



City of Blaine

City Council Workshop

July 15, 2024 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

2. Roll Call

3. New Business

3.1. 2024-301 Closed Session Pursuant to Minnesota Statute 13D.05(2)(a)(2) - Active Fraud Investigation Update

Sponsors: Brian Podany, Safety Services Manager/Police Chief

3.2. 2024-214 Local Affordable Housing Aid II

Sponsors: Elizabeth Showalter, Community Development Specialist

3.3. 2024-296 Long-Term Staffing Plan

Sponsors: Jason Zimmerman, Finance Director

3.4. 2024-302 Closed Session Pursuant to Minnesota Statute 13D.053(c)(3) Consider Purchase of 2043 105th Avenue NE

Sponsors: Erik Thorvig, Community Development Director

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2024-301

Agenda Date	Status
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July 15, 2024

In Control	File Type
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City Council

Workshop Item

New Business - Brian Podany, Safety Services Manager/Police Chief

Agenda Item # 3.1

Closed Session Pursuant to Minnesota Statute 13D.05(2)(a)(2) - Active Fraud Investigation Update

Background

Staff Recommendation

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2024-214

Agenda Date	Status
July 15, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 3.2

Local Affordable Housing Aid II

Background

In October 2023, the State began collecting a new 0.25% sales tax for affordable housing. That tax will be used for local affordable housing aid and local rental assistance programs. The City will be receiving approximately \$550,000 annually, depending on actual sales tax revenues.

Changes were made during the 2024 legislative session that expanded and modified the eligible uses of funds. The current eligible uses are:

1. Emergency rental assistance (at or below 80% AMI).
2. Financial support to nonprofit affordable housing providers.
3. Construction or rehabilitation of housing for:
 - a. Homeowners at or below 115% AMI (with priority at or below 80% AMI).
 - b. Renters at or below 80% AMI (with priority at or below 60% AMI).
4. Financing the operation and management of financially distressed residential properties.
5. Funding of supportive services for supportive housing.
6. Costs of operating emergency shelters.

Council Feedback

On April 8, 2024 staff provided an overview of the Local Affordable Housing Aid (LAHA) program and the eligible uses of funds to the City Council and requested feedback on potential uses for the funds. The feedback submitted following the meeting indicated the most support for:

1. Home Improvement
2. Home Purchase Assistance
3. Supporting Existing Renters and Owners

The populations identified as targets for programs were:

1. People with disabilities
2. Manufactured home park residents
3. Seniors
4. Veterans
5. Domestic violence survivors

Some councilmembers identified specific programs of interest:

1. Improving quality of existing manufactured homes.
2. Housing for people with disabilities (owner occupied or rental).
3. New siding and front doors for a specific group of homes visible from University Avenue.

Accessibility Audits and Grants

Livable Home Solutions (LHS) provides accessibility audits and project coordination and management for people with disabilities. The owner of LHS previously worked with the Longfellow neighborhood in Minneapolis and with the cities of St. Anthony Village and Roseville to provide aging in place audits and administered a small grant program for participants. Participants would receive an accessibility or aging in place audit, including a home inspection and written report with recommendations. Participants could then choose to make recommended improvements, with a small grant to cover some or all of the costs. The most common improvements made in the previous iterations of this program were installing grab bars, handrails on steps, and higher height toilets. Improvements may also include installing ramps, widening doorways to accommodate mobility devices, and nonslip flooring. Given the typical costs of the improvements, staff recommends that the grant component be for up to \$2,500 per household.

If the City Council is interested in offering this program, staff recommends offering the program to households at or below 80% AMI with at least one member over the age of 62 or a member of any age with a disability and a budget to support audits and grants for 50 households. Based on the initial discussion with LHS, the cost of the program, including promotion, the audits and written reports, assistance to homeowners in coordinating contractors, and administration of the grant funds, would be approximately \$150,000-\$175,000.

If this program is pursued, staff recommends funding the existing accessibility deferred loan program to be funded out of LAHA funds, instead of the current Home Improvement Loan Fund (HIL). The HIL funds are less restrictive than the LAHA funds, So by utilizing the more restrictive funds first, the City has the greatest flexibility for future programs.

