



## **Metro Cities Annual Meeting**

This year Metro Cities Annual Meeting will be held on Thursday, April 21, 2022 at 4:00 pm. The meeting will be held virtually and will begin with a guest speaker. Distinguished Professor David Schultz will discuss political trends and upcoming legislative elections. The agenda will include elections to the Metro Cities Board and remarks by Metro Cities President Matt Stemwedel. Please mark your calendars! A quorum of members is required. Log-in/Call-in instructions will be provided in advance. Please RSVP to Metro Cities' Office Manager Jennifer Dorn at [jennifer@metrocitiesmn.org](mailto:jennifer@metrocitiesmn.org). We hope you can attend!

## **Public Safety PTSD Proposal Heard in House Committee**

The House Committee on Public Safety and Criminal Justice Reform held a hearing for [HF 4026 – Long](#) on Tuesday. The bill establishes treatment requirements for post-traumatic stress disorder (PTSD) as part of the workers' compensation process for eligible peace officers and firefighters before they can apply for regular duty disability benefits and receive continued healthcare coverage until age 65.

The bill requires the POST Board to create a wellness course for future and current peace officers. This mandatory training would teach officers methods to cope with occupational stress and trauma. HF 4026 also requires the state to reimburse local units of government that are statutorily obligated to provide medical insurance for eligible disabled public safety officers. Local governments have to offer their public safety employees either an annual wellness training or an employee assistance program to be eligible for reimbursement.

Several local government representatives testified in support of this legislation and Metro Cities signed on to a [joint letter of support](#) with the League of Minnesota Cities, Municipal Legislative Commission, and Minnesota Association of Small Cities. Tuesday's hearing ended before completing all scheduled testimony and before any member discussion. No official action was taken on HF 4026 and the bill was laid over for future consideration.

## **Housing State Aid Bill: Feedback Requested**

Legislation that would provide cities and counties with a direct state aid for local housing needs is scheduled for a hearing next week. [HF 3982](#) – Howard would establish a new state aid for cities over 10,000 in population and all counties.

A formula would determine how much aid each city would annually receive. The formula would be based on the number of households in a city that are cost-burdened divided by the total number of households that are cost-burdened in Minnesota cities. A "cost-burdened household" means a household in which gross rent exceeds 30 percent of household income or in which homeownership costs exceed 30 percent of household income.

The bill as introduced would provide \$80 million annually for counties and \$20 million annually for cities. Metro Cities provided feedback requesting \$10 million for cities with populations up to

10,000 residents. Metro Cities also supports cities being able to transfer the aid into a local or regional housing trust fund, under [M.S. 462C.16](#).

In the metro area, county funds would aid housing projects in cities. Eligible uses include construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes up to 115% AMI for homeownership projects and up to 80% AMI for rental housing projects.

Metro Cities is interested in hearing from cities on the bill. These funds would differ from current state funding for housing programs, which are generally awarded via an application process for specific projects. Please share any feedback by contacting Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org).

## **Market Rate Housing Exclusion Bill Heard in House**

A bill that would provide a fifty percent property tax break to apartment buildings containing some affordable units was heard in the House Local Government Division this week. [HF 3588](#) – Vang would provide a 50 percent exclusion to qualifying properties.

Eligible buildings could not be classified as 4d. Unlike the 4d classification that provides a property tax reduction on affordable units, this exclusion would also benefit market rate apartments. At least 20 percent of units in a property would have to be available for residents whose household income does not exceed 60 percent of the greater of area or state median income, and at least 80 percent of the available units would have to be occupied by residents meeting the income requirement.

Cities would have the ability to opt into the exclusion via a resolution. Once participation is established, the city would have to adopt a separate resolution for each property the city approves to receive the exclusion.

Metro Cities [submitted a letter](#) to the committee highlighting property tax shift concerns associated with the exclusion, as well as a shifting of responsibility to local property taxpayers to provide supports that are traditionally a state function and responsibility. Metro Cities supports strong state investments for new housing development, as well as funding for housing preservation and rehabilitation.

