

State Issues New Guidance on Business Reopening

New Executive Order and Guidance

Governor Walz released new guidance this week, updating previous guidance that restricted businesses over the holidays. The new guidance, which takes effect Monday, January 11 and does not indicate an end date, includes:

- Bars and restaurants can open at 50 percent capacity, with a maximum of 150 people. Parties of no more than six people must remain six feet from other parties; bar seating is open to parties of two; reservations are required; and establishments must close by 10 p.m.
- Gym capacity remains capped at 25 percent, but maximum capacity increases to 150. Machines and people should maintain 9 feet of distance. Classes increase to 25 people, assuming distancing can be observed. Everyone must be masked.
- Outdoor events and entertainment continue at 25 percent capacity, but maximum capacity increases to 250 people. Social distancing is required.
- Indoor events and entertainment – like bowling alleys, movie theaters, and museums – may open at 25 percent, or no more than 150 people. Masks required. No food service after 10 p.m.
- Youth and adult organized sports resumed practice as of Jan. 4 and games resume Jan. 14 with spectators. Inter-region tournaments and out of state play are discouraged.
- Pools opened Jan. 4 for some activity and may now open, like gyms, at 25 percent capacity.

In a call with business leaders this week, state health officials stressed that indoor and outdoor social gathering guidance has not changed. More details are available at staysafe.mn.gov.

Convention Center and Movie Theater Applications Open

The MN Department of Employment and Economic Development (DEED) is overseeing the Convention Center Relief Grant (CCRG) Program, passed by the legislature in December's special session. This temporary program was established to provide economic relief for convention centers affected by the COVID-19 pandemic. The program will make grants up to \$500,000 to eligible convention centers located in Minnesota. Eligibility requirements and the application are available on [DEED's website](#). Grant funds are available until exhausted or April 1, 2021, whichever occurs first.

DEED is also overseeing the Movie Theater Relief Grant Program. The program was established to provide economic relief for movie theaters and will make grants up to \$150,000 to eligible theaters (drive-in movie theaters are ineligible) in Minnesota. The application and eligibility requirements are also available on [DEED's website](#).

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitysmn.org with any questions.

2021 Legislative Session Begins -- Bills of Note

The 2021 legislative session began at noon on Tuesday, January 5th. First day sessions were largely ceremonial, with many members participating remotely. Both bodies passed resolutions on temporary rules for floor and committee operations and other operational activities. There are 21 new members in the House; twelve DFL members and nine Republican members, and the DFL holds a 70-64 majority. Speaker Melissa Hortman was re-elected to lead the House and Rep. Liz Olson was elected as Speaker Pro Tempore. The House will implement a new voting system using fingerprint verification technology.

There are 10 new Senate members—seven DFL members and three Republican members. The Republicans hold a 34-31-2 majority. Senator Paul Gazelka remains the Senate Majority Leader, and the Senate elected Independent Caucus member David Tomassoni to serve as President Pro Tempore. As with the recent special sessions, voting will continue via members rotating into the chamber to vote at their desks, and remote member voting announced by each caucus for recording.

Metro Cities will post regular updates on session activity, legislative proposals of interest to metropolitan cities and the association's positions and responses, as well as a weekly "bills of note" section of introduced bills of interest.

Bills of note this week include:

[HF 1](#) Noor – Provides for a 60-day written notice from a landlord before filing an eviction upon conclusion of the peacetime emergency or federal eviction moratorium, prevents a foreclosure or contract for deed termination from being noticed or terminated for within 60 days of the expiration of a public health emergency, provides \$50 million in emergency housing assistance grants, provides \$15 million in MFIP assistance, provides \$10 million for the food relief grant program to help food establishments, and appropriates \$70 million for the border-to-border broadband fund.

[HF 3](#) Liebling – Appropriates \$9 million to promote the health and safety and isolation of homeless individuals who have been exposed to COVID-19 or experiencing respiratory illness, appropriates \$4.2 million to increase room and board rates.

[HF 6](#), Noor: Bill establishes the PROMISE Act, creates a community repair panel, establishes a Metropolitan Area Redevelopment Corporation, imposes a sales and use tax, along with other provisions related to the civil unrest that occurred in Minnesota in May and June of 2020.

