



## Cities Bulletin e-newsletter

March 10, 2025 | Issue 9

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### **Featured Events**

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*June 25-27 — Duluth*

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[Upcoming League Events](#)

A record number of city officials gathered for the event and advocated for key local priorities.

### [Reminder: LMC Membership Dues Notices for Fiscal Year 2025](#)

Invoices were sent in January for FY 2025 membership dues; contact the League if you haven't received your invoice.

## More Information and Resources

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## Contact Us

- For legislative questions: [Contact IGR Staff](#)
- For editorial or other Cities Bulletin questions: Contact Rachel Kats, Publications & Web Editor (651) 215-4032 or (800) 925-1122; [rkats@lmc.org](mailto:rkats@lmc.org)

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# Lawmakers To Hear Zoning Reform Bills That Limit Local Decision-Making Authority

March 10, 2025

**The proposals would mandate higher density, remove parking requirements, and restrict city zoning authority for residential development.**

Starting Tuesday, March 11, the House and Senate housing committees will hear a series of bills that would significantly limit local control over residential zoning and land use decisions.

The League of Minnesota Cities has been actively engaging with lawmakers on these bills in good faith, raising serious concerns about local authority, resident input, implementation challenges, and costs for cities.

Below is a summary of the bills — at the time of this writing — that are scheduled to be heard in committee during the week of March 10.

## Zoning bills up for consideration

### Minnesota Starter Home Act

[HF 1987](#) (Rep. [Spencer Igo](#), R-Wabana Township) / [SF 2229](#) (Sen. [Lindsey Port](#), DFL-Burnsville)

- [House Housing Finance and Policy Committee — hearing March 11](#)
- [Senate Housing and Homelessness Prevention Committee — hearing March 11](#)

The bills would require cities to:

- Permit at least two units on any single-family zoned lot and allow accessory dwelling units on lots with single-family homes.
- Limit minimum lot sizes to one-eighth acre for duplexes and single-family homes.
- Prohibit minimum lot sizes for townhomes larger than 1,500 square feet.
- Allow at least 80% lot coverage and restrict floor area ratio and setbacks.
- Prohibits minimum parking requirements for any development.
- Require an administrative review approval process for residential developments with no more than one public meeting (not hearing).
- Ensure development complies with city infrastructure, health, safety, and general welfare standards.

# More Homes, Right Places Act

HF 2140 (Rep. Larry Kraft, DFL-St. Louis Park) / SF 2231 (Sen. Liz Boldon, DFL-Rochester)

- House Housing Finance and Policy Committee hearing — hearing March 12
- Senate Housing and Homelessness Prevention Committee — hearing March 12

Note: an amendment to change many components of the bill will be introduced during committee. Below outlines the current bill language.

- Beginning in 2027, cities in the seven-county metro area and all cities with a population of 10,000 or more would be required to create “mixed-use housing zones” to allow triplexes on 80% of the land within one-half mile of a municipal state-aid street, or fourplexes within one-quarter mile of a municipal state-aid street subject to adequacy of infrastructure capacity.
- Mandates the same group of cities to permit townhouses, duplexes, triplexes, fourplexes, and accessory dwelling units at a minimum density of 25 units per acre.
- Limits setbacks in mixed-use housing zones to 20 feet or less and restricts floor area ratio regulations.
- Prohibits minimum unit sizes, construction material requirements, and design standards beyond state building codes.
- Eliminates minimum parking requirements for all developments.
- Requires an administrative approval process with no more than one public meeting (not a hearing).

# Transforming Main Street Act

HF 2018 (Rep. Liish Kozlowski, DFL-Duluth) / SF 2286 (Sen. Doron Clark, DFL-Minneapolis)

- Senate Housing and Homelessness Prevention Committee — hearing March 11 3/11
- House Housing Finance and Policy Committee — hearing March 12

The bills would:

- Require all cities to permit multifamily and mixed-use development in any commercial zoning district, except for heavy industrial zones.
- Allow cities to require that developments authorized in the bill include commercial use on the ground floor but only if the development is replacing existing commercial or industrial structures.
- Limit city review of projects under 300 units, prohibiting consideration of traffic, noise, or nuisance concerns.
- Require first-class cities, St. Cloud, and all metro-area cities to allow multifamily buildings up to 75 feet tall in commercial districts.
- Prohibit cities from requiring egress, durability, or energy efficiency standards, and limits any setback and lot coverage requirements beyond those required for commercial buildings.
- Eliminate parking minimums for all new developments.

