



City of Blaine

City Council Workshop

January 12, 2026 | 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. 2026-015 Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update

Sponsors: Scott Johnson, Director of Administrative Services

3.2. 2026-016 Local Affordable Housing Aid (LAHA) Update

Sponsors: Elizabeth Showalter, Community Development Specialist

3.3. 2026-017 City Council's 2025 Accomplishments and 2026 Goals

Sponsors: Erik Thorvig, City Manager

3.4. 2026-018 Council Subcommittee Updates

Sponsors: Erik Thorvig, City Manager

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2026-015

Agenda Date	Status
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January 12, 2026

In Control	File Type
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City Council

Workshop Item

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.1

Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update

Background

Labor Attorney Lida Bannink will be present at the Closed Session to provide an update on labor negotiations with the Police Officers, Public Works, and Police Sergeant Unions.

Staff Recommendation

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2026-016

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City Council	Report

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 3.2

Local Affordable Housing Aid (LAHA) Update

Background

The State of Minnesota established a 0.25% sales tax in the 2023 housing omnibus bill, a portion of which is allocated to cities and counties as local affordable housing aid (LAHA). The City of Blaine has received \$1,065,070.61 to date. This report will provide a summary of the use of these funds and options for use of these funds going forward.

Eligible uses under state statute:

1. Emergency rental assistance for households at or below 80% Area Median Income
2. Financial support to nonprofit affordable housing providers
3. Affordable housing development, acquisition, rehabilitation, and financing
4. Operations and management of financially distressed residential properties
5. Supportive services for supporting housing (added in 2025)
6. Emergency shelter operations (added in 2025)

In 2024, the City Council provided direction through two City Council workshops to utilize these funds for three purposes:

1. Home buyer lead affordable homeownership programs
 - a. Down payment assistance (\$89,250 expended to date)
 - b. Interest rate buydown through partnership with Refined Lending (\$40,000)
2. Accessibility/aging in place audit and grant program
 - a. RFP released in early 2025, with two vendors expressing interest, but neither responded to the RFP.
3. Set money aside for manufactured home replacement program (no LAHA funds yet expended)
 - a. Feasibility and needs assessment study funded by Met Council is nearing completion

- b. Preliminary findings suggest that a per unit subsidy of at least \$50,000 will be necessary to successfully replace severely substandard homes

In addition to the items listed above, the City Council may pursue additional uses for LAHA. Items that have previously been discussed:

1. Replacing or supplementing charitable gambling allocations to housing related nonprofits
 - a. Home for Youth, Stepping Stone, Family Promise, and Alexandra House would be eligible recipients, but would be required to provide reporting on the use of funds, which is not currently required for the charitable gambling allocations.
 - b. Statute requires that "a recipient must commit to using funds to supplement, not supplant, existing locally funded housing expenditures, so that the recipient is using the funds to create new or to expand existing housing programs." While the charitable gambling revenue does not meet the definition of locally funded housing expenditures, since it is a restricted fund, the City Council may find that fully replacing charitable gambling allocations with allocation of LAHA is not consistent with the statutory guidance.
2. Manufactured home park resident concerns expressed to staff and City Council members.
 - a. Tree trimming: Many residents expressed a need for tree trimming to prevent damage to their home but an inability to pay for the trimming. Trees are owned by the parks, but most parks consider removal of nonhazardous trees and tree trimming to fall under the tenant responsibilities. If the City Council is interested in pursuing a program to address this need, staff can complete further research to determine whether LAHA or other available funds could be used for this purpose.
 - b. Lot rent financial assistance: A short term, emergency assistance program to help residents experiencing temporary unemployment or other financial stresses would be an eligible use. Current staff would not be able to administer a rent assistance program, and the City would need to contract with an outside agency for administration.

The City Council discussed the possibility of utilizing LAHA or pooled housing TIF to provide financial assistance to Cloverleaf Courts and Blaine Courts with rehab projects. All eligible uses of pooled housing TIF are also eligible uses for LAHA, but LAHA has many additional allowed uses, therefore staff recommends using the more restrictive source, which is pooled housing TIF. The owner of the buildings is also capable of the necessary reporting for TIF, which is more onerous than LAHA. A nonbinding term sheet will be brought forward for EDA review on January 21.

A workplan summarizing all housing programs funded by grants, the home improvement loan fund, and LAHA is attached.

Staff Recommendation

Questions for Council

Does the City Council want to continue utilizing LAHA funds as directed in 2024?
Does the City Council want to add any uses?

Attachment List

1. Housing Workplan January 2026

HOUSING WORKPLAN

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Active Grants

Manufactured Home Exterior Deferred Loans

Funder: Minnesota Housing Finance Agency

Amount: \$372,000

Project Partners: Center for Energy and Environment

Timeline: Project completion by 7/24/26

Project Summary: Deferred loan program for exterior repairs on older manufactured homes. Application review and loan origination completed by Center for Energy and Environment. Promotion and reporting completed by City staff.

