

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, August 2, 2021

6:00PM
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Sanders at 6:00PM.

ROLL CALL

PRESENT: Mayor Tim Sanders, Councilmembers Julie Jeppson, Chris Massoglia, Richard Paul, Jess Robertson, and Jason Smith.

Adjunct Member Drew Brown.

ABSENT: Councilmember Wes Hovland.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Community Development Specialist Elizabeth Showalter; Public Works Director Jon Haukaas; Senior Parks and Recreation Manager Jerome Krieger; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; City Planner Lori Johnson; Public Service Worker Kristian Gaasland; and City Clerk Catherine Sorensen.

3.1 Skate Park Discussion.

Senior Parks and Recreation Manager Krieger stated over the last several years, the Park Board has received a number of inquiries about constructing a new skate park in Blaine. As such, the Park Board has recommended moving this forward to the city council for discussion. Staff provided the council with a presentation on the history of the existing skate park, discussed the costs for a new skate park, and requested feedback on the topic.

Councilmember Jeppson stated the existing skate park looks to be in poor shape and questioned how many requests staff gets for a new skate park. Mr. Krieger commented every year staff receives requests and this year staff has received many more.

Councilmember Jeppson indicated she was in favor of moving forward with a skate park and suggested Jim Peterson Park be considered for this amenity. She believed this would be a great opportunity for a public/private partnership or other sponsorships to assist with paying for and maintaining the skate park.

Mr. Krieger commented there was a grant opportunity he would be pursuing if the council supported the skate park moving forward.

Councilmember Robertson stated she was not against a new skate park but recommended the city pursue a public/private partnership for this amenity and wanted to see a responsible timeline considered for this project given the number of large parks projects the city was doing.

Councilmember Smith explained he supported a skate park moving forward and requested staff pursue grants or public/private partnerships for the project. He confirmed that Jim Peterson Park had been identified within the parks master plan for a skate park.

Councilmember Paul thanked staff for bringing this matter forward. He supported staff further investigating a skate park in Blaine and recommended partnerships be pursued.

Mayor Sanders supported the old skate park being removed and updated. He commented he was unsure if Jim Peterson Park was the right place for a new skate park. He wanted a site chosen that kids could get to safely. He explained he liked the idea of the skate park accommodating many uses whether it was BMX bikes, skateboards, scooters or roller blades. He believed this was a worthy project that would get a lot of use.

Councilmember Massoglia stated from a funding standpoint, he would like to see park dedication fees used in the neighborhoods they originated from. He indicated it would be disappointing to put this skatepark in a ward that was not currently generating park dedication fees.

3.2 SCADA System Demo.

Public Works Director Haukaas provided the council with a presentation on the city's SCADA system. He discussed the city's water trends and described how the city was responding to the drought conditions. He explained the new SCADA system has dramatically improved staff's ability to respond to problems in the system while still providing water for the city.

Councilmember Jeppson asked if the new SCADA technology provided protection from outside forces. Mr. Haukaas reported all cyber security systems protections were met with the new system and reported the new SCADA system was fully encrypted on its own separate network for additional safety.

3.3 Discuss Regulations Related to Accessory Dwelling Units.

Community Development Specialist Showalter stated accessory dwelling units (ADUs) are dwelling units that are either attached or adjacent to a primary home and act as an accessory apartment with separate cooking and living spaces. An ADU is different from a duplex in that standards are put in place to make the ADU clearly accessory to the primary home and there may be residency requirements to require either the home or ADU be owner occupied. ADUs can be built in a variety of ways including converting a walk out basement to a separate dwelling unit with separate entrance, building an apartment above an attached or detached garage, or building a detached structure in the back yard.

Ms. Showalter explained ADUs are commonly constructed to retrofit an existing home to accommodate multigenerational living or to create a rental unit for additional income. Recently, new home builders have started offering floor plans that include separate living quarters marketed towards families looking to care for aging relatives or adult children with disabilities, accommodate adult children living at home, or to share mortgage payments between a parent and adult child. Lennar is currently offering their Next-Gen home in Lakeville and Rosemount and has previously offered it in Plymouth. Staff commented further on how other cities were addressing ADUs and requested the council discuss whether to amend the zoning ordinance to allow accessory dwelling units, and if so, what standards to apply.

Councilmember Robertson asked if peer cities had lot size requirements for ADUs. She explained that if the city had lot size requirements for sheds, she believed ADUs should have a lot size requirement. Ms. Showalter reported it was common to have a higher minimum lot size for detached ADUs. She indicated it was common for backyard ADUs to count for an accessory structure and no other structure would be allowed.

Councilmember Smith suggested owner-occupancy be required. He discussed how the ADUs could be rented and recommended the property only have one utility drop. He recommended a maximum size be set for the ADUs and that a limit be set for the number of accessory structures on a lot. He questioned how many vehicles a home could have. Ms. Showalter stated if ADUs were pursued, she would recommend an additional off-street parking space be provided on the property.

Mayor Sanders stated he would support ADUs based on the Lennar model.

Councilmember Jeppson stated she agreed with Councilmember Smith's comments. She explained there was a need for the city to provide unique living situations for families with aging parents or children who return home. She reported people were living and working differently and she wanted the city to be able to accommodate families. She indicated she would like the code to discourage rentals within ADUs. Ms. Showalter stated ADUs were

typically for unique living situations due to the expense of the units then added that only two ADUs had been approved in the city of Apple Valley.

