



## **Legislative Commission on Housing Affordability Reviews City Preemption Housing Proposal**

The Legislative Commission on Housing Affordability convened December 14 to review a legislative proposal that would preempt long-standing and important city housing functions. The commission heard from Rep. Steve Elkins, who presented his [draft legislation](#). [Summary here](#).

Rep. Elkin's proposal includes a number of provisions opposed by cities, including mandatory up-zoning, restrictions on planned unit development agreements, limitations on building materials, limits on park dedication fees and mandated street width, eliminating the opt-out provisions for Temporary Family Health Care Dwellings, requiring building permit fees be based on a cost per square foot rather than valuation, restrictions to the state building code update process, and requiring a 30-year energy code payback timeframe. Metro Cities, League of Minnesota Cities and several other city associations sent a letter to commission members highlighting opposition to provisions in the bill and explaining how the state can better partner with cities to meet shared housing goals.

Metro Cities also provided a letter to oppose provisions in the bill that would hinder regional and local processes for comprehensive plan requirements and requirements addressing the provision of regional systems. This includes the potential to obstruct processes that exist to ensure a coordinated framework by regional and local officials to ensure the orderly and economic growth of the region and needs for infrastructure. The bill would require that zoning and other official local controls be at once consistent with uses in a local comprehensive plan and would negate a city's ability to stage developments, as well as disallow many existing land uses. Other sections of the bill would require the state to set local housing goals for regional programs, would determine the level of SAC (sewer availability charge) based on geographic location, and would impose a one size fits all state mandate for local densities.

Contact Charlie Vander Aarde at [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Metropolitan Council Considering Changes to Livable Communities Pre-Development Program**

The Metropolitan Council is considering changes to the Livable Communities Demonstration Account in 2022. Staff is proposing to combine the LCDA and LCDA-TOD Pre-Development opportunities into a single application. According to staff, the proposed expansion of the LCDA-TOD zoning program would allow Livable Communities Act programs to influence development patterns beyond TOD eligible areas and achieve more equitable development outcomes. If adopted, all applicants will apply to a single program for Pre-Development and the Policy Expansion Pilot.

Currently, the LCDA-TOD program only allows for applications from designated TOD-eligible areas, which are determined based on proximity to and frequency of transit service. Under the expansion proposal, all 76 cities participating in the Livable Communities program in 2022 will be eligible to apply. Funded policies include living wage jobs, affordable housing, environmental sustainability, increased density, equitable development, and improved connections. Cities would

adopt a resolution or ordinance in support of one or more of these policies. More information can be [found here](#).

Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Legislative Commission on Metropolitan Government Discusses 2022 Metropolitan Council Budget**

The Legislative Commission on Metropolitan Government met December 15 and elected Senator Julia Coleman as chair and Representative Sandra Masin as vice chair. Metropolitan Council staff [presented an overview](#) of the regional agency's 2022 budget. The budget includes a two percent increase in the Council's property tax levy.

Legislators raised questions on transportation budgets, use of federal funds, light rail expansion costs and schedules, and regional housing policy and funding. Chair Coleman indicated the commission will hold its next meeting in January, prior to the beginning on the 2022 legislative session, and allow the Council to respond to legislator questions.

## **MHFA Releases Qualified Allocation Plan and Consolidated Request for Proposals Funding Priorities: Development Timeline and Engagement Opportunities**

Minnesota Housing is soliciting input on development of the agency's 2024-2025 Qualified Allocation Plan (QAP) and 2023-2024 Consolidated Request for Proposals (RFP) funding priorities.

Minnesota Housing's QAP is the document that describes how Low-Income Housing Tax Credits (HTC) are distributed to multifamily rental projects. The QAP combines state and federally legislated requirements as well as priorities from the Minnesota Housing Strategic Plan. The 2024-2025 QAP sets the overall 2023 and 2024 Consolidated RFP funding priorities. The annual Consolidated RFP is the competitive process used to select multifamily rental projects that may receive 9% HTCs and deferred loans to construct or preserve rental homes that are affordable.

Initial feedback is requested by December 31. This includes comments on:

- How best to continue to prioritize communities most impacted by housing instability and housing disparities.
- Further steps the agency can take towards racial equity and inclusion in its policies and procedures.
- How best to continue focusing on ending homelessness in Minnesota and the role of Coordinated Entry regarding that focus.
- Creating economic opportunities for communities that will benefit most from housing development work.
- How to continue to achieve deeper and longer term affordability.
- How to clarify and/or simplify existing selection criteria and the application process.

Cities should email comments directly to the HTC team at [htc.mhfa@state.mn.us](mailto:htc.mhfa@state.mn.us).