The bill passed and was referred to the House State Government committee. The Senate companion, [SF 3200](#) – Bakk, has not been scheduled for a hearing. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Local Government Aid**

Over the last several months Metro Cities has been working with the League of MN Cities, Association of Small Cities and Coalition of Greater MN Cities to evaluate the local government aid (LGA) formula to identify potential updates to factors that make up the formula. The last LGA program updates are approaching the 10-year mark. Last session, local government aid received significant discussion in the tax committees, and key legislators requested that the associations undertake an evaluation of the formula.

The current formula is a three-tier formula that uses local need and capacity factors and is based on city populations. The analysis identified existing and new factors that best statistically measure city needs. The analysis resulted in the identification of factors that statistically best measure current city needs and differences. The city associations, including Metro Cities, support updates to the formula and an increase in the appropriation. These changes would result in some

additional new cities receiving LGA and for other cities would increase their LGA appropriation.

[HF 4064-Youakim](#) and SF 3971-Klein were introduced this week and will be heard in the House Property Tax Division next Friday. Metro Cities will provide additional information and updates.

Questions? Please contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org).

### **Bill Increases Child Care Infrastructure Grants**

A bill to increase funding for childcare needs, [HF 3783](#) – L. Olson was heard this week. The bill would spend an additional \$5 million on the state's childcare grant program. Previous funds have been awarded to the metro area in recent years. The bill would fund additional grants to stabilize the childcare marketplace, keep providers in the industry, expand access, and provide opportunities for annual training required for providers. Metro Cities [submitted written testimony](#) in support of the bill.

The bill passed the House Workforce Development and Business Development Finance and Policy committee unanimously and was referred to the Early Childhood Finance and Policy committee.

### **Rent Control Preemption Bill Passes Senate Committee**

A Senate bill to preempt local governments from holding elections to establish rent control ordinances passed the Senate Housing Finance and Policy committee this week. [SF 3414](#) – Draheim repeals the current statutory allowance for cities to take the rent control question to the voters. The bill includes retroactive language, nullifying the recent votes in Saint Paul and Minneapolis.

While Metro Cities does not have a specific policy on rent control, the association [submitted testimony](#) opposing the bill on the grounds of preserving local decision-making authority. The bill passed the committee and was referred to the Senate Local Government policy committee where it is scheduled for a hearing on March 15.

### **Bill Establishes Statewide Repository for Body Camera Data**

The Senate Committee on Technology and Reform Policy held a hearing for [SF 3723 – Bigham](#), which would establish a central statewide repository for portable recording system data. The bill includes an open appropriation for the commissioner of information technology services to cover costs associated with the creation and administration of this repository. This bill has been introduced in response to concerns from local public safety agencies struggling to meet the financial and technological demands that come with saving and storing body-worn camera data.

Nothing in the bill changes policies or procedures for the data itself. There are no changes to redaction policies and no additional requirements around making certain body cam footage available to the public. As such, this bill wouldn't address the costs associated with the full life cycle of body camera data but would allow for secure storage of the footage. Finally, the bill directs the State Auditor to conduct a biennial audit of the data maintained in the central repository to determine whether the use and management of the data complies with statute. The bill, as amended, was passed, and referred to the Committee on Civil Law and Data Practice.

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

## City Climate Action Grants Discussed in House Environment

The House Environment Committee held a hearing for [HF 2200 – Vang](#) on Thursday. The bill appropriates \$5 million to the Minnesota Pollution Control Agency for grants to cities to develop and implement plans that mitigate climate change impacts and reduce a city's contribution to the causes of climate change. The maximum grant amount would be \$50,000. Cities with populations larger than 20,000 need to provide a 100 percent match and cities with populations below 20,000 are required to provide a 5 percent match.

To date, 13 cities in Minnesota have adopted climate action plans. The development of plans often requires vulnerability and terrain assessments and other technical analysis. Grants awarded via this legislation could be used to pay consultants and technical experts to carry out this work. HF 2200 was passed and re-referred to the House Climate and Energy Committee where it is scheduled to be heard next week. There is currently no Senate companion.

