Housing and Redevelopment Authority

Monday, June 3, 2024
5:30 PM
Elk River City Hall

Regular Meeting
&
Work Session
Agenda

- Regular meeting in Council Chambers
- Work Session meeting in Upper Town Conference Room immediately following regular meeting

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1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. CONSIDER AGENDA

4. CONSENT AGENDA
   Considered to be routine and noncontroversial and will be approved by one motion. There will be no separate discussion of these items unless there is a request to remove the item from the consent agenda to the regular agenda.

   4.1 HRA Minutes - May 6, 2024

   4.2 Check Register

   4.3 Balance Sheet

   4.4 Revenue/Expenditure Reports

5. OPEN FORUM
   An opportunity to provide comments and feedback regarding items not on the agenda. Information provided in Open Forum will not be discussed at this meeting; rather, the information will be referred to staff and/or scheduled for discussion at a future meeting.

6. GENERAL BUSINESS
   Items in which the information is presented by city staff or consultants, then deliberation and action occur. General Business items are not opportunities to receive or provide public input. However, the presiding officer may, at its sole discretion, solicit public feedback.

   6.1 Housing Rehabilitation Loan Program Update

   6.2 Duffy Development Letter of Support for Coachman II State Funding Application

   6.3 Placer.ai Presentation

   6.4 Extension - Sale of Main and Gates Properties

   6.5 General Updates

7. MOTION TO ADJOURN REGULAR MEETING

8. WORK SESSION – UPPER TOWN CONFERENCE ROOM

Work Sessions are less formal meetings to encourage dialog. Official action or votes are not typically taken. At the conclusion of a discussion, a simple consensus provides staff direction for execution of the item. This portion of the agenda is audio recorded but not video recorded or broadcast. Work Sessions are open to the public; however, visitors who wish to provide input must be invited by the presiding officer, assume a seat at the discussion table and provide their full name and address for the official record.

8.1 Substandard Property and Redevelopment at 19116 Troy Street

8.2 Housing Rehab Loan Program Overview

9. MOTION TO ADJOURN

Meeting of the Housing and Redevelopment Authority Held at the Elk River City Hall Monday, May 6, 2024

Members Present: Councilmember Jennifer Wagner, Commissioner Dennis Chuba, Commissioner Nate Ovall, Commissioner Lynn Caswell, Commissioner Mel Beaudry

Members Absent:

Staff Present: Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, and Recording Secretary Jennifer Green

1. CALL MEETING TO ORDER

   Pursuant to due call and notice thereof, the meeting was called to order at 5:31 p.m.

2. PLEDGE OF ALLEGIANCE

   Chair Chuba led the Pledge of Allegiance.

3. CONSIDER AGENDA

   Moved by Commissioner Nate Ovall and seconded by Commissioner Lynn Caswell to approve the May 6, 2024, HRA agenda. Motion Carried 4-0.

4. CONSENT AGENDA

   Moved by Commissioner Nate Ovall and seconded by Commissioner Mel Beaudry to approve the Consent Agenda. Motion Carried 4-0.

   4.1 Minutes from April 1, 2024

   4.2 Check Register

   4.3 Balance Sheet

   4.4 Revenue/Expenditure Reports

5. OPEN FORUM

   No one appeared for Open Forum.

6. GENERAL BUSINESS

Commissioner Wagner arrived at 5:35 p.m.

6.1 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report. He noted an ad was placed in the Spring Home Improvement section of the Star News promoting the loan program funds.

Commissioner Ovall asked if the loan program interest rate should be raised to be in line with the current market, noting that prime is currently at 8.5%.

Mr. O'Neil stated the HRA can review the loan program policy at any time to discuss changing the interest rate.

Chair Chuba stated he doesn't feel it's necessary to raise the interest rate, and felt it was a benefit to the residents to have a lower rate.

Commissioner Caswell asked about the loan criteria for the loan program.

Mr. O'Neil explained the criteria. He asked that the upcoming utility mailer highlight the low interest rate of 4%.

6.2 Placer.ai Renewal

Mr. Mollan presented the staff report.

Commissioner Ovall asked if the data from Placer.ai is available to outside users or strictly staff.

Mr. Mollan indicated only staff are allowed the use of the software and sometimes staff shares information with outside entities.

Mr. O'Neil stated the license agreement restricts the usage to staff only.

Moved by Commissioner Lynn Caswell and seconded by Commissioner Nate Ovall to approve a one-year renewal of the Placer.ai subscription. Motion Carried 5-0.

6.3 State Affordable Housing Aid

Mr. O'Neil presented the staff report. He indicated future work sessions would be held for the HRA to develop programs to provide funds to support affordable housing initiatives.

