

## **State Economic and Revenue Update**

In their latest update, MMB details the latest state revenue data for the months of November and December. The report shows how net general fund receipts compare with those projected in the November 2020 Budget and Economic Forecast. In short, the general fund receipts for these months are estimated to be \$167 million more than forecast last November. Increased revenue from the general sales tax, corporate franchise tax, and other revenues more than offset the \$16 million less generated via the individual income tax.

Also included in the report was an update on the overall U.S. economic outlook for 2021. Projected GDP growth has improved since the November Forecast was released. The analysis offers several scenarios in which the economy might fare better or worse in the year ahead. These scenarios largely revolve around the state of the pandemic and resulting changes in restrictions and consumer behavior. Click [HERE](#) to view the full January Revenue and Economic Update.

## **Session Updates**

The Legislature has concluded its second week of the session. Most committees in the House and Senate held hearings this week, with many focusing on staff and member introductions and subject matter overviews. Metro Cities provided an overview of the association at the House Local Government Division on Wednesday. The Coronavirus Relief Fund (CRF) monies distributed to local governments last summer was on the agendas of the Senate Finance Committee and House Property Tax Division this week, and members received information on the status of distributed funds and information on how monies were spent. Click [HERE](#) for the December MMB report on the CRF.

This week's introduced bills of interest are included in this newsletter.

## **House Housing Committees Hear Latest Numbers on Homelessness**

The new Senate Housing Committee and new House Homelessness Prevention Committee heard updates from Minnesota Housing and advocates for those experiencing homelessness this week. Legislative committees have focused early hearings this session on Minnesotans who do not have housing, have difficulty affording their homes, or have unstable housing. Minnesota Housing Assistant Commissioner Cathy ten Broeke shared [numerous data points](#) highlighting homelessness and housing cost burdens for Minnesotans.

9,060 students experiencing homelessness were enrolled in Minnesota schools on October 1, 2019. This represents 1,172 schools and 309 school districts in 77 of Minnesota's 87 counties. Homeless adults have many complicating health considerations: 24 percent have substance abuse issues; 57 percent have chronic health conditions and 64 percent have serious mental illness. Commissioner ten Broeke also highlighted the proportional representation of race and ethnic populations experiencing homelessness. The American Indian population was 27 percent more likely to be homeless, and the Black or African American population was 15 percent more likely to be homeless as the white, non-Hispanic population.

The state response to homelessness during COVID has included temporary shelters to isolate COVID-positive people and adapting congregate settings such as shelters to reduce transmission. These responses were authorized during special sessions this summer, using federal resources. Metro Cities expects bills relating to housing stability and responding to homelessness to be introduced and debated this session. Contact Charlie Vander Aarde at [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) or 651-215-4001 with any questions.

## **Redevelopment Grant and Demolition Loan Funding Now Available – Applications Due February 1**

DEED's Brownfields and Redevelopment Unit is soliciting applications for redevelopment projects through its Redevelopment Grant and Demolition Loan Programs. Metro Cities strongly supports this program and advocates for its funding at the Capitol. Approximately \$2 million will be available for distribution for the Redevelopment Grant and Demolition Loan Programs in the next round of awards.

The Redevelopment Grant Program assists local communities with redevelopment by filling the financial gap that often prevents recycling land for more productive uses. The Demolition Loan Program awards loan funds to local units of government that need to remove blighted structures from their communities, but do not have an immediate redevelopment plan for the site.

Applications may be submitted by cities, counties, port authorities, housing and redevelopment authorities (HRAs) or economic development authorities (EDAs). A local match of 50% is required for each project site receiving a Redevelopment grant. There is no match required for Demolition Loans.

The deadline for the submission of applications is **4:00 p.m. on Monday, February 1, 2021.**

For more detailed information refer to the program pages on DEED's website - [Redevelopment Grant Info](#)

For Demolition Loan information, please refer to: [Demolition Loan](#)

If your city has questions regarding the application process, contact Brownfields and Redevelopment Unit staff at 651-259-7451.