- Require developments to comply with city requirements regarding adequacy of existing public infrastructure and other health, safety, and general welfare standards.
- Require cities to award density bonuses for affordable housing.
- Mandate an administrative review process with no more than one public meeting (not hearing).

## Preemption of municipal design standards

HF 2013 (Rep. Jim Nash, R-Waconia)

House Housing Finance and Policy Committee — hearing March 11

Note: an amendment to change many components of the bill will be introduced during committee. Below outlines the current bill language.

The bill would:

- Prohibit all cities from imposing any material, design, or aesthetic requirements as a condition for approval of a building permit, subdivision development, or planned unit development.
- Eliminate minimum square footage requirements for residential development.

## Prohibition on minimum parking requirements for development

SF 1268 (Sen. Omar Fateh, DFL-Minneapolis)

Senate Housing and Homelessness Prevention Committee — hearing March 13

The bill would:

- Prohibit all cities from requiring minimum parking spaces for any new development including commercial, industrial, and residential.
- Allow cities to specify disabled parking requirements.

## Your next step

Cities should contact their House and Senate legislators to express concerns about these bills, especially if their lawmakers serve on the housing committees. These committees will hear the legislation March 11-13, after which the bills are expected to move to the House Elections Finance and Government Operations Committee and the Senate State and Local Government Committee.

[Read more news articles.](#)

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# Latest State Budget Forecast Projects \$456M Balance

March 10, 2025

**State revenues fell by \$160 million, and the structural deficit has increased to nearly \$6 billion in future years.**

On March 6, Minnesota Management and Budget (MMB) released the [February 2025 state budget and economic forecast \(pdf\)](#), which provides lawmakers with the last major economic outlook before they begin crafting a two-year state budget.

The forecast shows that Minnesota's budget uncertainty continues to grow as expenditures outpace revenues. A \$456 million surplus is projected for fiscal years 2026-2027, a \$160 million decrease from the November 2024 budget forecast. MMB attributes the reduced surplus primarily to higher inflation, which has driven up both revenue and spending projections from last year.

## Debt capacity declines

The forecast also showed a decrease in Minnesota's debt capacity for a potential bonding bill. In November 2024, the state had a \$780 million debt capacity, but that figure has now dropped to \$700 million. It remains to be seen how that decrease will impact Gov. Tim Walz's yet-to-be-released updated bonding proposal, which will be based off this latest budget forecast.

## Projected deficit continues to grow

While the current short-term surplus has been reduced, the long-term structural deficit for fiscal years 2028-2029 has grown to nearly \$6 billion — roughly \$800 million more than previous estimates in 2024. MMB cites higher-than-expected inflation as the primary reason for this worsening outlook. Compared to the November 2024 budget forecast, current year revenues have increased by \$640 million, but expenditures have grown by even more — \$790 million.

## Shifting federal policies cause uncertainty

While presenting the budget forecast at a press conference, MMB officials warned that potential changes in federal policy and funding could further increase budget uncertainty. Key concerns include:

- Potential cuts to Medicaid and federal programs.
- Shifts in trade policies affecting inflation and economic stability.
- Federal actions on tariffs and tax cuts, which could drive inflation higher over the next two years.

Minnesota receives roughly \$26 billion from the federal government for matches to the state Medicaid program and \$19 billion in federal funds for other programs. Any cuts at the federal level could significantly impact state budget projections.

[View MMB's PowerPoint outlining the February 2024 budget forecast \(pdf\).](#)

## What's next?

The 2025 February budget and economic forecast represents the last significant report on Minnesota's economic health before lawmakers pass the 2026-2027 state budget.

Over the next month, Gov. Walz is expected to release an updated budget proposal and legislative leaders in the House and Senate will release budget targets for finance committees as they begin compiling and passing major budget bills throughout the months of April and May.

The constitutional deadline for 2025 legislative session is May 19, and a budget must be passed by July 1 to avoid a state government shutdown.

[Read more news articles.](#)

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# DLI Seeks Public Feedback on Proposed Earned Sick and Safe Time Rules

March 10, 2025

**The Minnesota Department of Labor and Industry requests that employers and employees submit input by April 2.**

In 2023, the Minnesota Legislature passed a state leave mandate requiring employers to provide earned sick and safe time (ESST) to qualified employees. The law also granted the Department of Labor and Industry (DLI) the authority to adopt rules to effectively guide its implementation.