6.4 Furniture Placement at 724 Main Street

Mr. O'Neil presented the staff report and stated the agreement is being finalized. He ask the HRA to approve the placement of the outdoor furniture, stating it was important to recognize the efforts of our community partners and the furniture will be a nice amenity to this area.

Moved by Commissioner Jennifer Wagner and seconded by Commissioner Mel Beaudry to approve placement of outdoor furniture at 724 Main Street by Furniture and Things (FT), Plants and Things (PT), and the Downtown Business Association (DERBA) for public use

during the 2024 summer season, conditional on a written memorandum or agreement between the HRA, PT, FT and DERBA in a form approved by the city attorney. Motion Carried 5-0.

6.5 General Updates

Mr. Mollan discussed the placement of temporary signage to support the local businesses impacted by the Main Street closure due to the 169 construction. He stated the Together Elk River Committee is placing a 4x8 double-sided changeable copy sign temporarily at the HRA Main and Gates property from now until at least the end of June and will work with Ron Touchette to remove the sign once the property closes. He stated the potential is to keep the sign throughout the summer encouraging travelers to visit the businesses impacted during road construction.

Mr. Mollan provided an update on the downtown flower baskets, noting the baskets will be placed the week of May 20. He discussed the 3-year contract ending, and wanted to note the current company, YardWorx, offered to do a 3-year extension at the same price as the current contract. Mr. Mollan asked if the HRA had feedback on either placing an RFP for bids or extend the current contract for an additional 3 years.

The HRA discussed the RFP and timeline, noting the need for a decision was by mid-July whether to renew the current contract or go out for bids. Commissioner Wagner felt that decision would be based upon their performance this year and felt it was very nice of them to extend the contract, but in her opinion, she wants to ensure they have good product this year.

Commissioner Caswell felt that at the price of plants, he was surprised they would extend the contract for another 3 years.

Mr. O'Neil noted YardWorx provided this offer today so he has not had time to review the public bid requirements and was not sure if they can even accept the offer.

Chair Chuba felt they had an incentive to provide good product this year.

Commissioner Ovall inclined go out for bids to keep things honest and competitive. He noted he was Impressed with Yardworx's ability to identify and fix issues, but felt an RFP was a good way to go.

Chair Chuba asked how many bids were received last time. Mr. O'Neil stated he would check on that.

Mr. Mollan provided an update on the Duffy Coachman II project, and is still working wtih them on a general letter of support of the project, which was not a commitment to funds. He stated the letter should be ready for next month ahead of their mid-July deadline for the HRA to review. It was the consensus of the HRA to support the letter and review at the June meeting.

Mr. O'Neil explained the downtown small area plan process, noting the RFP is posted and the Planning department will be leading that project. He provided detail about the project area and discussed the two capital components: street reconstruction of Jackson and Main, and resurfacing and some replacement of parking lots. Timeline was as soon as next construction season with the planning piece/engineering piece done this year. Funding is coming from the city's budget. Mr. O'Neil stated the various aspects of other items will be discussed as part as the capital improvement process. He stated there would be some amenities that would require alternative funding sources such as grants, and would involve the HRA or EDA.

Commissioner Wagner asked if the HRA would be open to recognizing the owner Jeff Krueger of Daddy O's Restaurant. Jeff is retiring and closing the doors of the restaurant May 24. The HRA will add recognition of this longstanding business in the city to the June agenda.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Councilmember Wagner and seconded by Commissioner Ovall to adjourn the meeting.

The meeting adjourned at 6:09 p.m.

4.2.

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
ANTHEM VALUATION LLC	APPRAISAL SVCS	HRA	Housing & Redevelopmen	800.00
			TOTAL:	800.00
CENTER FOR ENERGY & ENVIRONMENT	LOANS AND ADMIN FEES	HRA	NON-DEPARTMENTAL	19,290.00
	LOANS AND ADMIN FEES	HRA	NON-DEPARTMENTAL	35,000.00
	LOANS AND ADMIN FEES	HRA	Housing & Redevelopmen	1,500.00
			TOTAL:	55,790.00
CITY OF ELK RIVER	REIMB SALARIES - MAY 24	HRA	Housing & Redevelopmen	6,302.03
	REIMB SALARIES - MAY 24	HRA	Housing & Redevelopmen	472.65
	REIMB SALARIES - MAY 24	HRA	Housing & Redevelopmen	390.73
	REIMB SALARIES - MAY 24	HRA	Housing & Redevelopmen	91.38
	REIMB SALARIES - MAY 24	HRA	Housing & Redevelopmen	1,594.80
			TOTAL:	8,851.59
YARDWORX OUTDOOR SERVICES LLC	BASKET UPKEEP - JUN	HRA	Housing & Redevelopmen	3,334.60
			TOTAL:	3,334.60

=============== FUND TOTALS ================

910	HRA	68,776.19
	GRAND TOTAL:	68,776.19

TOTAL PAGES: 1

BALANCE SHEET

AS OF: MAY 31ST, 2024

4.3.