Status: Applications being accepted.

Manufactured Home Replacement Feasibility

Funder: Metropolitan Council Livable Communities Program

Amount: \$56,500

Project Partners: Slipstream, Socios Consulting, Center for Urban and Regional Affairs (University of Minnesota)

Timeline: Grant expires December 31, 2026

Project Summary: Feasibility analysis and program design study for a potential manufactured home replacement program including physical assessments of homes, surveys and interviews with homeowners, and program design based on that data.

Status: Data collection complete, funding structures and program design tasks remain with completion anticipated April 2026.

Heat Tape Installation

Funder: Anoka County Community Development Block Grant (COVID Relief)

Amount: \$60,000

Project Partners: Bob's Mobile Home Repair

Timeline: All program expenditures by February 1, 2026

Project Summary: Installation of heat tape on manufactured homes at no cost to homeowners. Application review completed by staff. Installation completed by contractor and billed to the EDA for payment.

Status: Applications being accepted and reviewed.

Floodplain Ordinance and Program Development

Funder: Metropolitan Council Livable Communities Program (HUD Pro Housing Grant)

Amount: \$50,000

Project Partners: Two Degrees of Depth

Timeline: Grant agreement executed, work expected to begin this summer, project completion by 2027.

Project Summary: Development of evacuation and warning plan and voluntary floodproofing program for homes in Park of Four Seasons and Blaine International Village.

Status: Remaining consultant selection underway.

Home Improvement Loan Fund

Home Improvement Loans

Project Partners: Center for Energy and Environment

Project Summary: Standard repayable loans for general home improvements and income/need based emergency repair deferred loans. Application review, loan origination and loan servicing by Center for Energy and Environment.

Status: Changes to loan terms being incorporated into contract, applications accepted and reviewed on a rolling basis

Home Improvement Grants

Project Partners: None

Project Summary: Grants to promote major remodeling and curb appeal improvements. All work completed by city staff.

Status: Applications being accepted for March 15, 2026 deadline.

Local Affordable Housing Aid

Down Payment Assistance

Expenditures: \$20,000 (LAHA funded only)

Project Partners: Center for Energy and Environment

Project Summary: \$5,000 or \$10,000 deferred loans for first time homebuyers. All work completed by Center for Energy and Environment

Status: Applications being accepted and approved on rolling basis.

Interest Rate Buydown

Expenditures: \$40,000

Project Partner: Refined Lending

Project Summary: Payment of one time fee to support below market rate mortgages.

Status: Program completed. Due to pace of applications, staff does not recommend renewal.

Accessibility/Aging in Place

Expenditures: \$0 (loan program moved to this fund at end of 2025)

Project Partners: Center for Energy and Environment

Project Summary: Current consists of deferred and forgivable loans for accessibility improvements identified by the homeowner's doctor. Intend to expand to include an accessibility audit and grant program.

Project Status: RFP issued in 2025 for accessibility audit program and received two inquiries, but no formal responses. Staff plan to work on identifying a partner for the audit program.

Potential Future Projects

Manufactured Home Replacement Program

Potential Funding Sources: Blaine Local Affordable Housing Aid, Anoka County Statewide Affordable Housing Aid, Minnesota Housing Finance Agency Grants, collaboration with housing nonprofits.

Summary: Funding replacement of substandard manufactured homes that are no longer cost effective to repair. Program will likely layer several funding sources to achieve an affordable loan payment for the homeowner.

Voluntary Floodproofing

Potential Funding Sources: Local Affordable Housing Aid, FEMA/State Hazard Mitigation grants

Summary: Contractor installed flood vents and adjustment to electrical connections to prevent damage to structures and reduce fire risk during a flood event. Program is expected to function similarly to the heat tape installation program.



City of Blaine Staff Report

File Number: 2026-017

Agenda Date

January 12, 2026

Status

In Control

City Council

File Type

Workshop Item

New Business - Erik Thorvig, City Manager

Agenda Item # 3.3

City Council's 2025 Accomplishments and 2026 Goals

Background

As the year draws to a close, city council will reflect on their 2025 accomplishments, highlighting progress made in economic development, infrastructure, and finance. Looking ahead, council will outline their ambitious 2026 goals.

Staff Recommendation

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2026-018

Agenda Date	Status
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January 12, 2026

In Control	File Type
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City Council

Workshop Item

New Business - Erik Thorvig, City Manager

Agenda Item # 3.4

Council Subcommittee Updates

Background

Annually, there are mayoral appointments to external boards that city council members participate on. In an effort to inform the full council about activity on these boards, the interim city manager has asked for a brief update of three of these boards from the representative members at the workshop. The city manager envisions this being a quarterly update going forward with updates on different boards at each meeting. The council will hear updates on the following:

North Metro TV Cable Commission - Massoglia
Twin Cities Gateway- Fleming

Staff Recommendation

Receive the reports.

Questions for Council

Attachment List

None