The DLI has now released proposed rule changes aimed at clarifying several aspects of the ESST law, including:

- Accrual years.
- How in-state and out-of-state hours affect ESST accrual.
- Misuse of ESST.
- How employer policies offering more generous leave interact with the law.

[View the DLI's proposed rules related to the ESST law \(pdf\).](#)

## Your next step

The public comment period is now open for cities interested in providing feedback on the proposed rules. The DLI is particularly requesting input on:

- **Compliance costs:** Will complying with any particular rule cost more than \$25,000 in the first year for a statutory or home rule charter city with fewer than 10 full-time employees?
- **Ordinance impact:** Would any rule require local governments to adopt or amend ordinances or other regulations?
- **Cumulative effects:** How might these rules interact with other federal and state regulations?
- **Alternative solutions:** Are there less costly methods or less intrusive ways to achieve the goals of any rule?

Cities that are interested in submitting comments on the proposed rules must do so before **April 2** by 4:30 p.m. Comments can be submitted to DLI by emailing [dli.rules@state.mn.us](mailto:dli.rules@state.mn.us) or sending by mail to:

Krystle Conley  
Office of General Counsel

443 Lafayette Road North  
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[Read more news articles.](#)

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# Equal Access to Broadband Act Reintroduced Along With Bill To Help Fund PEG Stations

March 10, 2025

**The reintroduced bill would allow cities to franchise broadband to ensure equal access and equitable broadband deployment, while a funding bill provides a direct appropriation to help support local programming.**

Building on last session's momentum to update Minnesota's cable act, lawmakers have reintroduced the Equal Access to Broadband Act in both the House and Senate.

HF 974, sponsored by Rep. Mike Freiberg (DFL-Golden Valley), and SF 2045, sponsored by Sen. Ann Rest (DFL-New Hope), aim to modernize local franchising laws. The bills would allow local franchising authorities to franchise broadband, helping to ensure more equitable broadband deployment across the state.

By granting cities broadband franchising authority, the legislation would:

- Require broadband providers to meet buildout requirements in underserved areas.
- Ensure cities receive reasonable compensation for the use of public rights-of-way.
- Support community media efforts, similar to the authority cities already have under the Minnesota Cable Act.
- Improve city control over public rights-of-way and help fund access television.

HF 974 is awaiting action in the House Agriculture Finance and Policy Committee and SF 2045 is awaiting action in the Senate Agriculture, Veterans, Broadband, and Rural Development Committee.

## Funding bill for PEG stations introduced

In addition to the Equal Access to Broadband Act, HF 1740, authored by Rep. Danny Nadeau (R-Rogers), has been introduced in the House. The bill would provide funding from the Arts and Cultural Heritage Fund to support public, educational, and governmental programming (PEG) in cities.

Under HF 1740, funding would be allocated to a key League partner, the Minnesota Association of Community Telecommunications Administrators to support PEG programming, and community and civic engagement efforts.

HF 1740 awaits action in the House Legacy Finance Committee.

[Read more news articles.](#)

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# Early Local Government Aid Payment To Be Distributed by March 20

March 10, 2025

**The Minnesota Department of Revenue will issue an early payment for 2025 LGA.**

Due to a provision in the 2023 tax law, cities will be receiving a portion of their 2025 local government aid (LGA) this month.

The law, which increased LGA by \$80 million beginning in 2024, also requires the Department of Revenue to distribute 9.402% of a city's certified 2025 aid by March 20. This is not supplemental funding but rather an advance on the LGA payments cities would normally receive in July and December.

This is a one-time advance payment and will not occur again next year unless there is a change in the law. The remaining 90.598% of LGA will still be distributed as usual, split equally between July 20 and Dec. 26 payments.

## More information and resources

- [Learn more about the LGA formula and history on the League's website.](#)
- [View the amount of aid your city will receive this year on the Department of Revenue's website.](#)

[Read more news articles.](#)

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# Legislative Committee Deadlines Set for 2025 Session

March 10, 2025

**Much of the legislation involving cities is subject to committee deadlines, so it's important for city officials to take note of them.**

Minnesota House and Senate Leadership recently announced the committee deadline calendar for the 2025 legislative session. The Legislature establishes committee deadlines to focus activity on legislation that has general support in the committee process.

