

House, Senate to Discuss City Residential Development Fees

The House and Senate Housing Committees will take testimony and discuss local roles in residential development next week, following release of a report authored by Housing First, which represents builders. The committees will review residential development ordinances, fees, building codes, residential infrastructure and the builders report.

<https://www.housingaffordabilityinstitute.org/>

Cities' roles in housing include land use and zoning, subdividing land, planning for environmental regulations, and sewer and water and parks infrastructure. Cities also determine how to pay for growth and new development. In the metro, all cities have recently updated their land use guidelines for residential growth through their local comprehensive plan updates that in part address statutory requirements for affordable housing and density.

The builders' report frames the current prices of new housing construction in Minnesota, compared to two other markets, as being due to fees and regulations unique to Minnesota. While the report acknowledges that one third of new housing construction costs less than \$325,000, the report uses homes costing almost \$400,000 for its review and conclusions.

The report may spur legislation this session. Metro Cities policies recognize that cities respond to residential development needs to support a range of housing that meets the needs of current and future residents. New infrastructure responsibilities are paid for in a variety of ways. Cities determine what works best for the local community, with some cities choosing a "growth pays for growth" policy while others subsidize critical infrastructure build-out with other revenues.

While the report singles out local, regional and state fees, it does not recognize other, larger residential development cost drivers such as the tight labor market and increasing costs of construction materials. The report also uses limited comparisons - nine cities in the Twin Cities metropolitan region are compared to Hudson, Wisconsin and unnamed Chicago suburbs.

No legislative proposals specifically responding or relating to the report have been introduced at this point, but the builders' report includes several recommendations. These include reviewing existing new housing regulations and policies through a cost lens, addressing the racial disparity gap in homeownership rates, exploring opportunities in homebuilding innovation, and supporting the use of common language among cities.

Metro Cities will respond to any legislative proposals in a manner consistent with its policies and will provide updates on this issue as hearings take place. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Metropolitan Governance Bills Receive Hearing

Two bills modifying the governance of the Metropolitan Council were heard in the House Local Government Subcommittee this week. HF 370, Fischer, and HF 192, Masin, were heard and laid over for further consideration by the subcommittee at a future date. HF 370, Fischer contains language initiated by Metro Cities in 2018 and includes staggered terms as well as modifications to the process for nominating members for appointment to the Metropolitan Council to make the

process more transparent and accountable and allow for additional input by local officials on the statutory nominating committee. The bill expands the nominating committee from seven to 13 members, with six members appointed by a governor, four local officials appointed by Metro Cities and three county officials appointed by the Association of MN Counties. The bill provides a 21-day public comment period and requires a governor to explain in writing any rejected finalists recommended by the nominating committee. HF 192 also provides staggered terms and includes a 14-day public comment period as well as an expanded nominating committee to 13 members, with seven appointed by a governor, three city officials appointed by Metro Cities and three county officials appointed by the Association of MN Counties. Metro Cities testified in support of HF 370, Fischer at the hearing this week.

Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org with any questions.

Bill to Modify Remote Meeting Law Passes to House Floor

A bill to make modifications to the open meeting law has passed to the House Floor. [HF 281](#), Koegel was heard in the House Government Operations Committee and would allow for two exceptions to current law governing public meeting participation by interactive television. Under current law, members of a body who participate by interactive television must do so from a remote location that is open to the public. The first exception would allow for members of a body who are in the military and are participating in a required drill, are deployed, or are on active duty to participate from a non-public location. The second exception would allow for members of a body who have been advised by a healthcare professional to avoid public spaces for medical reasons. The bill also stipulates that the meeting minutes for the meeting reflect which members were participating by interactive television and why the member is participating in this manner.

House Committee Discusses Emerald Ash Borer

Staff from the MN Department of Agriculture (MDA), Minnesota Pollution Control Agency (MPCA), and Department of Natural Resources (DNR) provided an overview of the Emerald Ash Borer (EAB) invasion to the House Environment Committee. Many hoped that the 'polar vortex' would kill off the EAB, but the MDA explained that the cold weather does not provide a complete cure and that remaining EAB will rebound quickly.

