

The meeting convened at 6:10 p.m. at Wat Thai of MN Temple.

Councilmembers present: Mayor Jake Spano, Tim Brausen, Rachel Harris, Anne Mavity, and Margaret Rog.

Councilmembers absent: Steve Hallfin, Thom Miller

Staff present: City Manager (Mr. Harmening), Chief Financial Officer (Mr. Simon), Engineering Director (Ms. Heiser), Deputy City Manager/Human Resources Director (Ms. Deno), Community Development Director (Ms. Barton), Housing Program Coordinator (Ms. Olson), Housing Supervisor (Ms. Schnitker), Economic Development Coordinator (Mr. Hunt), Communications Manager (Ms. Smith), Senior Management Analyst (Ms. Solano), and Recording Secretary (Ms. Pappas).

Guests: Larry Kraft (councilmember – elect); Jade Arocha, National Research Center; Michael Darger, University of MN Extension Services.

## **1. Future study session agenda planning and prioritization**

Mayor Spano thanked the staff at Wat Thai for hosting the council meeting this evening, and the Wat Thai staff also thanked the council for having their meeting at the temple.

Councilmember Mavity pointed out the Jan. 13 agenda item related to Sam's Club stating she wants the city to be in the strongest position possible to communicate their vision for the site, and not be reactive. She added this also holds true for the Wooddale and Highway 7 area.

Mayor Spano and the council agreed that Mr. Kraft could participate in the study session this evening.

## **2. Community survey**

Ms. Solano introduced Ms. Arocha, senior researcher from the National Research Center. Ms. Arocha presented an overview of the National Research Center's methodology and practices to the council.

Councilmember Harris stated she has concerns about this survey to city residents overlapping with the census, during the same timeframe. Ms. Arocha stated this is the reason for doing the National Community Survey in early 2020, so as not to overlap. She noted if begun in early February, data collection and survey results could be completed by mid-May.

The council indicated they still had concerns, however, about this survey overlapping with the census survey in early 2020.

Ms. Arocha pointed out the benchmarking tools of the survey allow for comparison among communities, which she listed out for the council. She explained some customization can be added to the surveys; however, there are cost considerations to be reviewed. Ms. Arocha noted the basic survey costs, which includes mailing to 1,700 households and is a three-part survey, is \$15,700. Optional added on services and survey customization can add an additional \$5,400 approximately.

Mr. Harmening stated the city has budgeted \$25,000 for the survey.

Councilmember Mavity stated she supports benchmark surveys and defers to staff on the specifics. She stated she would like to see questions that address those that feel less connected to the community, and especially for the city's diverse population and people of color, and then to benchmark these responses against other cities. Councilmember Mavity also stressed the importance of having questions in multiple languages, to include the many different language speakers within the community.

Ms. Arocha stated this can be done but noted it can also be cost prohibitive. She stated NCR does provide a cover letter for the survey in several languages.

Councilmember Rog stated she is not as enthusiastic about the survey and asked how previous surveys worked to change or update city policy. Mr. Harmening noted one example where policy changed as a result of the survey, related to property maintenance and upkeep of commercial, industrial and residential properties.

Councilmember Rog stated she also has concerns about the lack of a cultural lens on questions and about the use of a cover letter that encourages folks to find an English-speaking person for help on the survey.

Ms. Arocha stated NRC does not discount the importance of non-English speaking persons within the survey; however, the lowest response rates do come from diverse groups, the young and older populations, and renters.

Councilmember Rog noted the city is also looking for ways to use less jargon, adding she noticed one of the survey questions was not user-friendly in this way. Ms. Arocha stated NRC will work with the council on customizing questions. However, the questions cannot be changed completely so as to be useful for benchmark purposes. She also pointed out that customization will add costs.

Councilmember Brausen stated he is supportive of doing this, it makes sense, and standardization makes sense also. He trusts the professionals to design the questions and would like input on the Climate Action Plan and suggested questions that could be included. He also would like a customized question on Connect the Park, and to see how committed residents are to this program as well.

Councilmember Mavity agreed on the Connect the Park questions, adding she is very supportive of the benchmarking.

Mayor Spano added he is interested in the survey and gathering data, adding it might be helpful to gather data over time. He stated he likes the specificity of this and would want to be very clear about what the council wants to get out of the survey and collect data that is actionable. Mayor Spano added he too is concerned about the timing and overlapping with the census.