910-HRA

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE		
ASSETS				
======				
910-1010	Cash - HRA	769,360.19		
910-1190	Loans Receivable	157,046.27		
910-1193	Forgivable Loan	75,000.00		
910-1194	Allow for Forgivable Loan	(75,000.00)		
910-1195	Note Receivable	400,000.00		
910-1310	Due From Other Funds	161,823.29		
910-1610	Land Held for Redevelopment	382,000.00		
			1,870,229.75	
	TOTAL ASSETS			1,870,229.75
				==============
LIABILITIES				
===========				
EQUITY				
======				
910-2400	Fund Balance	1,924,693.80		
	TOTAL BEGINNING EQUITY	1,924,693.80		
	TOTAL REVENUE	3,150.74		
	TOTAL EXPENSES	57,614.79		
	TOTAL REVENUE OVER/(UNDER) EXPENSES	(54,464.05)		
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.		1,870,229.75	
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			1,870,229.75
				==============

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MAY 31ST, 2024

4.4.

910-HRA

FINANCIAL SUMMARY 41.67% OF YEAR COMP.

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY					
HRA	445,100.00	489.70	3,150.74	0.71	441,949.26
TOTAL REVENUES	445,100.00	489.70	3,150.74	0.71	441,949.26
EXPENDITURE SUMMARY					
Economic Development					
Housing & Redevelopment	445,100.00	22,277.32	57,614.79	12.94	387,485.21
TOTAL Economic Development	445,100.00	22,277.32	57,614.79	12.94	387,485.21
TOTAL EXPENDITURES	445,100.00	22,277.32	57,614.79	12.94	387,485.21
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(21,787.62)	(54,464.05)		54,464.05

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MAY 31ST, 2024

910-HRA

41.67% OF YEAR COMP.

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
HRA					
===					
Taxes					
910-3-0000-3111 Property Taxes	440,100.00	0.00	0.00	0.00	440,100.00
TOTAL Taxes	440,100.00	0.00	0.00	0.00	440,100.00
Intergovernmental Rev					
Charges for Services					
Other Revenue					
910-3-0000-3621 Interest Income	5,000.00	489.70	3,150.74	63.01	1,849.26
TOTAL Other Revenue	5,000.00	489.70	3,150.74	63.01	1,849.26
Other Financing Sources					
Transfers In					
TOTAL HRA	445,100.00	489.70	3,150.74	0.71	441,949.26
TOTAL REVENUE	445,100.00	489.70	3,150.74	0.71	441,949.26

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MAY 31ST, 2024

910-HRA

Economic Development 41.67% OF YEAR COMP.

Housing & Redevelopment

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
Personal Services					
910-4-6100-4101 Regular Pay	82,600.00	15,755.07	25,208.11	30.52	57,391.89
910-4-6100-4104 PERA	6,200.00	1,181.63	1,890.60	30.49	4,309.40
910-4-6100-4105 FICA	5,100.00	976.82	1,573.61	30.86	3,526.39
910-4-6100-4107 Medicare	1,200.00	228.45	368.02	30.67	831.98
910-4-6100-4108 Insurance	16,200.00	3,189.60	6,379.20	39.38	9,820.80
910-4-6100-4109 Workers Comp	350.00	143.75	241.75	69.07	108.25
TOTAL Personal Services	111,650.00	21,475.32	35,661.29	31.94	75,988.71
Supplies					
910-4-6100-4219 Operating Supplies	500.00	0.00	0.00	0.00	500.00
TOTAL Supplies	500.00	0.00	0.00	0.00	500.00
Services & Charges					
910-4-6100-4304 Legal Fees	8,000.00	403.00	403.00	5.04	7,597.00
910-4-6100-4319 Professional Services	32,000.00	0.00	0.00	0.00	32,000.00
910-4-6100-4322 Postage	50.00	0.00	0.00	0.00	50.00
910-4-6100-4331 Travel, Conferences & Schools	200.00	0.00	0.00	0.00	200.00
910-4-6100-4349 Advertising/Marketing	9,200.00	345.00	6,976.50	75.83	2,223.50
910-4-6100-4359 Publishing	350.00	0.00	77.40	22.11	272.60
910-4-6100-4401 Bldg Repair/Maint Services	4,000.00	0.00	0.00	0.00	4,000.00
910-4-6100-4404 Software Services	9,100.00	0.00	0.00	0.00	9,100.00
910-4-6100-4409 Contractual Services	27,750.00	54.00	14,496.60	52.24	13,253.40
910-4-6100-4433 Dues & Subscriptions	800.00	0.00	0.00	0.00	800.00
910-4-6100-4440 Miscellaneous	200,000.00	0.00	0.00	0.00	200,000.00
TOTAL Services & Charges	291,450.00	802.00	21,953.50	7.53	269,496.50
Capital Outlay					
Debt Service					
Transfers Out					
910-4-6100-4721 Transfer-General Fund	37,500.00	0.00	0.00	0.00	37,500.00
910-4-6100-4735 Transfer-EDA	4,000.00	0.00	0.00	0.00	4,000.00
TOTAL Transfers Out	41,500.00	0.00	0.00	0.00	41,500.00
TOTAL Housing & Redevelopment	445,100.00	22,277.32	57,614.79	12.94	387,485.21
TOTAL Economic Development	445,100.00	22,277.32	57,614.79	12.94	387,485.21
TOTAL EXPENDITURES	445,100.00	22,277.32	57,614.79	12.94	387,485.21
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(21,787.62)	(54,464.05)		54,464.05