## Electrification and Bus Rapid Transit

Metro Transit representatives presented their Zero Emission Transition Plan to the House Transportation committee on Tuesday. Last year, the Metropolitan Council was directed by the Minnesota Legislature to develop a zero-emission and electric transit vehicle transition plan. The initial plan was due to be delivered to the Legislature by February 15, 2022. The Council is also required by statute to revise the plan at least once every five years.

Potential barriers identified by staff include the capacity of the electrical grid, as well as manufacturer and supply chain capacity, ensuring adequate performance to deliver reliable service, COVID-19 impacts, operator shortages, and the rate at which this technology improves. Click [HERE](#) to view the slides, which provide more details on the zero-emission transition plan including staff's milestone setting recommendations and proposed performance measures.

Metro Transit highlighted a \$3.2 million request in the Governor's supplemental budget package for electric buses. These funds could be used as a local match for federal grant opportunities.

The committee also heard three bus rapid transit (BRT) bills for the proposed F, G, and H lines. [HF 2997 – Bernardy](#) appropriates \$40 million for the Metro Transit F line, [HF 3623 – Hansen](#) appropriates \$80 million for the Metro Transit G line, and [HF 3767 – Jordan](#) appropriates \$55 million in bond proceeds for the Metro Transit H line. Click [HERE](#) for maps and project overviews for the F, G, and H lines.

## Metropolitan Council Adopts 2022 Livable Communities Fund Distribution Plan

Livable Communities Program (LCA) requirements, scoring criteria, and funding levels for 2022 were approved by the Metropolitan Council this week. The Council [approved the plan](#) on a split vote, after the Community Development Committee reviewed and approved the proposal earlier this year.

Metro Cities provided feedback on the proposal via a letter that highlighted specific concerns raised by cities across the region. Several Council members noted this feedback as well as program competitiveness concerns from suburban cities on scoring. While state law includes Livable Communities eligibility requirements for cities, the fund distribution plan includes additional preferences and criteria for projects.

The 2021 funding distribution plan was a significant rewrite of the program. LCDA and other 2021 awards were only recently announced. Metro Cities supports a Council review of the changes in 2022, including soliciting feedback from participating cities.

## Bills of Note

[HF 4026](#), Long: Bill establishes treatment requirements for PTSD as part of the workers' compensation process for peace officers and firefighters before they can apply for regular duty disability benefits and receive continued healthcare coverage until age 65.

[HF 4027](#), Frazier: Bill establishes public safety aid for local governments, appropriating \$70 to eligible cities.

[HF 4052](#), West/[SF 3328](#), Gazelka: Bill provides for bonus payments to police officers.

[HF 4060](#), Stephenson: Bill establishes a gas tax holiday.

[HF 4081](#), Kresha: Bill establishes a tax holiday for the motor vehicle registration tax.

[HF 4108](#), Huot: Bill modifies orderly annexation and detachment statutes to include an annexation election.

[HF 4109](#), Huot: Bill prohibits annexation of a designated area by means other than those identified in an orderly annexation agreement.

[HF 4115](#), Jordan: Bill establishes a grant program to replace lead drinking water services lines in the state by 2032.

[HF 4125](#), Nelson: Bill includes local government cyber security grants.

[HF 4185](#), Moller: Bill appropriates money for statewide public safety information-sharing.

[HF 4200](#), Frazier: Bill establishes a public safety innovation board and appropriates \$55 million for local community innovation grants, \$15 million for emergency community safety grants, \$10 million for local co-responder grants, \$15 million for local community policing grants, and \$15 million for local investigation grants.

[HF 4225](#), Gomez: Bill requires all cities to develop a particular policy on homeless encampments.

[SF 3747](#), Osmek/[HF 3922](#), Torkelson: Bill establishes funding requirements for counties where transit guideways are located.

[SF 3751](#), Ingebrigtsen/[HF 2854](#), Sundin: Bill appropriates \$10 million for the local road wetland replacement program.

[SF 3831](#), Newman: Bill provides supplemental budget appropriations for various transportation related purposes.

[SF 3859](#), Chamberlain: Bill requires municipal approval of transit guideway plans and allows municipalities to revoke said approval.

[SF 3971](#), Klein: Bill, local government aid calculation modification.

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