



RSVP for 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 Distinguished Professor David Schultz as our guest speaker. Professor Schultz will discuss political trends and upcoming elections. The agenda will include elections to the Metro Cities Board of Directors and remarks by Metro Cities President Matt Stemwedel.

Please mark your calendars! A quorum of members is required. Please RSVP to Metro Cities' Office Manager Jennifer Dorn at jennifer@metrocitiesmn.org. We hope you can attend!

Zoning Preemption Bill Heard in Senate Committee

The Senate companion bill to Rep. Elkins' zoning preemption bill was heard in the Senate Housing Policy and Finance committee this week. Metro Cities opposes this bill and provided written and verbal testimony this week.

SF 3259 – Draheim as amended includes:

- Cities are encouraged to enact policy to facilitate development of unsubsidized affordable housing including smaller single family lot sizes, construction of two-family homes through townhomes on otherwise single-family zoned lots, and allowing mixed use development;
- A five-year payback requirement on a new or amended residential energy code;
- Prohibition on a city requiring a PUD if a proposed residential development complies with existing zoning ordinances, subdivision regulation, or qualifies as a conditional use;
- A limitation on municipal requirements for aesthetic mandates not required by State Building Code;
- A city may not require a minimum square footage on residential development;
- A state prohibition on adopting a new residential building code prior to January 1, 2026;
- Cities must maintain records detailing how dedication fees were collected and spent;
- A building permit is now added to the 60-day rule under M.S. 15.99; and
- DLI will establish a cost-per-square-foot valuation of new one- and two-family, townhouse and garages for the purpose of setting building permit fees by municipalities.

A [delete everything amendment can be found here](#) and an [updated Article 2 \(PUD and code language\) can be found here](#).

Metro Cities testified in opposition to the bill and in support of maintaining local zoning and land use authorities. City officials from Hugo and Prior Lake also testified and explained the benefits of PUDs and how cities can best meet local considerations for development, rather than adding state mandates and reducing local decision-making authorities. Some of the blanket PUD restriction

language was removed by this [adopted Article 2 amendment](#). Metro Cities and several city associations [submitted this letter](#) to the committee highlighting opposition to the bill.

Even with the amendments, Metro Cities still has serious concerns with the bill and its preemption of local control. The bill passed the committee and was referred to the Senate Local Government committee where it has yet to be scheduled for a hearing.

Thank you to those who responded to the Metro Cities action alert and contacted legislators. Several members of the committee commented on the outreach and feedback they received from cities in their district. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

LGA Bills Heard in House Property Tax Division

The House Property Tax Division heard three Local Government Aid (LGA) bills on Friday morning. [HF 4064](#)-Youakim contains updates to the LGA formula that are the product of work over the last several months by Metro Cities, the League of MN Cities, Association of Small Cities and Coalition of Greater MN Cities and assisted by non-partisan legislative staff. Under the bill some of the current LGA “need” factors are maintained, and others added and modified, based on their ability to statistically predict variances in city needs. The LGA program uses a regression-based formula. The bill provides a 5% increase. Metro Cities testified in support of the modified formula that more accurately predicts city needs and spending.

[HF 3794](#)-Lislegard, was also heard this morning. The bill maintains the existing formula and increases the appropriation by \$90 million. Metro Cities testified in support of increasing the LGA appropriation but noted that the association supports the modified formula under HF 4064.

[HF 4155](#)-Hertaus was also heard in the division. This bill increases the LGA appropriation by \$20 million and dedicates two percent of the appropriation to an alternative per capita aid to cities that receive zero aid under the general LGA formula. Under this bill, all cities would receive some local government aid. Metro Cities does not have a legislative policy position on this bill or approach; the association testified to thank Rep. Hertaus for his engagement with this issue and ongoing work with cities to address the needs of cities that do not receive local government aid. Click [HERE](#) for a spreadsheet showing the distribution under all three bills. All three bills were laid over.

Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Market Value Exclusion Housing Bill Advances

A bill that would provide a fifty percent property tax break to apartment buildings containing some affordable units passed its second committee this week. [HF 3588](#) – Vang would provide a 50 percent exclusion to qualifying properties. Metro Cities [submitted a letter](#) to House State Government committee members 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 was referred to the House Taxes committee.

Local Housing Aid Bill Considered by Tax Committee

Legislation that would provide cities and counties with a direct state aid for local housing needs was heard in the House Tax committee this week. [HF 3982](#) – Howard, [as amended](#), establishes a new state aid program for cities over 10,000 in population and all counties.

The bill would provide \$80 million for counties, \$20 million annually for cities over 10,000 residents, and up to \$10 million in grants (from the county portion) for cities up to 10,000 residents. Metro Cities provided feedback requesting inclusion of \$10 million for cities with populations up to 10,000 residents.