Request for Action

To
Housing and Redevelopment Authority

Item Number
6.1

Meeting Date
June 3, 2024

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Housing Rehabilitation Loan Program Update

Reviewed by:
Brent O'Neil
Cal Portner

Action Requested
Receive updates on the Housing Rehabilitation Loan Program.

Background/Discussion
CEE reports that all accounts are current and the HRA's portfolio is performing as expected with no delinquencies or late payments.

On April 22, CEE closed on two new loans; one for $19,290 for a septic project and another for $35,000 for a solar project. $95,710 remains available for new loan disbursements in 2024.

The utility bill insert in partnership with Elk River Municipal Utilities is being finalized and is set to be included with July's utility bill mailing.

Financial Impact
N/A

Mission/Policy/Goal
Improve existing housing stock by offering incentives or programs to repair and maintain residential properties.

Attachments
1. CEE Loan Servicing Report March 2024
2. Monthly Loan Activity Summary
3. ERMU Mailer

CITY OF ELK RIVER LOAN SERVICING REPORT

March 2024

Data Set: April 1st, 2024

LOAN SERVICING DEPARTMENT

Center for Energy and Environment

CONTENTS

CEE SERVICING

REPORT TYPE: INVOICE REPORT
DATA SET DATE: 4/1/2024
REPORTING PERIOD: Mar-24
INVESTOR: CITY OF ELK RIVER

Center for Energy and Environment
212 3rd Avenue North, Suite 560
Minneapolis, MN 55401
Ph.: 612.455.7805

REPORTING MONTH: MARCH 2024

POOL	Total Count of Loans	New Loans Added	Loans Transferred for Serviving	Count of Active Delinquent Accounts	Total Amount Collected During the Month	Principal Collected During the Month	Interest Collected During the Month	New Loan On-boarding Fee @ $20/Account	Loan Transfer On-Boarding Fee @ $20/Account	Monthly Servicing @ $6/Account	Delinquent Loan Management @ $3/Account	Total Monthly Fees	Netted Amount to Transfer to Investor
HRA REHAB	9	0	0	0	$2,071.22	$1,581.52	$489.70	$0.00	$0.00	$54.00	$0.00	$54.00	$2,017.22
Grand Total	9	0	0	0	$2,071.22	$1,581.52	$489.70	$0.00	$0.00	$54.00	$0.00	$54.00	$2,017.22

