

Federal CARES Act Funds Reporting Requirements for Local Governments

The State Office of MN Management and Budget (MMB) is in the process of developing reporting requirements for local governments receiving Coronavirus Relief Funds (CRF) through the Federal CARES Act for COVID-19 related expenses. Metro Cities participated in a meeting this week with MMB officials and local government representatives to discuss a process and forms for the requirements. MMB is working to have requirements that are administratively reasonable for local officials to process. MMB intends to publish reports on a monthly basis and noted that there is significant interest on how Coronavirus Relief Funds (CRF) are being spent. Metro Cities will provide further information as it is available. MMB asked that city officials continue to work with local government organizations regarding questions on funds and expenses, as well as the reporting requirements, once they are established. In the meantime, city officials should continue to track and document expenses. The next deadline for certification forms is July 30.

The LMC will conduct a webinar next Wednesday, July 29th, at 11:00 am regarding the reporting requirements. Please see www.lmc.org for information on how to register. Questions? Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Governor Walz Issues Executive Order on Face Masks

On Wednesday, Governor Walz issued an [Executive Order](#), effective Saturday July 25th, that requires face masks in indoor businesses and public settings. Please click [HERE](#) for an FAQ document, and [HERE](#) for additional guidance and recommendations on face masks. This information can also be found on Metro Cities' COVID-19 web page, located under the Policies & Resources section of our website at www.metrocitiesmn.org

Law Enforcement Reform Measures Pass Legislature

Early Tuesday morning, the Legislature reached agreement on legislation to law enforcement and public safety measures. [HF 1- Mariani](#) passed the House 102-29 and the Senate 60-7, and Governor Walz signed the bill Thursday. The legislation includes provisions allowing cities to offer incentives to peace officers who reside in the city, bans choke holds and certain neck restraints, makes modifications on the use of deadly force, establishes that police officers have a duty to intercede and report fellow officers who use excessive force, bans a law enforcement agency from providing warrior-style training, and mandates training on crisis intervention, mental illness and autism.

The bill creates a panel of expert arbitrators to handle peace officer arbitration matters. The panel will be appointed by the governor in consultation with law enforcement and community stakeholders, and will consider grievances related to written disciplinary action, discharge or termination. Arbitrators must receive training that includes cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences. Trainings must also include the daily experience of peace officers and may include ride-alongs with on-duty officers or other activities that provide exposure to the environments, choices, and judgments required of officers in the field.

The legislation also makes several changes to the Peace Officer Standards and Training (POST) Board. These include adding two seats to the board appointed by the Governor from the general

public, and the creation of The Ensuring Police Excellence and Improving Community Relations Advisory Council. The Council will make recommendations to the POST Board on improving police and community relations. The POST Board must also create a central repository for peace officer data and create a model policy on use of force by September 1st, 2020. The model policy must include a duty for police to intercede when observing excessive force by other officers, and a duty to report illegal activity by other officers. All law enforcement agencies must update their policies with this model policy by December 15th, 2020.

The bill also creates an independent Use of Force Investigations Unit at the Bureau of Criminal Apprehension (BCA) to conduct officer involved death and sexual conduct investigations. Further, the legislation requires reporting of data on use of force that results in serious bodily injury or death to the BCA. The legislation makes data collected during peer counseling of officer's private data under most circumstances.

Questions? Contact Steve Huser at 651-215-4003 or steven@metrocitiesmn.org

Legislature Adjourns Sine Die

The Legislature adjourned its second special session sine die early Tuesday morning, after passing a package of law enforcement reform measures. An omnibus capital investment/tax bill, [SS HF 3-Murphy](#), failed in the House on a 75-57 vote. The House passed a resolution, [HR1-Richardson](#), on a 82-40 vote, to declare racism as a public health crisis. The Legislature also passed an online drivers' license testing implementation bill, [SS SF 4-Housley](#), that was sent to the Governor for his signature. An August special session is anticipated.

Community Development Committee Discusses 2021 Budget

The Metropolitan Council's Community Development Committee met July 20 and held a discussion on the division's 2021 budget. The [preliminary 2021 division budget](#), as presented by staff, projects a five percent reduction (\$129.9M CY2020 compared to \$123.9M CY2021). Some of the reductions come from one-time expenses in 2020 that have not at this point in time been built into the base 2021 budget. These include Met Council-directed initiatives around housing and climate change.

Staff presented a number of COVID-19 pandemic-spurred impacts on the budget. These include:

- Poverty rate changes and housing cost burden changes will depend on the duration of business closures and reduced economic activity.
- Relief from the federal relief package (CARES Act) mostly mitigate earnings losses, provided that industries re-open and deferred economic activities resume in mid-2020.
- People of color have experienced a disproportionately large share of job losses since the beginning of the pandemic. The benefits provided by the federal relief package will temporarily reduce disparities by race and ethnicity, though disparities will remain quite large.