## Importance of committee deadlines to cities

Much of the legislation involving cities is subject to committee deadlines. Therefore, it is important for these bills to receive hearings in committee prior to their respective deadlines to have a chance at final passage this year. This requires consistent monitoring and input from the League as well as from city officials.

## First deadline and second deadline set together

The first and second committee deadlines have been combined this year and are on April 4, 2025. Legislation is subject to both sets of rules that apply to those deadlines.

### First deadline rules

A bill, or its companion bill in the other body, must be reported out of all committees in the house of origin by this date.

The deadline generally applies to legislation before policy committees, but specifically does not apply to the House committees on Capital Investment, Ways and Means, Taxes, or Rules and Legislative Administration, nor to the Senate committees on Capital Investment, Finance, Taxes, or Rules and Administration.

### Second deadline rules

The second committee deadline requires that committees act favorably on bills, or companion bills, that met the first deadline in the other body. The second deadline also does not apply to the House committees on Capital Investment, Ways and Means, Taxes, or Rules and Legislative Administration, nor to the Senate committees on Capital Investment, Finance, Taxes, or Rules and Administration.

# Third deadline set

The third committee deadline is April 11 at 5 p.m. The House Ways and Means Committee and the Senate Finance Committee must act favorably on major appropriation and finance bills by that date.

## Legislative Eid and Easter/Passover break

The Legislature will be in recess on March 29 until March 31 in observance of Eid. Committees and legislative activities may resume on Tuesday, April 1, 2025.

The Legislature will be in recess for the Easter/Passover holidays starting at noon on April 11 until noon on April 21. At that time, legislators will likely be back in their home districts making it a great time for city officials to meet with and advocate for issues impacting their city.

## Adjournment

By law, the Legislature must adjourn by the first Monday after the third Saturday in May, which will be May 19.

For more League advocacy resources, see the [League's Advocacy hub](#).

[Read more news articles](#)

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# Thank You for Making City Day on the Hill a Success!

March 10, 2025

**A record number of city officials gathered for the event and advocated for key local priorities.**

We want to extend our heartfelt thanks to everyone who attended the League's City Day on the Hill event on March 6. It was our biggest City Day on the Hill yet, with a record 240 attendees from across the state. Your presence and engagement made a powerful impact.

[View a photo gallery of the City Day on the Hill event.](#)

The day was filled with meaningful conversations and valuable insights, including:

- Visits from Gov. Tim Walz and St. Paul Mayor Melvin Carter.
- A panel discussion with House and Senate legislative leaders.
- An informative presentation on bonding from Minnesota Management and Budget
- An update from the League's Intergovernmental Relations Team on legislative issues that impact cities.

In the afternoon, city leaders took to the Capitol, meeting with legislators to advocate for the issues that matter most their communities, including bonding, housing, emergency medical services, local government aid, and more.

Your participation and dedication help strengthen our collective voice at the Capitol. Thank you for making this event such a success!

[Read more news articles.](#)

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Your LMC Resource

Event and Learning Staff

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[registration@lmc.org](mailto:registration@lmc.org)

# Reminder: LMC Membership Dues Notices for Fiscal Year 2025

March 10, 2025

**Invoices were sent in January for FY 2025 membership dues; contact the League if you haven't received your invoice.**

At the beginning of January, the League emailed the second of two invoices for membership dues that will cover fiscal year (FY) 2025. For members who do not have a current dues email address on file with the League, the invoice and letter were sent out via USPS mail.

If you have not yet received your second League membership dues invoice, would like a copy of the dues invoice, or have any questions about dues, please contact us at [billing@lmc.org](mailto:billing@lmc.org) or (651) 215-4024.

## Fiscal year change, dues schedule

In June 2024, League members voted to align the organization's fiscal year — previously Sept. 1 through Aug. 31 — with the calendar year starting on Jan. 1, 2026. To account for the adjustment, the League's FY 2025 budget is being spread over 16 months instead of 12 months, from Sept. 1, 2024, through Dec. 31, 2025.

Due to the fiscal year change, members received a first invoice in September 2024 to pay for the additional four months of the expanded fiscal year. The second invoice covers Jan. 1, 2025, through Dec. 31, 2025. Starting in 2026, members will receive one annual invoice each January.

## Member benefits

Access to affordable training opportunities, consulting services, legislative advocacy, risk management, and the League of Minnesota Cities Insurance Trust's comprehensive city-specific coverages for workers' compensation and property/casualty are just a few of the benefits available to League members.