It was the consensus of the council that they are interested in exploring this further and would like staff to come back with details and cost information.

### **3. Local options sales tax**

Mr. Darger from the University of MN Extension Services presented an analysis of local option sales tax at one-quarter cent and one-half cent. He noted examples and stated that St. Louis Park has 43,000 people that come into the city to work, and 25,000 who leave the city for work, while 3,000 live and work in the city. He pointed out this totals \$1 billion in taxable sales for St. Louis Park, adding that most commuters into the city shop in the general merchandise area and groceries. Mr. Darger noted these are all estimates, with no real-time data, but just reasonable assumptions that were confirmed with staff.

Councilmember Mavity stated this looks like a great tool to capture revenue for the city where almost one-half comes from folks outside of the city. She stated she does lean toward this sales tax and having outside folks help pay for the city's roads and infrastructure, especially since they are utilizing these roads.

Ms. Solano stated if the council wants to move forward on this, staff will need to notify the state's tax committee by Jan. 31, then work with legislators during the 2020 session, and if passed, it will need to be brought forward to residents in a referendum within two years.

Councilmember Harris asked how many roads are worked on per year. Ms. Heiser stated typically it has been one state aid project per year and in 2019, it was the Cedar Lake Road project, in 2020 it will be the Louisiana Ave Project, and in 2021 it will be Monterey and Wooddale. Ms. Heiser added these are all highly traveled roads and will need to be maintained over the next years.

Mr. Harmening added funds can also be used for Connect the Park projects and other goals, such as LED lighting and roundabouts. Mr. Harmening continued the city is looking out for itself here, noting the streets that currently exist will need to be maintained and there are gaps that exist. He added the region uses these roads and the city's taxpayers should not have to carry that tax burden.

Mayor Spano stated he wants to be sure city residents - whether they are property tax payers or not - are paying for our roads; however, it is also good to look for options to defray the costs and take some of the burden off residents.

Mayor Spano asked what happens if the state provides monies for a project, and some of the monies are not used. Mr. Harmening stated the money must go for the specific project that is identified at the time the project was voter approved. If the monies are not used, they must be reimbursed back to the state.

Councilmember Harris stated she is interested in continuing to pursue this and agrees with the five proposed projects.

Councilmember Mavity stated she also appreciates this option and supports it vs. imposing a much higher levy directly to residents.

Councilmember Brausen added he is also in favor of doing this and spreading the cost among residents and non-residents and is in favor of the five projects as well.

Councilmember Rog is not sure and while she understands the need, is concerned as this is again a car-focused issue. She is curious if there are opportunities to improve trails also for bikers and pedestrians and if so, how.

Ms. Heiser stated that each of the five projects noted include both bike and pedestrian improvements and are part and parcel of each project.

Ms. Deno stated the legislature has requirements but added the MSA projects are multi-modal.

Mayor Spano noted he is also in favor of the idea and would like to see how other cities are doing this.

Ms. Solano stated staff is already in conversations with the city's legislative representatives.

#### **4. Affordable Housing Trust Fund (AHTF) Use Guide**

Ms. Barton stated council adopted the AHTF last year and since that time, staff has been working on sourcing funding and developing a user guide. She stated tonight Ms. Schnitker would review the user guide draft with the council and discuss.

Ms. Schnitker reviewed the guide with the council.

Councilmember Harris asked why there is such a difference from 60% AMI for rental vs. 80% AMI for home ownership. Ms. Schnitker stated this is in order to attempt to provide a deeper affordability in rental properties. She continued, home ownership is more realistic at 80% AMI, and trying to reach it any lower than that is difficult.

Mayor Spano asked if the affordable trust fund is a first resort, last resort, or another. Ms. Schnitker stated it is part of a suite of packages and is an additional funding mechanism to provide incentive.

Councilmember Mavity noted the city should think about a more proactive approach on projects in St. Louis Park, such as multi-home ownership models. She continued it would be helpful also to think about timing, and making sure it lines up correctly, and possibly earlier in the year.

Councilmember Rog pointed out folks at the 30% affordability level may have other barriers for stable housing, and asked, since the trust fund does not allow additional funding for services, who does the city partner with. Ms. Schnitker stated the developers have experience with this, and have built relationships with service agencies, and build this into their models of affordable housing.