The Council expects several revenue streams to be maintained, including property tax revenues, fiscal disparities revenue, new state appropriations, new federal appropriations, and lottery-in-lieu revenue.

The CDC and other Metropolitan Council divisions will continue to meet and discuss 2021 budget plans in August. The CDC will discuss Livable Communities and equity grant programs in the fall. The Council will adopt preliminary levies and budget on August 26 with final adoption on December 9.

Call for Border to Border Broadband Grant Applications

DEED's Office of Broadband Development is soliciting applications for Border to Border Broadband grant funding of broadband infrastructure projects. Cities remain eligible applicants for the broadband funds. Broadband development projects located in unserved or underserved areas are eligible.

An unserved area is an area of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the Federal Communications Commission's (FCC) threshold of 25 megabits per second (Mbps) download and 3 megabits per second (Mbps) upload. An underserved area is an area of Minnesota in which households or businesses do receive service at or above the FCC threshold of 25 Mbps down and 3 Mbps up, but lack access to wire-line broadband service at speeds of 100 Mbps download and 20 Mbps upload.

\$20 million has been appropriated as available funding for the 2020 round of the Minnesota broadband grant program. Priority consideration will be given to projects that leverage greater amounts of funding for a project from other private and public sources. The maximum individual grant amount is \$5 million. The maximum grant funding award cannot exceed 50% of the eligible total project costs.

The deadline for the applications is 4:00 p.m. on Wednesday, September 30, 2020.

Application proposals must be mailed to:
Office of Broadband Development, MN Department of Employment and Economic Development
First National Bank Building, 332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

No paper copies of the application are required for this grant round. Application submittals must be via electronic documents in Microsoft Word and PDF formats on a USB drive. Applications must be received by the deadline to be considered for funding.

For more information and application instructions and template forms, consult our website, under Broadband Grant Program – Application details, or contact our OBD Staff at 651-259-7610. OBD/DEED will be posting a webcast to provide potential Applicants with more information about the program and will answer questions in a supplemental FAQ. Details about this recorded webcast will be available soon.

DEED Names Businesses That Received Small Business Emergency Loans

1,020 small businesses throughout Minnesota received a Small Business Emergency Loan, which was funded with \$30 million in the 2020 regular session. Funds were re-appropriated from a MIF fund and the state's Minerals Fund.

\$27 million was awarded to businesses, with almost \$3 million distributed to lenders to assist with loan administration and technical assistance expenses.

The loans were made throughout Minnesota with businesses in the seven-county metro receiving \$13.2 million in loans and businesses in Greater Minnesota receiving \$14.0 million. A demographic breakout of ownership of businesses receiving loans will be available later this year.

A list of businesses that received a Minnesota Small Business Emergency Loan, as well as a breakout of loans by region and lender, is [available here](#).

Loans were made for amounts between \$2,500 and \$35,000 to qualifying small businesses whose owners who lacked adequate cash flow to withstand temporary closure. The 0% interest loans are up to 50% forgivable if the business maintains operations at substantially the same level as before the pandemic.

The emergency loans went to help businesses temporarily closed under Executive Order 20-04, later clarified by Executive Order 20-08, which stopped onsite customer dining at restaurants and bars and closed salons, tattoo parlors and other personal care businesses.

Small Business Relief Grant Program Update

More than 27,400 individual businesses applied for the state's small business relief grant program, passed in the June special session. They include:

- 9,740 women-owned businesses (35% of all applicants)
- 5,535 minority-owned businesses (20% of all applicants)
- 1,340 veteran-owned businesses (5% of all applicants)
- 19,197 businesses with 6 or fewer employees (70% of all applicants)

DEED has completed the lottery drawing process for \$10,000 grants to small businesses that have suffered financial hardship as a result of the COVID-19 pandemic. DEED provided initial lists of grantees to the qualified local and regionally based nonprofit organizations, which will now evaluate and conduct eligibility verifications for the grantees. Businesses will be contacted directly by the nonprofit charged with administering their grant.

The state will provide a complete list of the Small Business Relief Grant Program grantees by late August.

An additional component of the program was the Cultural Mall Operator Grant Program, which will award grants up to \$250,000 to Minnesota-based operators of privately owned, permanent indoor retail space and food markets with an ethnic cultural emphasis. DEED staff explained at Metro Cities' policy committee that this component is intended to reduce rent for operators in the mall.

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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