[Read more news articles.](#)

# LMC Awards

## The 2025 LMC Awards Program is now open for submissions!

The League each year honors the special achievements of cities and city leaders with the City of Excellence Awards, C.C. Ludwig Award, James F. Miller Leadership Award, and Sustainable City Award.

### About City of Excellence Awards

The City of Excellence Awards recognize cities for outstanding work. Awards are given in three population categories and in one special topical category, which is different each year. The 2025 Topical Category is Successful Collaboration Among Local Governments.

[Read more about the City of Excellence Awards](#)

### About the Individual Awards

The C.C. Ludwig Award recognizes elected officials who have made significant contributions to Minnesota city government. Similarly, the James F. Miller Leadership Award honors appointed city officials who have gone above and beyond the call of duty for their city and all Minnesota cities. Finally, the Emerging Leader Award is presented in recognition and encouragement of elected and appointed officials who are early in their service to municipal government.

[Learn more about the individual awards](#)

### About the Sustainable City Award

Cities currently participating in the Minnesota GreenStep Cities program are eligible for the League of Minnesota Cities Sustainable City Award.

[Learn more about the Sustainable City Award](#)

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# Submit Your Police and Fire State Aid Certification Forms

February 3, 2025

**The deadline to submit your forms to the Minnesota Department of Revenue is March 17.**

Certification forms are now available on the Department of Revenue website for both Police and Fire State Aid. These aids help subsidize pension costs for local governments and fire relief associations.

Qualifying cities must submit these forms to Revenue by March 17, 2025, to avoid the reduction in aid penalty. There is no longer a 10-day grace period for late submissions. The reduction in aid for late submissions is 10% per week.

Aid amounts will be determined in late September and paid by the Revenue by Oct.1, 2025.

## Fire State Aid

The form (FA-1) must be submitted by March 17, 2025, to avoid a reduction in aid. It will need to be certified solely by the municipal clerk, secretary in the case of an independent nonprofit corporation, or equivalent. Certification by the fire chief is no longer required.

You can now check the [Fire State Aid webpage](#) to verify that your form has been received. If you still need to submit the form, it is also available on the Fire State Aid webpage.

## Police State Aid

Form PA-1 must be submitted by March 17, 2025, to avoid a reduction in aid. You can now check the [Police State Aid webpage](#) to that your form has been. If you still need to submit the form, you can do so on the Police State Aid webpage.

[Read more news articles.](#)

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# Current Grant Opportunities

## Arts Experiences Grant Program

Arts Experiences through the Minnesota State Arts Board provides project grants that individuals and organizations, including local governments, can use to offer arts activities that are meaningful for Minnesota residents and communities. Funds may be used for a variety of arts projects such as creating and/or presenting concerts, plays, tours, exhibitions, arts festivals, public art, or other kinds of arts programming that engages Minnesota audiences and participants.

Applicants may request between \$5,000-\$35,000. The deadline to apply is **May 2**.

Potential applicants are encouraged to review all application materials and resources on the program page before beginning an application.

[Learn more and apply for an Arts Experiences grant.](#)

## Minnesota SolarAPP+ Solar Permitting Software Incentive

The Minnesota Department of Commerce Division of Energy Resources requests applications for the SolarAPP+ Solar Permitting Software Incentive Program. The purpose of this program is to provide technical assistance and financial incentives to local units of government that issue permits for residential solar projects and solar plus energy storage systems by incentivizing a permitting authority to adopt the SolarAPP+ software to standardize, automate, and streamline the review and permitting process.

The Department of Commerce will administer \$2 million in incentives to eligible jurisdictions across Minnesota, with incentives ranging from \$5,000 to \$20,000. Eligible applicants include local units of governments with authority to issue permits for residential solar projects and solar plus energy storage system projects.

Applications must be submitted through the grant interface website, Minnesota Department of Commerce's online grant interface website. The Request for Proposals (RFP) will have detailed information and application questions as well as required forms and reference materials. It will be available for download on the Department's RFP website beginning Feb. 28 and remain available until **June 30, 2028**, or until fully expended. Instructions for submitting applications are detailed in the RFP.

[Learn more and apply for the SolarAPP+ Solar Permitting Incentive Program.](#)

# Statewide Waste Reduction and Reuse Grants

The Minnesota Pollution Control Agency (MPCA) has \$820,000 available to fund waste reduction and reuse projects across the state and cities are eligible to apply. These grants support long-term environmental benefits for Minnesotans.