ACCOUNT DETAIL FOR INVOICING

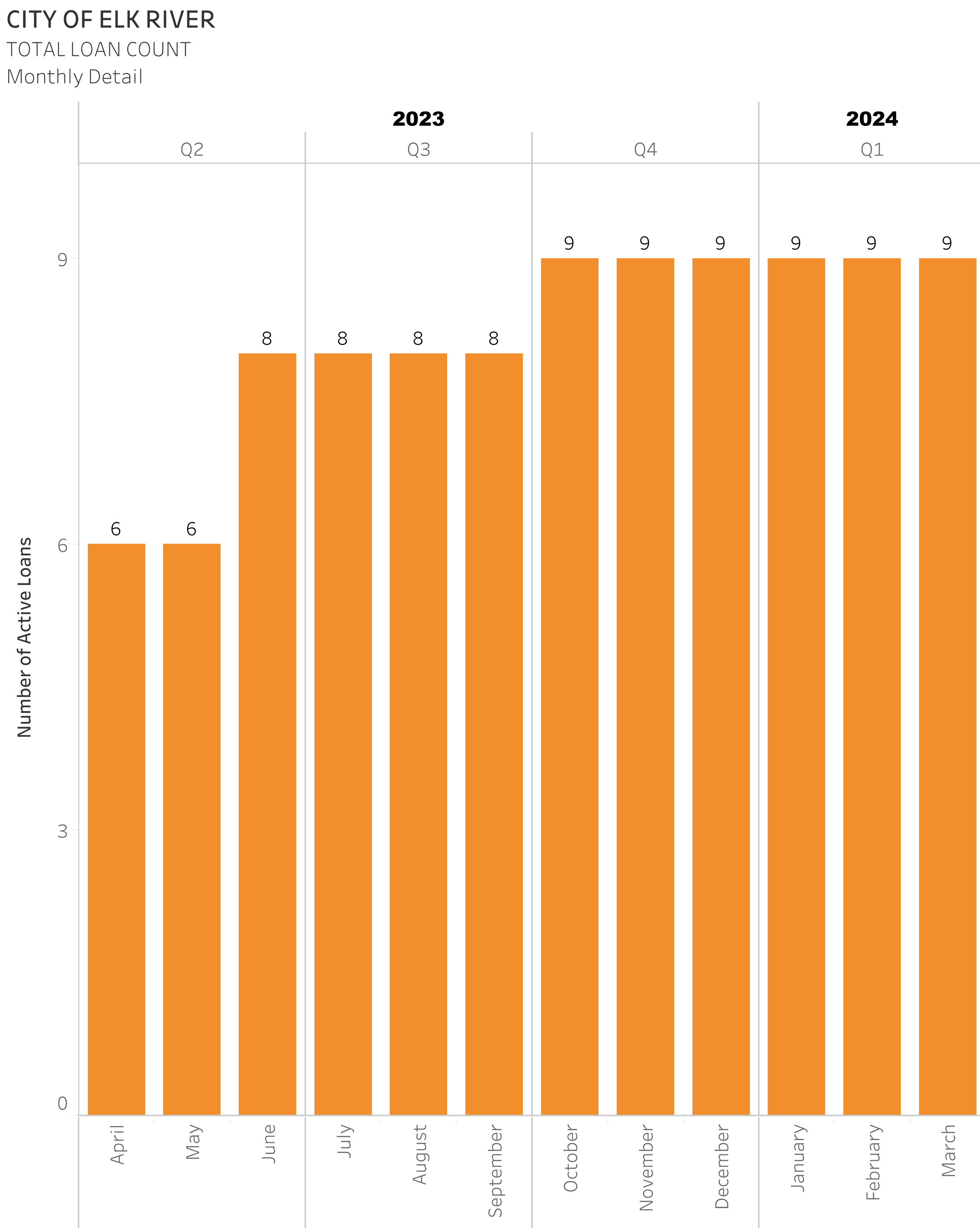
PORTFOLIO	POOL	LOAN #	PROPERTY	CONTRACT DATE	LOAN AMOUNT	PMNT DATE	PMNT AMOUNT	PRN COLLECTED	INT COLLECTED	TRNX IND	NEW LN IND	DELINQ IND
ELK RIVER RESIDENTIAL	HRA REHAB	19-015215	606 JEFFERSON LN NW	8/3/2015	$20,650.00	3/11/2024	$192.33	$186.22	$6.11	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	19-015204	1420 5TH ST NW	1/25/2017	$22,069.00	3/20/2024	$208.04	$194.21	$13.83	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	19-015209	609 GATES AVE NW	9/22/2017	$19,665.00	3/10/2024	$187.63	$171.09	$16.54	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	19-015217	1811 MAIN ST	5/4/2018	$21,640.00	3/10/2024	$162.79	$112.30	$50.49	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	19-016564	403 3RD ST NW	7/15/2019	$15,252.22	3/15/2024	$154.43	$125.78	$28.65	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	23-029012	18990 TWIN LAKES RD NW	4/21/2023	$34,749.06	3/18/2024	$260.00	$154.21	$105.79	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	23-028654	13222 179 1/2 AVE NW	6/16/2023	$33,925.67	3/20/2024	$300.00	$196.76	$103.24	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	23-029085	17931 GARY ST NW	6/20/2023	$30,223.00	3/20/2024	$306.00	$215.21	$90.79	0	0	0
ELK RIVER RESIDENTIAL	HRA REHAB	23-029618	13366 181ST LN NW	10/2/2023	$23,780.00	3/29/2024	$300.00	$225.74	$74.26	0	0	0
							$2,071.22	$1,581.52	$489.70			