The aid would be distributed [annually by a formula](#) based on the number of households in a city that are cost-burdened divided by the total number of cost-burdened households in Minnesota. 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.

Eligible uses include construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing to provide affordable housing to households with incomes up to 115% AMI for homeownership projects and up to 80% AMI for rental housing projects.

Additionally, Metro Cities supports cities being able to transfer the aid into a housing trust fund under M.S. 462C.16, a provision that was added to the bill this week. The bill was held over and may be included in a future tax bill. The Senate companion has not been heard. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Federal Spending Bill Signed into Law

After the federal government operated under a continuing resolution for months, Congress passed [H.R. 2471](#), a \$1.5 trillion budget and spending bill. The lack of a budget agreement had delayed a full implementation of the Infrastructure Investment and Jobs Act (IIJA). Now that an agreement has been reached federal funds can begin to be disbursed to states. As a reminder the IIJA includes several provisions for local government, with funding included for roads, bridges, transit, airports, electric vehicle charging stations, resilient energy infrastructure, broadband, drinking water investments and climate-resilient infrastructure. The IIJA authorized additional funding for existing federal programs and created several new competitive grant programs for state and local governments. Earlier this year, the Biden administration released a [guidebook for state and local governments](#) on the IIJA and its programs.

H.R. 2471 also includes line items that dedicate funds toward particular projects, including in Minnesota. Click [HERE](#) to view transportation earmarks, which begin on page 105. Click [HERE](#) to view water infrastructure earmarks, which begin on page 84. MnDOT and other state agencies will be tasked with issuing more guidance on how municipalities can benefit from the infrastructure bill.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Bill Requires Municipal Approval for Guideway Plans

[SF 3859 – Chamberlain](#) was heard in the Senate Transportation on Tuesday, along with other transit-related bills. SF 3859 establishes a process for municipal consent for proposed transit guideways similar to what is currently done with light rail transit projects. The bill requires local

hearings on guideway plans and approval or disapproval from local governments where the guideway is proposed to be located. The bill would allow local governments to revoke their approval at any time before federal funding for the project is secured by the Metropolitan Council. Finally, the bill prohibits the Metropolitan Council from applying for federal funding before obtaining consent from the impacted local governments. This bill was introduced in response to the proposed Metro Transit Purple Line which is a BRT route set to provide bus service from St. Paul to White Bear Lake. The Metropolitan Council testified in opposition to SF 3859. The bill was laid over for possible inclusion in a transportation omnibus finance and policy bill.

Other bills heard during Tuesday's hearing include:

- [SF 3991 – Coleman](#), requiring the Metropolitan Council to publish monthly ridership numbers and quarterly crime statistics.
- [SF 3494 – Kiffmeyer](#), requiring the Commissioner of Transportation and the Metropolitan Council to request approval from the Federal Transit Administration (FTA) to discontinue Northstar passenger rail operations.
- [SF 3992 – Osmek](#), suspending the Metropolitan Council's ability to study, plan, engineer, design, or construct any proposed guideway until the SWLRT line begins operations.
- [SF 3990 – Pratt](#), requiring host counties to pay for all costs associated with transit guideways including planning, design, construction, operation, and capital maintenance.
- [SF 3989 – Newman](#), requiring the Commissioner of Transportation and the Metropolitan Council to perform a cost-benefit analysis for proposed guideways. These analyses are required to be posted on the MnDOT and Metropolitan Council websites. They are also required to be submitted to the legislature.

These five bills were all laid over by Chair Newman. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Rent Control Bill Passes to Senate Floor

A Senate bill to preempt local governments from holding elections to establish rent control ordinances passed the Senate Local Government 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 committee discussed concerns about the bill's canceling the results of previously held elections in Saint Paul and Minneapolis. The bill passed the committee to the Senate floor where it awaits a vote.

House Proposal Requires Local Governments to Adopt Homeless Encampment Policy

The House Preventing Homelessness Division heard [HF 4225 – Gomez](#), that would allow MnDOT to enter into an agreement with a city or county with a population of 50,000 or more to manage removal, storage, and disposition of personal property deposited, left, or displayed on property under the jurisdiction of the department. The bill would also require all cities and counties to develop a policy that recognizes the differing aspects of homeless individuals camping on public property and implement the policy as developed, to ensure the most humane treatment for removal of homeless individuals from camping sites on public property.

At least 72 hours before removing homeless individuals from a camp site, the local law enforcement agency with jurisdiction over the site shall post a conspicuous notice, written in English, Spanish, and any other language known to be spoken by a significant number of individuals living at the camping site, at all entrances. The city would also need to post a notice where unclaimed personal property would be stored.

Metro Cities [submitted written testimony](#) to support best-practice sharing among cities and counties on homeless encampments, and offered to work with the bill author and other interested parties to advance best-practice and information sharing to aid local policy setting in addressing the needs of homeless populations. The bill will continue to be debated in the same committee next week.