For this grant round, projects will be prioritized if they include:

- Education and outreach, infrastructure, supplies, and/or technical assistance.
- Reusable systems, replacing single-use items with durable alternatives, including cleaning and maintenance equipment.
- Repair training programs, curriculum development, or apprenticeships to build a local, sustainable repair workforce, reducing costs for Minnesotans.

The application deadline is **March 27, 2025**.

## Questions?

Email [grants.pca@state.mn.us](mailto:grants.pca@state.mn.us) with the subject line “FY25 Statewide Waste Reduction & Reuse Grants” by 4 p.m. on March 20, 2025. MPCA employees cannot discuss this opportunity directly.

[Learn more and apply for a statewide waste reduction and reuse grant.](#)

## Southern Minnesota Initiative Foundation Paint the Town Grant

Southern Minnesota Initiative Foundation (SMIF) is currently accepting applications for free paint and coating products for community mural, community welcome sign, historic structure, or public art projects or to refresh public spaces in preparation for significant community milestone celebrations through its Paint the Town Grant program. This grant opportunity is available to communities with a population under 10,000 throughout SMIF's 20-county region. Applications are due to SMIF by **March 31, 2025**.

The program encourages community collaboration by donating up to 100 gallons of paint per project, fostering volunteer engagement, creativity, and local pride while enhancing public spaces. Eligible public art projects may include creative placemaking initiatives like painting staircases, picnic tables, pop-up parks, or other artistic installations that add vibrancy to a community.

Eligible applicants include 501(c)(3) nonprofits, local government agencies, and public schools. All projects must be in a community of 10,000 or fewer residents, have a visible impact, and be accessible to the public.

Since 1997, SMIF has distributed over 10,955 gallons of paint to 324 projects. The Paint the Town Grant was officially launched in 2015.

[Learn more and apply for a Paint the Town Grant.](#)

# Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program

The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program is a new program funded by the 2023 legislative session as part of the Statewide Affordable Housing Aid program. The program was established to aid smaller Greater Minnesota cities outside the seven-county metro area with fewer than 10,000 people to develop and preserve affordable housing within their jurisdictions.

The Intent to Apply for this program is now open. Submitting notice of your intent to apply will help Minnesota Housing and key stakeholders better manage the program and tailor technical assistance to your needs.

[Access the notice of Intent to Apply.](#)

Minnesota Housing anticipates the Request for Proposals (RFP) will open on or around Feb. 20, 2025. Applications will be due sometime in April; please consult the RFP (once available) for details.

For additional details on the program, [read the program guide \(pdf\).](#)

[Learn more about the other local government housing programs.](#)

## Greater Minnesota Housing Infrastructure Grant Program Guide Now Available

Minnesota Housing's board of directors approved the Greater Minnesota Housing Infrastructure Grant Program Guide on Dec. 19, 2024. You can find the program guide on the [Local Government Housing Programs team webpage](#). (Look under the Greater Minnesota Housing Infrastructure Grants dropdown menu.)

\$8 million is allocated to the Greater Minnesota Housing Infrastructure Grant program to support cities, counties and Tribal Nations creating sites for workforce and affordable housing in Greater Minnesota.

Grant funds can be used to cover up to 50% of capital costs of physical public infrastructure necessary to support a qualifying housing development. This may include sewers, water supply systems, utility extensions, streets and more, necessary to support single-family, multifamily, homeownership and rental housing development.

Grants are generally limited to:

- \$40,000 per lot for one to four units.
- \$180,000 per lot for multifamily housing (five or more units/building).
- \$60,000 per manufactured housing lot.
- No more than \$500,000 to any grantee or project over a two-year period.

Applicants' matching funds may include in-kind contributions, such as donation of land.

Minnesota Housing plans to release a Request for Proposals in the first quarter of 2025.

[Review the program guide for additional details \(pdf\).](#)

## Geothermal Planning Grants

In 2024, the Minnesota Legislature established the Geothermal Planning Grant Program. The purpose of this program is to provide financial assistance to eligible applicants to examine the technical and economic feasibility of installing geothermal energy systems.

The Department of Commerce will administer \$1.08 million in grants to local governments across Minnesota. Eligible applicants for this grant program include counties, cities, townships or the Metropolitan Council. Grants will be awarded for up to \$150,000 for the planning of a geothermal energy system that heats and cools one or more buildings. Eligible systems include a bored geothermal heat exchanger, a groundwater thermal exchange device, and a submerged closed loop heat exchanger.