Ms. Olson added city residents have support services through the county as well, that they are often eligible for.

Councilmember Rog asked how private cash donations designated for the trust fund might pan out, adding she sees this as a great opportunity for the city to work with employers to contribute to the housing fund. Ms. Schnitker stated donations can be accepted into the trust fund.

Councilmember Harris stated she appreciated the framing of the guide and is curious to see if it could be revisited every couple of years. She asked how rent ceilings differ from rent control. Ms. Schnitker stated rent ceilings are determined by the level of affordability set by HUD and cannot exceed these levels.

Councilmember Brausen stated this is a really flexible tool, and targets segments that need help the most – the underserved. He asked that language be changed from “proposals that target will be preferred” to “may be preferred” – in order to create as much housing as possible. He stated he is supportive of this.

Councilmember Mavity asked how much money the trust is going to have available annually. Ms. Barton stated with HRA levy and tax increment pooling, it will vary from year to year, but in 2020 there will be between \$1 million to \$1.5 million in the fund.

Councilmember Mavity added she is not in favor of having the Housing Authority (HA) review applications. Councilmember Brausen agreed and said he does not see the need for the HA to review the applications.

Ms. Schnitker stated staff was trying to be responsive to the body that represents housing in the community, but it will be up to the council on how to handle this.

Councilmember Rog stated she supports the Housing Authority review, but added it warrants more discussion and the members of the Housing Authority are invested also. She likes the idea of community representative involvement and not only the city council.

Mayor Spano stated while the guide discusses lead abatement, it does not address asbestos or other harmful chemicals in homes. Ms. Schnitker stated HUD oversees all lead abatement and there is criteria for that. Ms. Schnitker stated staff will revise the guide with suggestions from the council and submit it back to council for formal approval.

Mayor Spano stated he prefers this item not be on the consent agenda when up for approval.

## **5. Election holiday discussion**

Ms. Deno stated Councilmember Miller brought this item forward for discussion by council as well as other considerations including staffing to provide election services needed for residents and information on current designated holidays for staff.

Councilmember Brausen stated he is against this.

Mayor Spano stated he was in favor, but now is opposed, stating the city can do other things to drive serious voter turnout.

Councilmember Mavity added it seems counter to early voting.

Councilmember Harris agreed, adding early voting grows each year, and she does not see a need to provide a holiday for Election Day, adding it would not guarantee more citizens would vote.

Councilmember Rog stated she also is not in favor and would like to look at mail-in voting as an option for St. Louis Park.

The consensus of the council was not to move forward on this item.

#### **Communications/meeting check-in (verbal)**

Councilmember Mavity noted the written report on 2020 draft legislative issues and priorities and stated the League of Cities has taken a stand on the 4D tax classification rate, noting that property taxes take money away from cities and she would prefer to hold on this unless and until there is a study.

Councilmember Mavity added that Ryan Winkler, St. Louis Park's MN house representative is supportive of marijuana legalization, which comes with a tax. She suggested support for this and to use the taxes for the Climate Action Plan or affordable housing.

Mr. Kraft asked how effective the legislative priorities document has been and how much time is spent on it.

Mayor Spano stated the council spends one meeting talking with the legislators on this, and focusing on the front page, and the rest of the document is background for staff. He noted the council needs to be intentional on about four items to present to legislators.

Councilmember Harris added these four items will need to align with the strategic priorities of the city as well.

Councilmember Harris stated she would support reinstating the right to vote for city residents who are out of prison. The council agreed with her on this item.

Councilmember Rog added she is concerned about the Crime Free Work Group and said this has been very challenging. Mr. Harmening stated the group will finish out the process, and then present a report and recommendations to the council.

Mr. Harmening noted there will be warm areas for folks if needed, at the Holiday Train on Wednesday, Dec. 11, in light of the sub-zero temperatures.

The meeting adjourned at 10:00 p.m.

Written Reports provided and documented for recording purposes only:

- 6. 2020 draft legislative issues and priorities report**
- 7. Accessory dwelling unit ordinance update**
- 8. Crime/drug free rental ordinance workgroup update**

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Melissa Kennedy, city clerk

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Jake Spano, mayor