Home Purchase Assistance

Staff met with a local bank to discuss the issues they see first time homebuyers facing that are not addressed by existing programs. An interest rate buy down program was identified as a need, since there are a wide variety of programs available for down payment assistance. This type of program would require the City to work with a bank to establish a forward commitment that would reduce interest rates on a set amount of mortgage dollars. A rough estimation of a potential program structure

would be an expenditure of \$100,000. The City could partner with a bank to provide a two point reduction on \$5 million in mortgages (approximately 14 loans at the current median sale value). The two point reduction would correspond to a reduction in interest rate of approximately 0.5%, depending on the loan size and loan product. The actual interest rates offered would be dependent on the partner lender and their margins.

An interest rate buy down program could be combined with the existing down payment assistance offered by the City and other agencies. The down payment assistance offered by Minnesota Housing Finance (MHFA) could not be included, since it must be used in combination with a mortgage from MHFA. The first generation homebuyer assistance funded by the state that is offered through Midwest Minnesota Community Development Corporation could be combined with an interest rate buydown. If the City Council decides to pursue the interest rate buydown, the volume of down payment assistance loans may increase beyond what can be sustained, which may necessitate funding the downpayment assistance program out of the LAHA funds.

If the City Council wants to pursue an interest rate buydown program, the next step would be for the City Council to determine how much money to allocate towards a program and for staff to prepare a Request for Proposals, or other solicitation, to solicit a potential lending partner. An initial expenditure of \$100,000 would fund between 10 and 20 loans, depending on the size of the loans.

Manufactured Housing Repair and Replacement

Several items are currently in progress related to manufactured housing. First, the EDA will begin offering deferred and forgivable loans for exterior repairs to manufactured homes funded by the state this month. Second, staff conducted an assessment on the entry steps for manufactured homes and is planning to pursue funding for a step replacement program through a Community Development Block Grant application. Third, staff are pursuing a grant application to determine the need and feasibility of a potential manufactured home replacement program.

Staff recommends waiting on any program expenditures in this area until the assessments are complete and the new loan program has been in place for at least six months to determine what needs remain unmet. At this time, staff is looking for feedback on whether this is an area that the City Council wants to save funds for.

Staff Recommendation

Questions for Council

1. Does the City Council support the establishment of an Accessibility Audit and Grant Program?
2. Does the City Council support an interest rate buydown partnership with a local mortgage lender?
3. Does the City Council support setting funds aside for manufactured home replacement?

Attachment List

None



City of Blaine

Staff Report

File Number: 2024-296

Agenda Date	Status
July 15, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.3

Long-Term Staffing Plan

Background

Each year as part of the budget process, staff reviews current organizational needs, especially as it relates to service delivery, and identifies staffing needs for the next five years. These requests are reviewed by the City Manager with a focus on correlating requests to the City's strategic plan, identifying expected outcomes, and measuring community impact.

The identification of staffing needs does not commit the City to filling these positions, but rather gives the Council and staff an idea of the impact those positions could have on the budget to better evaluate priorities and plan for these in advance. This process is meaningful as staffing decisions directly affect the City's ability to deliver customer service and meet expectations. With a growing population, anticipated development, and evolving community needs, the City benefits from strategically monitoring staffing needs and adjusting accordingly.

Staff will provide an overview of each department's functional responsibilities, current service levels, historical staffing, long-range direction, operational considerations, and future staffing requests. While the 2025 requests are important to dialog as the associated costs have an immediate impact on the tax levy/utility rates, coordinating a long-term staffing plan that is sustainable and consistent with Council direction will aid the development of future budgets and comprehensive financial plans.

While this model is a full view of City staffing, these figures don't include staff provided by SBM, nor the potential for 12 additional full-time firefighters to become a shared cost of member cities upon the conclusion of the SAFER grant, should the previously discussed grant application be awarded.

Staff Recommendation

This presentation is for information only at this time. The majority of these positions are based on staff's best estimates of what is needed to maintain current service levels. The upcoming small group

budget discussions will include a review of the based budget, which does not include new position requests at this time. (Note: the base budget information does include the potential for two additional patrol officers.)

Questions for Council

This long-term staffing plan is for information purposes only at this stage of development. Based on general feedback, staff anticipates further refinement of the plan and specific requests for the 2025 budget.

Attachment List

None



City of Blaine Staff Report

File Number: 2024-302

Agenda Date

July 15, 2024

Status

In Control

City Council

File Type

Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.4

Closed Session Pursuant to Minnesota Statute 13D.053(c)(3) Consider Purchase of 2043 105th Avenue NE

Background

Staff Recommendation

Questions for Council

Attachment List

None