The Request for Proposals (RFP) for the Geothermal Planning Grant program open on Dec. 16, 2024. Applications are due **March 10, 2025**.

For questions about the program and application process, email [Energy.Contracts@state.mn.us](mailto:Energy.Contracts@state.mn.us). Answers will be posted to the [Geothermal Planning Grant posting on the RFP page](#) through Feb. 28, 2025.

[Learn more and apply for a geothermal planning grant.](#)

## Community Innovation grants

The Bush Foundation's Community Innovation (CI) grant program is a flexible program that invests in great ideas and the people who power them across our region. The program aims to:

- Develop, test, and spread great ideas.
- Inspire, equip, and connect leaders.

[Learn more and apply for a CI grant.](#)

## Establish a Local Housing Trust Fund With Help From the Minnesota Housing Partnership

The Minnesota Housing Partnership (MHP) is offering free assistance to rural communities to establish Local Housing Trust Funds (LHTF). Funds can be used for education on Local Housing Trust Funds, as well as implementation of LHTF programs and community engagement activities.

In 2023, the Minnesota Legislature appropriated \$4.8 million to a [Local Housing Trust Fund \(LHTF\) State Match Program](#); with \$1 million appropriated in a prior year, available funds for the state match program total \$5.8 million. An application for state match funds is likely to be released in late summer or early fall.

[Learn more and apply for free technical assistance from MHP to establish or implement your LHTF.](#)

# MNOSHA WSC: Safety Grant Program

The Safety Grant Program awards funds up to \$10,000 to qualifying employers for projects designed to reduce the risk of injury and illness to their workers.

To qualify, an employer must meet several conditions, including but not limited to:

- Having been in business for at least two years.
- Having at least one employee to create the employer/employee relationship.
- Having workers' compensation insurance.
- Having had an on-site hazard survey conducted by a qualified safety professional and a written report of the findings and recommendations to reduce the risk of injury or illness to employees.
- Having the knowledge and experience to complete the project and is committed to its implementation.
- Being able to complete the project within 120 days of a fully executed contract.

To qualify, the project must be supported by all public entities involved and comply with federal, state, and local regulations where applicable.

Businesses that are the current focus of the [Minnesota OSHA Workplace Safety Consultation strategic plan](#) will be given added priority. If your grant is approved, you will be notified in writing of the specific approval. Whether we approve your grant application or not, in no way diminishes, delays, or absolves you of any obligation to abate safety and health hazards.

When a project is complete, the applicant must submit a certificate of completion form, with invoices and proof of payment, to the grants administrator, to initiate issuance of the grant. An employer that has received a grant for a particular worksite will not be eligible to receive another grant for that worksite during the two years after the date of their award.

[Learn more and apply to the MNOSHA WSC: Safety Grant Program.](#)

## Solar on Public Buildings Grant Program

The Solar on Public Buildings Grant Program will equip cities, towns, counties, and other local governments and Tribal Nations to lower utilities costs, increase energy independence, expand the clean energy workforce, and take essential action to address climate change.

\$4.3 million in state funding will be distributed to local governments to build solar arrays (system size up to 40 kilowatts) across Xcel Energy territory in Minnesota. These grants can be paired with federal clean energy tax credits now available to local governments.

[Learn more and apply for Solar on Public Buildings Grant Program funding.](#)

## Green and Resilient Retrofit Program (GRRP)

The U.S. Department of Housing and Urban Development's (HUD) Green and Resilient Retrofit Program (GRRP) provides loan and grant funding to deliver energy efficiency and electrification improvements to HUD-assisted housing, which can fund retrofitting properties

up to \$40,000-\$80,000 per unit. HUD is accepting applications on a rolling basis, two will be occurring in 2024. Funded under the Inflation Reduction Act, the GRRP is the first HUD program to invest simultaneously in energy efficiency, greenhouse gas emissions reductions, energy generation, and climate resilience strategies specifically in HUD-assisted multifamily housing.

[Learn more and apply for GRRP funding.](#)

## Infrastructure Investment and Jobs Act (IIJA) Technical Assistance Grants

The Minnesota Department of Transportation (MNDOT) IIJA Technical Assistance Grant Program is now open. \$2 Million in state funds is available to qualifying local units of government and tribal governments that seek to submit an application for a federal discretionary grant for a transportation purposes.