## **Metropolitan Council Transportation Committee Approves Regional Solicitation**

The Metropolitan Council's Transportation Committee approved concurrence on non-BRT projects to be funded as part of the 2020 Regional Solicitation process. The Transportation Advisory Board (TAB) in December had approved a funding scenario - titled "1B" - that uses historical funding as a baseline. Projects are funded in ten modal categories including traffic management, roadway reconstruction and modernization, bridges, transit expansion, transit modernization, multi-use trails and bicycle facilities, pedestrian facilities, and safe routes to school. A total of 56 projects will receive funding for a total of \$222 million. The solicitation also includes a set-aside of \$4.9 million as part of a 'Unique Projects' category, criteria for which will be determined in 2021. One ABRT project totaling \$25 million will be selected in April and will be recommended based on input from the Network Next process. The Regional Solicitation will be forwarded to the Metropolitan Council for concurrence and final approval. To view the business item, which includes project lists, click [here](#).

## Local Housing Trust Funds Survey

Metro Cities is advocating for a state match to supplement local revenues raised for local housing trust funds. These are funds established by a local government, dedicating public revenue for housing. Trust funds help communities leverage public and private resources and jumpstart projects that draw investment and jobs.

Does your city have or are you considering a local housing trust fund to address local housing needs? Minnesota Housing Partnership is gathering information from Minnesota cities and counties to highlight local stories and better understand what resources are needed to support local housing trust funds. Results will be shared with Metro Cities and help us advocate for a state match to amplify local efforts.

Take the 2021 Minnesota Local Housing Trust Funds [Survey here](#). Please submit your response by Friday, January 29. Contact Charlie Vander Aarde at [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) or 651-215-4001 with any questions.

### Bills of Note

[HF 40](#), Howard: Bill establishes a state rent assistance program for low-income, cost-burdened households.

[HF 42](#), Howard: Appropriates money for emergency services, isolation spaces, and housing support.

[HF 52](#), Nash: Bill requires public comments at all open meetings of public bodies, including those conducted by electronic means.

[HF 89](#), Elkins: Bill authorizes jurisdictions to adopt ranked-choice voting and allows municipalities to use electronic voting systems with a reallocation feature.

[HF 105](#), Davnie: Bill authorizes cities to create land-value taxation districts.

[HF 109](#), Noor: Requires installation of fire sprinklers in some existing high-rise buildings with at least one floor of residential units.

[HF 112](#), Bernardy: Allows manufactured home park residents an opportunity to purchase the park.

[HF 120](#), Hertaus/[SF 49](#), Osmek: Bill withholds local government aid from cities that reduce their number of peace officers.

[SF 28](#), Howe: Permits the court to award attorney fees to the prevailing party in an eviction.

[SF 29](#), Pappas/[HF 7](#), Olson: Bill organizes a system of earned sick and safe time for employees.

[SF 33](#), Cwodzinski: Bill repeals the salary cap for employees of political subdivisions.

[SF 39](#), Draheim: Bill requires voter approval for municipal capital improvements over \$1,000,000.

[SF 75](#), Marty: Bill establishes a statewide 25 cent fare for public transit and requires a study and report on eliminating public transit fares.

[SF 76](#), Marty: Bill prohibits state and local units of government and law enforcement agencies from acquiring military grade weapons from the Pentagon's 1033 program.

[SF 102](#), Clausen: Bill limits the use of schools as polling places.

[SF 115](#), Chamberlain: Bill authorizes local units of government to conduct criminal background checks under certain circumstances.

[SF 117](#), Draheim: Bill prohibits an increase in property value for homesteads owned by persons 65 years of age or older.

[SF 118](#), Champion: Prohibits a residential screening service from including information related to an eviction unless the eviction action was a jury verdict or finding of the court.

[SF 126](#), Wiger: Bill appropriates \$500,000 for constructing noise barriers in the Department of Transportation's Metro District.

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