Councilmember Paul hoped this type of housing could be accommodated in Blaine. He indicated the housing needs in Blaine were changing and he wanted to see ADUs pursued.

Councilmember Robertson stated owner-occupancy would be key. She explained she wanted these units to be for mother-in-law situations or children who have returned home after college. She indicated she could support attached or detached units. She recommended the architectural standards be strict so that the ADUs reflect the home. She commented she was not opposed to ADUs being approved through the conditional use permitting process.

Councilmember Massoglia indicated he supported the ADUs being owner-occupied. He indicated if the units were going to be detached if the city's garage and shed ordinance should be reconsidered.

Council consensus was to support owner-occupied ADUs.

3.4 Affordable Housing Programs.

Ms. Showalter stated at the city council retreat on May 22, 2021, staff provided an overview of potential housing programs that would improve the quality of housing in the city or expand housing opportunities for lower income households. This report outlines the potential to use a portion of the funds currently in the Revolving Home Improvement Loan Fund for additional programs to achieve these goals through home improvement and purchase assistance programs. Staff reviewed the goals these programs would achieve within the comprehensive plan.

Ms. Showalter reported the fund currently has a balance of \$2.7 million and a fairly steady cash flow from the repayment of revolving loans. As of July 1, 2021, approximately \$500,000 of loans are currently outstanding. Annually, the fund provides an average of \$100,000 in repayable loans and has \$15,000 in administrative costs and forgivable loans. The fund's reserves generate investment earnings as part of the city's investment portfolio and most loans from the account are repaid with interest. Approximately \$65,000 is received annually in interest and loan repayments. The accumulated interest covers administrative costs and forgivable loans. Over time the fund has increased in size and there are adequate reserves on hand to support the current loan programs. The reserve funds may be used for a variety of new programs that can be grouped into grants, loans, and purchase-assistance programs.

Ms. Showalter explained the objective of the proposed grant program is to promote improvements to homes in older neighborhoods. The grantees may be able to afford the improvements, but the grant provides the necessary encouragement to take on a project or

to expand the scope of a project to improve curb appeal. This promotes neighborhood stability and a steady or increasing tax base in those neighborhoods that may be susceptible to declines in value as the homes age. To target the desired homes, staff recommends eligibility be limited to owner-occupied homes that are at least 30 years old and have an assessed value of \$350,000 or less. Approximately 8,500 homes in Blaine would be eligible for the program under these requirements. The requirements can be modified in the future if the Council feels the program is under-utilized. Staff commented further on the additional housing programs that could be considered by the city and requested feedback from the council.

Councilmember Massoglia asked if the owners of rental properties could take advantage of the remodel and curb appeal programs. Ms. Showalter explained those programs require owner-occupancy, but this could be changed.

Councilmember Robertson questioned how these programs would be funded. Ms. Showalter reported the funding was provided by interest generated by the investment pool and from payments made back to the city for loans/grants.

Councilmember Robertson stated she believed the proposed programs were great and she supported helping residents make improvements to their homes, especially aging residents who wish to stay in their homes.

Mayor Sanders requested further information on the \$500,000 in outstanding loans. Ms. Showalter reported loans were paid back in terms of five to 20 years. She explained the \$500,000 was the amount due back to the city in loans currently.

Councilmember Jeppson stated the two curb appeal grant programs were great options. She indicated the major remodel program was more of a concern to her and wanted to see this program be more robust. She stated concerns with the city acting as a bank through these programs but noted if other cities were offering similar programs, she could support these housing programs moving forward.

Councilmember Paul commented he supported these programs as they would assist both residents and the housing in Blaine. He questioned how residents would qualify for the loans. Ms. Showalter reported the grant programs would have minimum qualifications such as the value of homes. She noted there would be no risk to the city on the grants. She explained for the loans, the city would work with lending officers for the Center for Energy and Environment to ensure the loans could be paid back. She noted there would be income restrictions for some of the programs.

Councilmember Paul supported the housing programs moving forward and thanked staff for their efforts.

Councilmember Jeppson questioned if the city should consider changing the name of the programs from affordable housing programs to something more suitable. Ms. Showalter reported this could be done in order to more closely reflect the types of housing programs the city was offering for Blaine residents.

Community Development Director Thorvig stated it was better for a city to be proactive and offer these types of housing programs than for its housing to continue to age and decline. He reported programs like this would definitely benefit the older homes in Blaine.

Mayor Sanders questioned how the city would be proactive in getting the word out about these programs. Ms. Showalter explained the Center for Energy and Environment would work to market the programs to residents and suggested if the grant programs were pursued a mailing list be created for the homes that would qualify for marketing mailers.

Councilmember Smith supported offering down payment assistance to new residents moving into Blaine.

Councilmember Paul supported only offering the grants and assistance to existing Blaine residents.

Councilmember Massoglia agreed with Councilmember Paul. He suggested staff speak with local real estate agents to make them aware of the housing assistance programs the city has in place.

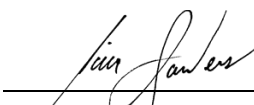
Councilmember Jeppson supported the city offering down payment assistance to new residents who move to Blaine.

Council consensus was to support grant programs as outlined and to extend down payment assistance for people who want to move to Blaine.

3.5 Other Business.

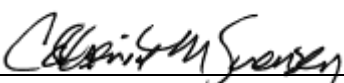
City Manager Wolfe reviewed the upcoming workshop schedule with the council.

The Workshop was adjourned at 7:20PM.



Tim Sanders, Mayor

ATTEST:



Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial