want to submit an application for capital financing in the 2020 RFP/2021 HTC Round 1 must submit the Intent to Apply (ITA) through the [Multifamily Customer Portal](#). The following items are **due this Thursday, May 14 by noon**:

- Site Map
- Organizational Charts

If an applicant is experiencing technical issues, contact mhfa.app@state.mn.us.

Other Upcoming Deadlines

Thursday, June 18 by noon:

- Evidence of Site Control and [Qualification forms and Sponsor financials](#) need to be submitted through the [Multifamily Secure Upload Tool](#). [View instructions](#) on how to use the secure upload tool.

Thursday, July 16 by noon:

- Full application
- Fee remittance forms and \$800 application fee (must be postmarked by July 16)

Bills of Note

[SF 4594](#), Dahms: Bill appropriates \$10 million in FY2021 for fire department personal PPE grants.

Metro Cities News is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

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