## PFAS Updates

### *Comment Period for PFAS Monitoring Plan Extended*

The Minnesota Pollution Control Agency (MPCA) is accepting comments on their [PFAS Monitoring Plan](#) until **January 21, 2022**. The monitoring plan identifies a framework for PFAS testing and monitoring at solid waste, wastewater and stormwater facilities, landfills, facilities with air emissions, and Brownfield or Superfund sites. Click [HERE](#) to view the Draft PFAS Monitoring Plan and click [HERE](#) to view last month's MPCA monitoring plan draft event.

### *Remediation Stakeholder Advisory Group Kickoff*

Metro Cities participated in the MPCA-hosted group charged with helping the agency develop their PFAS guidance materials for remediation and redevelopment. The half-day meeting included representatives from the MPCA, MN Department of Health, municipal and county government, consulting, and legal professionals, and more. There will be a public meeting held for the remediation portions of the PFAS Monitoring Plan held on January 4, 2022. A second meeting for this stakeholder group will be held sometime in February or March of 2022.

### *Wastewater Stakeholder Advisory Group Meetings*

The PFAS Advisory Group established in [law](#) during the 2021 Special Session tasked with examining and reducing sources of PFAS conveyed to municipal wastewater treatment facilities held its first two meetings. With the advice of this stakeholder group, the MPCA is instructed to:

1. Identify sources of PFAS introduced into the environment that are eventually conveyed to municipal wastewater treatment facilities.
2. Identify source reduction strategies to reduce the amount of PFAS entering the environment.
3. Publish and distribute guidance/educational documents for local governments.
4. Identify issues for future study.

This information is expected to be delivered in a report to the legislature by January 31, 2023.

Contact Mike Lund at [michael@metrocitiesmn.org](mailto:michael@metrocitiesmn.org) or 651-215-4003 with any questions.

## Transportation Components of the Infrastructure Investment and Jobs Act

On Tuesday the House Capital Investment and House Transportation Committees held a joint informational hearing on the Infrastructure Investment and Jobs Act (IIJA) also known as the Bipartisan Infrastructure Law (BIL). Their discussion was focused on transportation provisions. Ben Husch, Federal Affairs Advisor for the National Conference of State Legislatures, provided members with an overview of the legislation including numbers on formula program amounts and competitive grant opportunities. MnDOT Commissioner Anderson Kelliher and MnDOT staff provided legislators with Minnesota-specific estimates. Finally, Metropolitan Council staff presented information on transit provisions. Click [HERE](#) for links to each presentation and [HERE](#) for a recording of the hearing. See below for details on what is in the IIJA.

### Funding Estimates for Minnesota

- \$4.8 billion (over five years) in Federal Highway formula funding for roads and bridges, which represents a 30% increase in Minnesota's highway formula funding and a 20% increase for existing programs and four new programs created in the IIJA.
- Competitive grant programs for state, local, and tribal governments (these amounts represent what is available nationally).
  - Bridge Investment Program for nationally significant bridges (\$12.5 billion).
  - RAISE (\$15 billion) and INFRA (\$14 billion) Grants.

- Safe Streets for All Program (\$5 billion).
- Federal Transit Administration grants (\$30 billion).
- Federal Aviation Administration grants (\$5 billion).
- Minnesota is estimated to receive \$298 million for its airports.
- Around \$300 million is estimated to be coming to Minnesota through a new formula bridge program. 15% of that is for off-system bridges with a 100% federal cost share. MnDOT pointed out that this money does not eliminate the need for Local Bridge Funds. According to the department, 772 bridges need replacing over the next 5 years which will cost an estimated \$453 million.
- \$820 million for Minnesota in formula transit funding along with competitive grant opportunities for low and no emission buses and bus facilities. The Metropolitan Council is waiting for details on what they can expect to receive in transit funds.

Something important to keep in mind is that while these funds have been authorized by the IIJA, much of the money has not yet been appropriated by Congress. Congress is currently operating under a continuing resolution, which is set to expire in February of 2022. Many of these dollars will require a state or local match so legislative action will be necessary during Minnesota's 2022 legislative session.

The Transportation Alliance and MN Department of Transportation (MnDOT) hosted a half-day workshop discussing the Infrastructure Investment and Jobs Act on Thursday, December 16. The event was hosted in Chaska and included a virtual option for attendees. Click [HERE](#) to view the event's agenda with links to some of the handouts. Speakers included Representative Dean Phillips, MnDOT Commissioner Margaret Anderson Kelliher, Metropolitan Council Chair Charles Zelle, Senator Tina Smith, Senator Amy Klobuchar, and many other subject matter experts from MnDOT. Two presentations of particular interest to cities discussed State & Local Match Requirements and Local Government Funding. The slides for these topics should be posted on the Transportation Alliance website in the coming days.

A major goal of the workshop was to generate feedback from stakeholders on how they would like to see Minnesota's IIJA funds directed once they reach the state. The event included two break-out sessions to cover more specific topics. These break-out topics included equity, grants, highway funding, local government funding, planning, safety, and transit/active transportation. The comment form can be found on the [Transportation Alliance website](#).

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