The agencies believe cities and towns are at the forefront of this issue. Cities need the resources to inventory their community forests, make management plans, treat and remove ash, plant diverse replacement trees, educate residents, and help homeowners with removal. Trees provide benefits to cities through stormwater mitigation and reduction of cooling costs. For more information on EAB, click [here](#). Metro Cities supports state funding to assist cities with EAB mitigation.

Distracted Driving Legislation

The Senate Judiciary Committee discussed the issue of distracted driving in two hearings this week. The first bill (SF 91, Newman/HF 50, Hornstein) bans the use of cell phones while driving and includes a hands-free mode exception. The Minnesota Chiefs of Police Association supports this bill because peace officers often struggle to enforce current texting while driving restrictions and the bill provides greater clarity for enforcement. The bill was re-referred to Senate Finance Committee.

The second bill (SF 75, Osmek/HF 104, Dettmer) increases penalties for distracted driving. The bill increases the penalties for the first three violations and includes a 30-day suspension on the third offense. The bill was re-referred to the Senate Finance Committee.

Secretary of State Announces BWSR Opening

The Secretary of State's office has posted an opening on the Board of Water and Soil Resources (BWSR). The opening is for an elected city official in the seven-county metro area. BWSR oversees and coordinates the water and soil resources management activities of local units of government including counties, Soil and Water Conservation Districts, and Watershed Districts through approval of local plans, administration of state grants, cost-sharing contracts, performance evaluation, and administrative appeals and hearings. Programs under the purview of BWSR include RIM Reserve, local water planning and implementation, Wetlands Conservation Act, soil conservation, riparian buffer protection, and Legacy Amendment programs and projects. Interested candidates can find more information [here](#). For more information on the BWSR, click [here](#).

Save the Date for the Metro Cities Annual Meeting!

Mark your calendars and save the date for the Metro Cities Annual Meeting! This year's event will be held on Wednesday, April 24th at the Como Park Zoo and Conservatory in the Bullard Rainforest Auditorium. The evening will start with a social hour, followed by a guest speaker, and will wrap up with a brief business meeting to elect members and officers to the Board of Directors.

All member city staff and elected officials are welcome and encouraged to attend. More information and details will follow.

Questions? Contact Kimberly at 651-215-4000 or kimberly@metrocitiesmn.org.

Bills of Note:

[HF 635](#), Hansen: Bill appropriates funds for the continued development, improvement, operations and deployment of the Minnesota Licensing and Registration System (MNLARS).

[HF 644](#), Nash: Bill requires the hunting and fishing website to provide voter registration information on their website.

[HF 651](#), Hansen: Bill authorizes the city of West St. Paul to impose a local option sales tax.

[HF 653](#), Lillie: Bill appropriates \$8.6 million for regional parks and trails.

[HF 654](#), Persell/ [SF 835](#), Ruud: Bill appropriates funds for matching grants for parks and outdoor recreation areas, as well as trail connections.

[HF 655](#), Cantrell: Bill authorizes tax increment financing districts in the city of Burnsville.

[HF 661](#), Heinrich/ [SF 782](#), Hoffman: Bill appropriates money to construct additional lanes on a segment of U.S. Highway from Coon Rapids to Anoka.

[HF 670](#), Freiberg: Bill gives tax exemption to cities for construction materials.

[HF 671](#), Lee/ [SF 786](#), Chamption: Bill authorizes the use of special tax increment financing rules for the North Washington Industrial Park Redevelopment Project Area.

[HF 677](#), Huot: Bill authorizes mail balloting in any town or any city with fewer than 400 registered voters.

[HF 691](#), Quam: Bill credits surcharge on vehicle parking violations to the highway user tax distribution fund.

[HF 701](#), Elkins: Bill provides for staggered terms on the Metropolitan Council.

[HF 702](#), Swedzinski: Bill expands exemption for motor vehicle purchases by local governments for road maintenance.

[HF 736](#), Torkelson: Bill allocates state general sales tax revenue related to motor vehicle repair to funds roads.

[HF 737](#), Torkelson: Bill proposes a constitutional amendment to allocate state general sales tax revenue related to motor vehicle repair to exclusively fund roads.