CITY OF ELK RIVER

TRIAL BALANCE REPORT

Monthly Detail

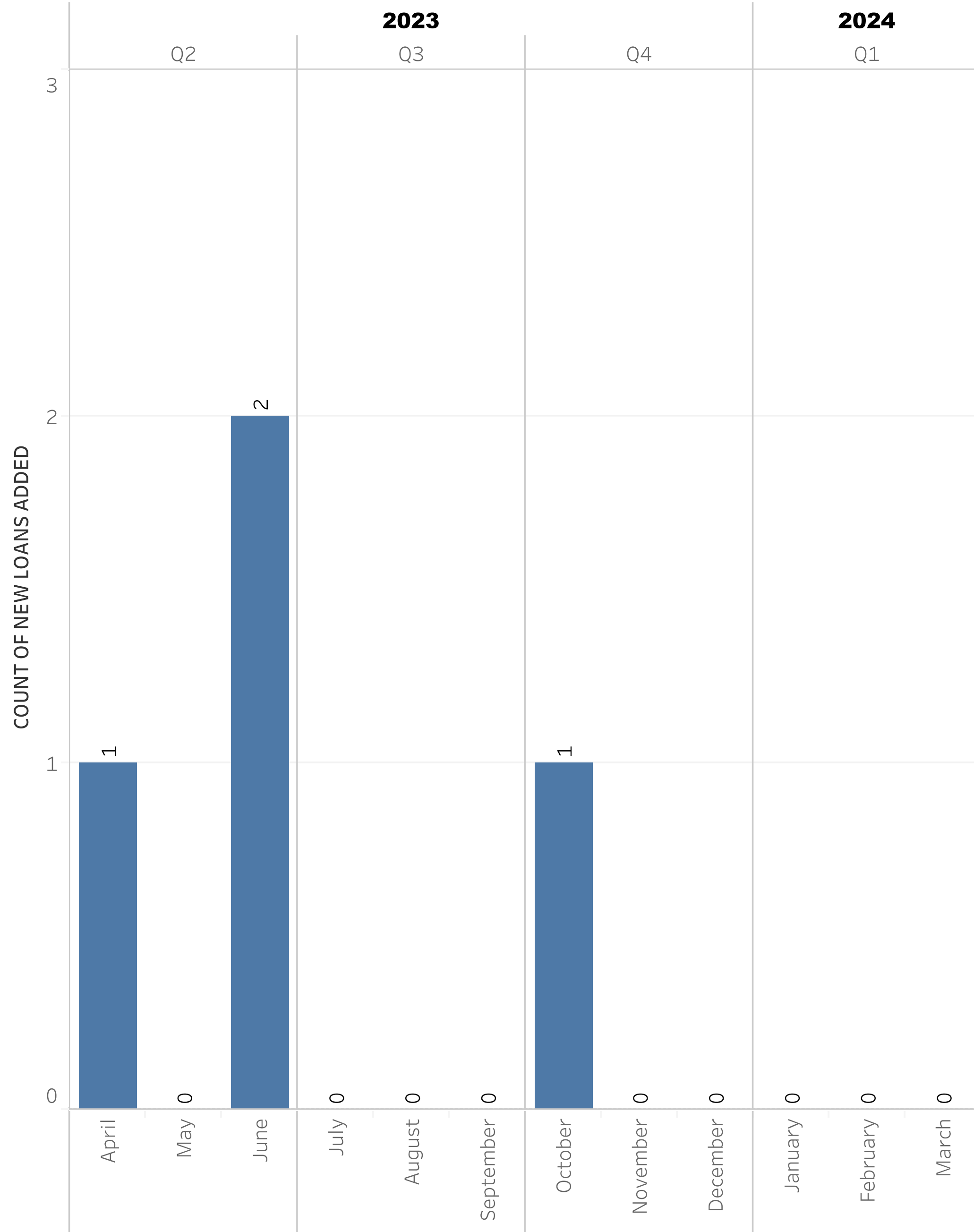
		2023									2024		
		Q2			Q3			Q4			Q1		
		April	May	June	July	August	September	October	November	December	January	February	March
19-015215	606 JEFFERSON LN NW	$5,040.85	$4,857.53	$4,674.48	$4,491.07	$4,307.32	$4,122.69	$3,938.49	$3,753.69	$3,568.52	$3,383.23	$3,196.74	$3,010.52
19-015204	1420 5TH ST NW	$8,872.17	$8,682.37	$8,492.76	$8,302.17	$8,111.76	$7,920.95	$7,729.18	$7,537.55	$7,345.00	$7,152.56	$6,959.71	$6,765.50
19-015209	609 GATES AVE NW	$9,251.96	$9,085.23	$8,918.82	$8,751.35	$8,584.15	$8,416.57	$8,247.97	$8,079.60	$7,910.24	$7,741.08	$7,571.53	$7,400.44
19-015217	1811 MAIN ST	$16,024.51	$15,917.70	$15,812.37	$15,704.82	$15,598.72	$15,492.24	$15,383.57	$15,276.30	$15,166.87	$15,058.82	$14,950.39	$14,838.09
19-016564	403 3RD ST NW	$10,234.63	$10,113.85	$9,993.78	$9,872.21	$9,751.32	$9,630.02	$9,507.25	$9,385.12	$9,261.55	$9,138.58	$9,015.20	$8,889.42
23-029012	18990 TWIN LAKES RD NW	$34,749.06	$34,749.06	$34,501.54	$34,309.60	$34,166.16	$34,022.23	$33,874.08	$33,729.16	$33,580.05	$33,434.13	$33,287.72	$33,133.51
23-028654	13222 179 1/2 AVE NW			$33,925.67	$33,786.26	$33,614.84	$33,429.04	$33,238.94	$33,051.86	$32,860.52	$32,672.16	$32,483.16	$32,286.40
23-029085	17931 GARY ST NW			$30,223.00	$30,016.36	$29,812.33	$29,607.61	$29,398.95	$29,192.83	$28,982.81	$28,775.27	$28,567.03	$28,351.82
23-029618	13366 181ST LN NW							$23,780.00	$23,552.47	$23,432.49	$23,012.09	$22,587.75	$22,362.01
Grand Total		**$84,173.18**	**$83,405.74**	**$146,542.42**	**$145,233.84**	**$143,946.60**	**$142,641.35**	**$165,098.43**	**$163,558.58**	**$162,108.05**	**$160,367.92**	**$158,619.23**	**$157,037.71**