State technical assistance funds can be used to hire a consultant for identification of available grants, grant writing, analysis, data collection, technical review, legal interpretations, planning, pre-engineering, application finalization, and similar activities. [Learn more and apply for an IIJA Technical Assistance Grant.](#)

[Learn more and apply for a IIJA Technical Assistance grant.](#)

## Cybersecurity Grant Program Now Available Statewide

The state's IT agency, Minnesota IT Services (MNIT), in partnership with the [Minnesota Cybersecurity Task Force](#) recently released the [Whole-of-State Cybersecurity Plan](#) that will be used to implement \$23.5 million of funding from the State and Local Cybersecurity Grant Program and the Minnesota Legislature.

### Eligibility

All state and local government entities are eligible to participate in the SLCGP, including:

- A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, regional or interstate government entity, or agency or instrumentality of a local government.
- Authorized Tribal governments and organizations.
- A rural community, unincorporated town or village, or other public entity.

### How to get involved

- Visit MNIT's website for more information [about the plan](#), [how to participate](#), and who to contact if you have questions or need help.
- You can also [sign up to receive news and updates](#) about the Whole-of-Security Plan and the SLCGP.
- If your organization is ready to get started, complete the [Minnesota Whole-of-State survey for SLCGP participants](#).

# Thriving Communities Technical Assistance Program

Housing and Urban Development (HUD) is accepting requests for technical assistance for the Thriving Communities technical assistance program. This funding will help local governments ensure housing needs are considered as part of their infrastructure plans. To be eligible, jurisdictions must be a unit of general local government that is receiving federal transportation funding to support a project that coordinates transportation and housing plans, programs, or investments to benefit residents and businesses located in a disadvantaged community. Priority will be given to jurisdictions with populations of less than 250,000 people, as well as to those receiving certain Department of Transportation competitive funds. Requests will be reviewed as they are received, on a rolling basis, beginning on March 15.

[Learn more about the interagency Thriving Communities technical assistance program](#)

## Residential Retrofits for Energy Equity: Energy Upgrades for Affordable Housing

Residential Retrofits for Energy Equity (R2E2) will provide deep technical assistance to state, local, and tribal governments as well as community-based organizations to jumpstart energy upgrades for single family and multifamily affordable housing, especially in frontline communities. These retrofits will lower utility bills, reduce greenhouse gas emissions, improve residents' health, create good-paying local jobs, and help mitigate racial inequity. R2E2 will kick off with training sessions in January for state, local, and community teams on scaling up building energy retrofits and leveraging the unprecedented federal funding available from COVID-19 relief programs, the bipartisan infrastructure law, the Inflation Reduction Act, and other sources. R2E2 is a partnership of the American Council for Energy-Efficient Economy (ACEEE), Elevate, Emerald Cities Collaborative, and HR&A Advisors, with People's Climate Innovation Center advising on centering equity in the project and its outcomes and on facilitating community-driven planning processes.

[Learn more about Residential Retrofits for Energy Equity](#)

## Community Facilities Direct Loan & Grant Program for Rural Areas

Low-interest direct loans, grants, or a combination of the two are available to develop essential community facilities (not including private, commercial, or business undertakings) in rural areas through the Community Facilities Direct Loan & Grant program. The program is offered by the U.S. Department of Agriculture's Rural Development. Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses. Rural areas, including cities, villages, townships, and federally recognized tribal lands, with no more than 20,000 residents according to the latest [U.S. Census data](#), are eligible for this program. Applications for this program are accepted year-round.

[Learn more about the Community Facilities Direct Loan & Grant program](#)

# Community Heart & Soul Seed Grant Program

The Community Heart & Soul Seed Grant Program provides \$10,000 in startup funding for resident-driven groups in small cities and towns to implement the Community Heart & Soul model. Community Heart & Soul engages a motivated and dedicated group of individuals to help your town identify what matters most. The grant program is specifically designed for small cities and towns with populations of 2,500 to 30,000. Grant funding requires a \$10,000 cash match from the participating municipality or a partnering organization.

[Learn more and apply for a Community Heart & Soul Grant](#)

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Your LMC Resource

Research & Information Service staff members are ready to help you apply their broad knowledge to the issues you're dealing with today.

**[Access online form to submit a question](#)**, or call us: (651) 281-1200 or (800) 925-1122