[HF 756](#), Cantrell: Bill allows towns and statutory cities to establish a fire protection district for the provision of cooperative fire services.

[HF 779](#), Swedzinski: Bill includes a construction equipment exemption for local government units.

[HF 780](#), O'Driscoll: Bill establishes a local cost-share assistance account within the Local Roads Improvement Program and appropriates \$100 million for the Local Roads and Bridge programs.

[HF 781](#), O'Driscoll: Bill appropriates \$20 million for the biennium for the Small Cities Account for transportation purposes.

[HF 788](#), Carlson, L.: Bill establishes a noise barrier maintenance account in the trunk highway fund.

[HF 816](#), Mann: Bill appropriates money for Lakeville sanitary sewer lift station.

[HF 817](#), Mann: Bill appropriates money for clean water infrastructure in Lakeville.

[HF 823](#), Nelson/[SF 998](#), Koran: Bill would codify a process for cities and other local governments when hiring private consultants.

[HF 846](#), Elkins: Bill establishes a local cost-share assistance account in the Local Road Improvement Program.

[HF 851](#), Stephenson: Appropriates funds for workforce training for hard-to-train individuals.

[HF 852](#), Robbins: Changes the payment of certain court fines and fees from the state general fund to counties.

[HF 859](#), Gunther: Appropriates \$22.4 million in both 2020 and 2121 to Minnesota Housing for the Challenge Program.

[HF 860](#), Freiberg: Bill provides for additional financing to parks, trails, and recreational facilities for local units of government by special fees.

[HF 861](#), Hansen: Bill appropriates \$12.2 million for the Minnesota Licensing and Registration System (MNLARS) and Driver and Vehicle Services and requires a report to the MNLARS Legislative Oversight Committee.

[HF 875](#), Fischer: Bill makes modifications to the Clean Water Legacy Act and provides for coordinated watershed management.

[HF 877](#), Klevorn: Bill authorizes a local lodging tax for the city of Plymouth.

[HF 884](#), Schultz: Authorizes value capture revenue for the affordable workforce and homeownership development program. Also adds cities as eligible grant and loan recipients.

[HF 896](#), Sauke: Adds manufactured home parks as eligible areas under Housing Improvement Area statute.

[HF 917](#), Hertaus: Bill allows for early termination from the metropolitan agricultural preserves program.

[SF 771](#), Klein: Bill provides a onetime and temporary increase in payment to the city of West St. Paul.

[SF 813](#), Little: Authorizes a Minnesota State Building Code Stakeholder Group to recommend building codes that should be repealed.

[SF 816](#), Newton: Bill appropriates funds for high-speed passenger rail from Minneapolis to Duluth.

[SF 819](#), Kiffmeyer: Bill amends the calculation of vehicle registration tax by basing vehicle value by purchase price.

[SF 833](#), Utke/[HF 510](#), Grossel: Bill prohibits municipal identification cards for undocumented immigrants.

[SF 911](#), Newman: Bill prohibits the use of trunk highway funds for bicycle lanes.

[SF 912](#), Newman: Bill requires low-occupancy vehicles to pay a fee for using MnPASS lanes and repeals a MnPASS lane rulemaking exemption. The bill also requires MnDOT to issue a request

for information relating to the operation of MnPASS lanes by a private operator and requires a report to the Legislature on the findings.

[SF 913](#), Senjem: Bill requires certain use of verification software in contracts related to the Minnesota Licensing and Registration System (MNLARS) and requires a report.

[SF 917](#), Little: Authorizes \$5 million in housing infrastructure bonds for senior housing.

[SF 928](#), Howe: Bill modifies certain conditions on water appropriations and wells and requires the DNR to provide economic impacts of imposing a groundwater management plan.

[SF 995](#), Jasinski: Bill appropriates all funds from the motor vehicle title fee to be allocated as reimbursements to deputy registrars. The bill was referred to the Committee on Transportation Finance and Policy.

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Metro Cities 145 University Ave W., St. Paul, MN 55103-2044 Phone 651-215-4000 Fax 651-281-1299
www.MetroCitiesMN.org