[HF 7](#), Olson: Bill organizes a system of earned sick and safe time for employees.

[HF 9](#), Greenman: Bill makes several elections-related policy changes.

[HF12](#) Howard - Provides for a 60-day written notice from a landlord before filing an eviction upon conclusion of the peacetime emergency or federal eviction moratorium, prevents a foreclosure or contract for deed termination from being noticed or terminated for within 60 days of the expiration of a public health emergency, provides \$50 million in emergency housing assistance grants.

[HF 20](#) Hassan – Requires residential tenant notice of grounds for eviction before action may be brought.

[HF 21](#) Hassan – Appropriates \$25 million for emergency shelters.

[HF 28](#), Youakim: Bill provides grants to develop law enforcement training on issues associated with dementia and Alzheimer's disease.

[HF 30](#), Hansen, R.: Bill appropriates money from environment and natural resources trust fund.

[HF 32](#), Elkins: Bill modifies the classification and regulation of electric-assisted bicycles.

[HF 35](#), Elkins: Bill establishes a Website Accessibility Grant Advisory Council and appropriates money for grants to cities to improve website accessibility.

[SF 1](#) Pratt – Prescribe a business reopening plan for safe operations during the COVID-19 pandemic.

[SF 4](#), Osmek: Bill requires legislative approval to extend a peacetime emergency declared by the governor.

[SF 6](#), Benson: Bill permits the legislature to terminate any order or rule adopted by the governor directing a response to a peacetime emergency.

[SF 7](#) Rosen – Precludes civil unrest from a disaster definition.

[SF 8](#), Rosen: Bill requires all federal funds received for COVID-19 purposes to be spent pursuant to a direct appropriation by law.

[SF 16](#) Hoffman – Requires an updated report on runaway and homeless youth.

[SF 22](#) Bakk – Appropriates \$120 million for the border-to-border broadband fund.

Coronavirus Relief Funding Update

The MN Office of Management and Budget this week provided updates regarding the CARES Act/CRF distribution to local government associations and presented at an LMC webinar. As of this date, 90% of CRF spending reports have been submitted to MMB by local governments and MMB notes that local governments with outstanding reports should submit them immediately. \$1 million in unspent CRF funding has been returned to the state. These funds will be used to reduce state general fund spending, per state law.

Local governments spending over \$750,000 are subject to a single file audit. According to MMB officials, auditors will look at allowed costs and activities, the period of spending between March 1 -November 15, 2020, reports submitted to MMB by local governments, and sub-recipient monitoring. Small businesses and individuals receiving funds will be categorized as “beneficiaries” and not “sub-recipients”. Auditors will not look at cash management (i.e. cash draws), eligibility requirements, equipment and real property management, procurement, or program income. Single file audits are due September 30, 2021. The US Treasury may also request an audit of any local government receiving CRF funds. MMB will be reporting expenditures to the US Treasury. When audits are completed and loaded into the federal clearing house, MMB will perform a review to determine if there are any findings particular to the CRF and will contact any local governments with findings. MMB will also be working with FEMA reimbursements, and has access to the state portal to review FEMA requests. Local governments are allowed to use CRF funds to pay for the 25% local share of FEMA reimbursement. Questions? Contact Patricia Nauman at 651-215-4002 or email: patricia@metrocitysmn.org

Bar and Restaurant Checks Mailed Next Week

MN Department of Revenue Commissioner Robert Doty this week told Minnesota bar and restaurant owners, as well as bowling alleys and gyms, to expect state checks to be mailed the week of January 11. [Businesses that are eligible](#), as part of the employer relief package passed in December's special session, have been notified through the state's E-Services account or US mail. Checks will be mailed to the business address on file at Revenue.

The broader relief program, administered by the counties, are on a different timeline and questions should be directed to each county. If counties are asking for tax data, a business may consent to that data being shared by Revenue. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Guidance on New Federal Emergency Rental Assistance

The recently passed Emergency Rental Assistance program from the federal government makes \$25 billion available to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Minnesota is expected to receive \$375 million.