Annexation Bills Heard in House Committee

Two bills dealing with annexation were heard on an informational basis in the House Local Government Division this week. [HF 4108 – Huot](#) includes provisions for annexation elections to take place where impacted residents within the area of the proposed annexation can vote for or against the annexation. If the proposed annexation is voted down, no annexation can be initiated for two years unless it is put forward by a majority of the area’s property owners. Under current law, property owners can petition for detachment. HF 4108 includes new language where a township can petition for detachment if the annexed land is not developed quickly enough.

[HF 4109 – Huot](#) repeals the 60/40 rule for annexation by ordinance. Under current law, if 60 percent of an area of land is bordered by a municipality and the area is 40 acres or less, a municipality can annex the land by ordinance. The bill also includes several provisions relating to orderly annexation agreements. Specifically, this bill would require annexation agreements to be renewed every 10 years.

The hearing included testimony from both township and municipal representatives. One committee member suggested convening a working group or task force to study the issue and develop a mutually agreed upon solution. No official action was taken on either bill.

Reminder: Regional Solicitation Applications Due Next Month

The Metropolitan Council has released the 2022 Regional Solicitation and is accepting applications for federal transportation funding **until April 14 at 4:00 PM**. After technical experts from across the region rank and score the projects, the Transportation Advisory Board (TAB) will recommend projects for funding in late 2022. Approximately \$180 million in federal transportation funds will be available for allocation in 2026 and 2027.

Eligible metropolitan-area applicants include the seven counties, cities and townships, state agencies, American Indian tribal governments, transit providers, and other organizations partnering with government agencies.

To learn more about the Regional Solicitation and to apply online, please visit the [Regional Solicitation website](#). This page also includes a recording of a Metropolitan Council-hosted virtual workshop held earlier this year.

Projects will be selected from 11 application categories.

1. Traffic Management Technologies (Roadway System Management)
2. Spot Mobility and Safety
3. Strategic Capacity (Roadway Expansion)

4. Roadway Reconstruction/Modernization
5. Bridge Rehabilitation/Replacement
6. Transit Expansion
7. Transit Modernization
8. Travel Demand Management (2024 and 2025 funds)
9. Pedestrian Facilities
10. Safe Routes to School
11. Unique Projects (2024 and 2025 funds)

Questions about the Regional Solicitation can be directed to Elaine Koutsoukos at 651-602-1717 or elaine.koutsoukos@metc.state.mn.us.

Bills of Note

[SF 3938](#), Hoffman/[HF 4060](#), Stephenson: Bill establishes a gas tax holiday.

[SF 3943](#), Howe/[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.

[SF 3989](#), Newman/[HF 4362](#), Petersburg: Bill requires a cost-benefit analysis for proposed guideways.

[SF 3990](#), Pratt/[HF 4256](#), Petersburg: Bill requires host counties to fund the construction, operations, and capital maintenance of transit guideways.

[SF 3991](#), Coleman/[HF 4251](#), West: Bill requires the Metropolitan Council to publish monthly ridership numbers and quarterly crime statistics.

[SF 3992](#), Osmek/[HF 4255](#), Petersburg: Bill suspends the Metropolitan Council's authority to take action or spend money on proposed guideways.

[SF 3996](#), Johnson-Stewart/[HF 4242](#), Long: Bill establishes a speed safety camera pilot program for trunk highway work zones and within 2,000 feet of a school.

[SF 4059](#), Clausen/[HF 4425](#), Huot: Bill provides grants to law enforcement agencies to implement community-based public safety career opportunity programs for high school students.

[SF 4105](#), Draheim: Bill requires noncode enforced municipalities to adopt the State Building Code.

[SF 4121](#), Senjem/[HF 4115](#), Jordan: Bill establishes a grant to replace lead drinking water service lines and a grant for mapping lead service lines.

[HF 4238](#), Raleigh/[SF 3859](#), Chamberlain: Bill requires municipal approval of transit guideway plans and allows municipalities to revoke said approval.

[HF 4261](#), Petersburg/[SF 4066](#), Jasinski: Bill appropriates \$200 million in bond proceeds for local road improvement fund grants and \$200 million for local bridge replacement and rehabilitation.

[HF 4295](#), Huot/[SF 3723](#), Bigham: Bill creates a central statewide repository for portable recording data used by law enforcement agencies.

[HF 4308](#), Albright/[SF 3614](#), Pratt: Bill modifies the financial assistance amount provided to replacement transit service providers.

[HF 4338](#), Wolgamott: Bill establishes a grant program to reimburse law enforcement agencies for financial recruitment and retention incentives.

[HF 4339](#), Frazier: Bill requires the release of body-cam footage when there is deadly force used.

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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