Emergency Rental Assistance payments will be made directly to states and local governments with more than 200,000 residents. In Minnesota that includes Saint Paul, Minneapolis, and five counties – Hennepin, Ramsey, Washington, Anoka and Dakota.

Guidance on distribution and accessing the funds has been issued by several organizations, including the [U.S. Department of the Treasury](#) and [National Council of State Housing Agencies](#).

Unlike the state's 2020 \$100 million Coronavirus Housing Assistance Program, homeowners are not eligible for these federal dollars. The House housing committee chairwoman explained this week how the legislature may look into state funds to address homeowner housing stability.

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Housing Goal Methodology Approved by CDC, 59 Cities Will Be Authorized

The Community Development Committee [adopted LCA affordable and life-cycle housing goals](#) for 2021-2030.

Cities needed to adopt housing goals by November 15, 2020 and have comprehensive plan updates authorized by the Metropolitan Council by the end of 2020. Cities looking to enroll or re-enroll in time for 2022 LCA funding awards will need to take action in 2021.

The 2021-2030 affordable housing goal range was calculated by the Metropolitan Council. Metro Cities and several city officials from across the region provided input earlier this year and Metro Cities testified at the December 21 public hearing.

The Metropolitan Council worked with Minnesota Housing and determined that funding in 2021-2030 could support construction of about 45 percent of the forecasted need for affordable housing. (Each city's 2021-2030 allocation of need number was issued by the Met Council with system statements in 2015 and included for planning purposes in the most recent 2040 comprehensive plan updates.) The Council's proposed goals add an additional 10 percent "stretch" to the 45 percent baseline. That extra ten percent is included, the Council says, to

represent other funding sources not included in the 45 percent number as well as local policies and local innovations. Thus, the proposed range for a city's goal range is 55-100 percent of its allocation of need number.

Metro Cities supports a need number range and at the public hearing provided testimony on how the Livable Communities program is a useful program for cities and is strongly supported by the association. Metro Cities expressed concern that the change in the goal determination, with an elevated minimum goal number higher than anticipated funding, could deter participation in the program.

An [additional public hearing](#) will be held on January 13 for a 59th city that adopted its goals in 2020 but was left off the January 4 business item. The full Council will vote on final approval of the resolution January 13. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Metropolitan Council CDC Recommends Local Housing Incentives Account Awards

The Metropolitan Council's Community Development Committee (CDC) reviewed staff's [funding recommendations](#) for projects applying through the Local Housing Incentives Account (LHIA) on January 4. The committee recommended awarding six multifamily rental and five single family ownership LHIA grants totaling \$5.5 million. The rental projects will be located in Chaska, Maple Grove, Minneapolis, Oakdale, Saint Paul and Woodbury. The home ownership projects will be located in Chaska, suburban Hennepin County, Minneapolis, Saint Paul and Washington County. Details and images of the recommended projects can be [found here](#).

The full Metropolitan Council will review the recommendation and vote on final approval January 13. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Metro HRA Recommends Project Based Voucher Award Recommendations

Metropolitan Council staff [recommended several Project Based Voucher \(PBV\) awards](#) at the January 4 CDC meeting. The projects will be located in Chaska, Hopkins, Norwood Young America, Plymouth, Roseville and Waconia. Funding is provided through HUD.

The Council received proposals for 24 separate projects requesting 321 PBV units. Council staff explained awarding 81 new PBV units will result in the total commitment to PBVs of 926 vouchers or 13% of Metro HRA's total voucher allocation. The six recommended PBV project awards will support new affordable housing, will assist in providing increased housing choice for the region's low-income families, and will provide support services promoting housing stability. The full Metropolitan Council will review the recommendation and vote on final approval January 13. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

MnDOT to Hold Drone Meeting

The Federal Aviation Administration (FAA) recently released a rule change for small, unmanned aircraft systems (sUAS), or drones. MnDOT will host a webinar **on January 21st from 2:00 to 3:30**. The presentation will include information on the effects of the new rule on pilots, and how it

will change drone operations in the future. The webinar will also discuss the role of state and local governments and how cities can plan for this technology.

To register for this event, click [here](#).

For more information, contact
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