CITY OF ELK RIVER
TOTAL LOAN COUNT
Monthly Detail
2023
2024
Q2
Q3
Q4
Q1
Number of Active Loans
0
3
6
9
6
6
8
8
8
8
9
9
9
9
9
9
April
May
June
July
August
September
October
November
December
January
February
March

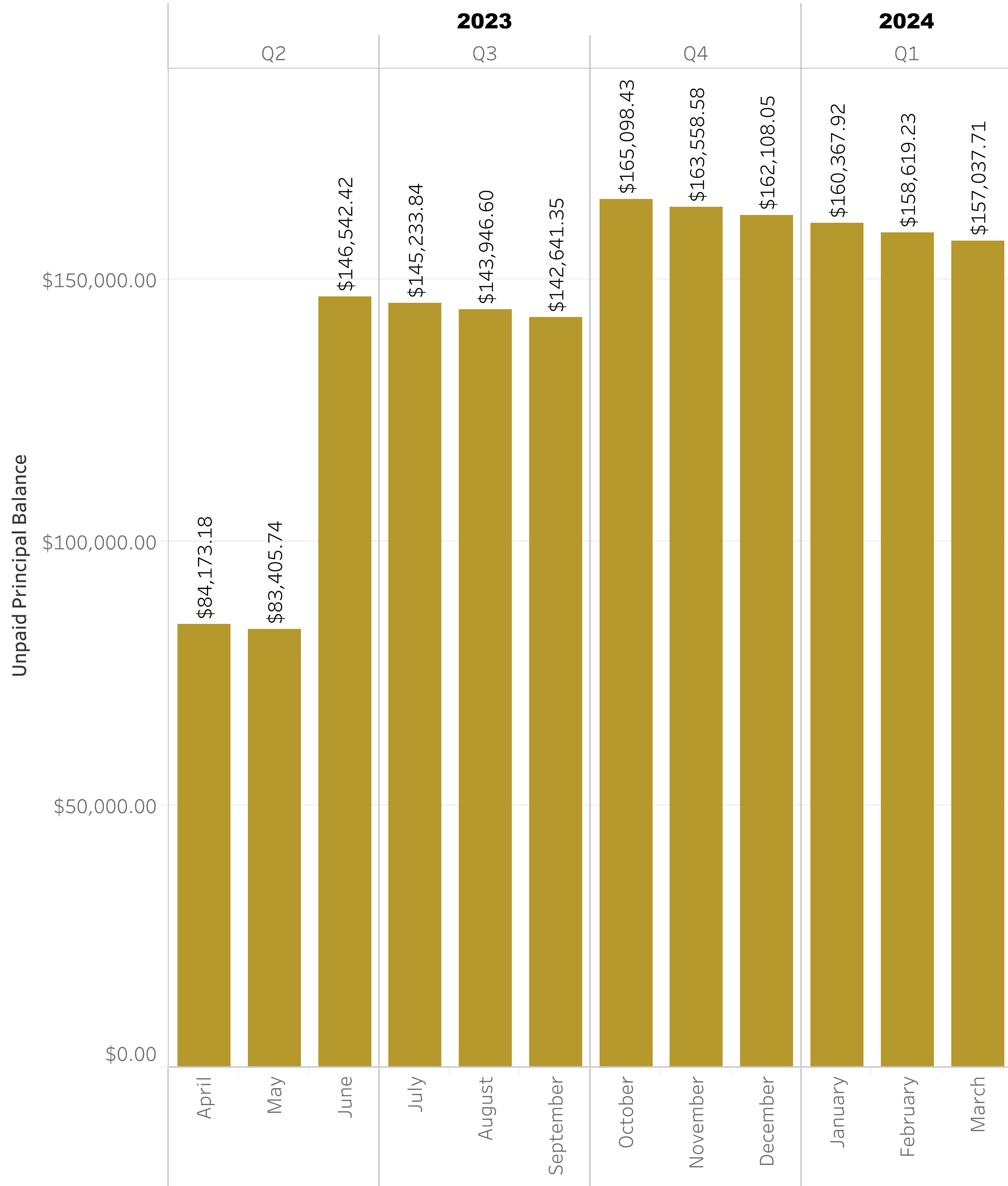
CITY OF ELK RIVER

NEW LOAN COUNT

Monthly Detail



CITY OF ELK RIVER
TRIAL BALANCE
Monthly Detail in USD



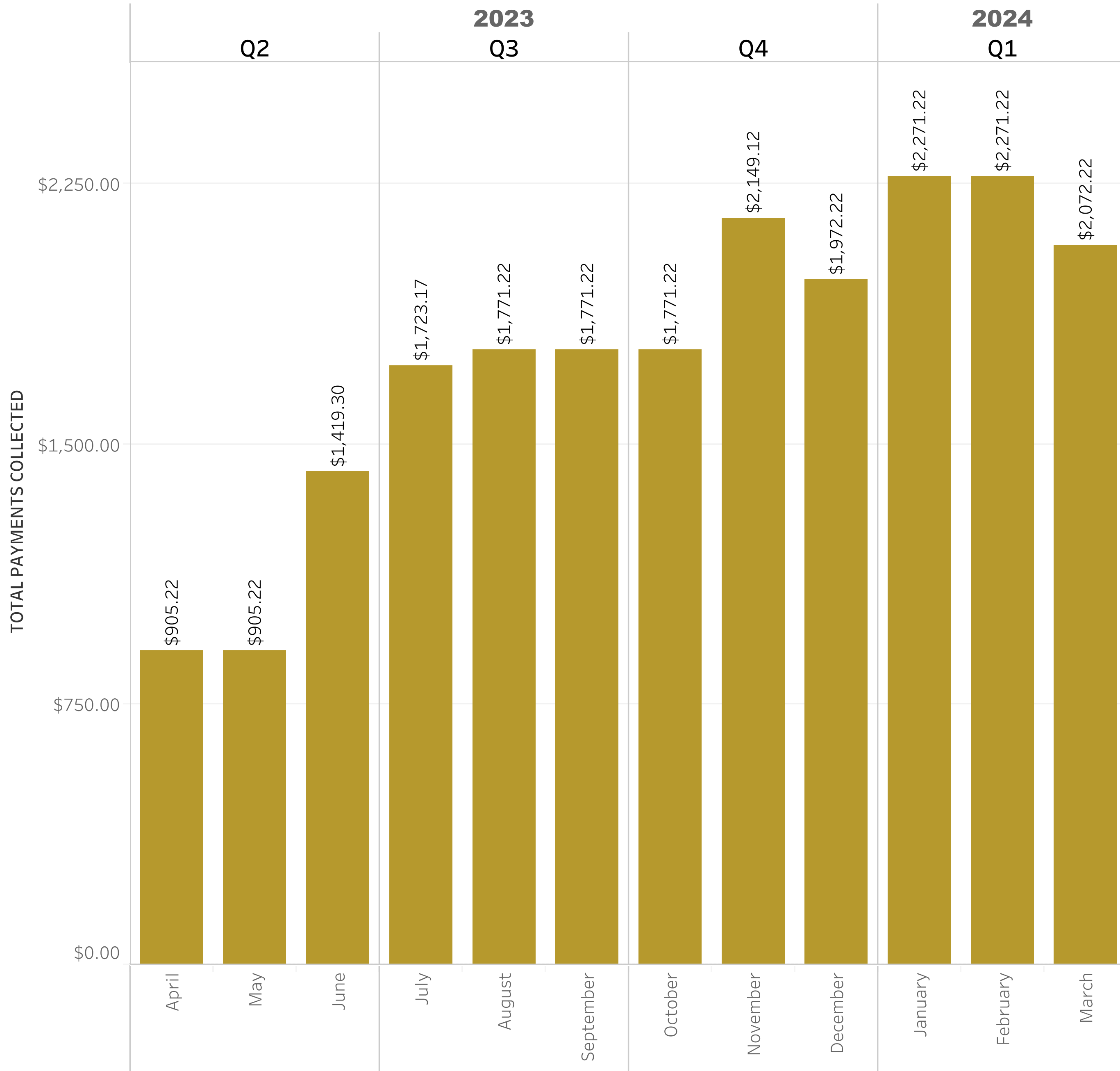
CITY OF ELK RIVER

PAYMENT COLLECTION PER LOAN

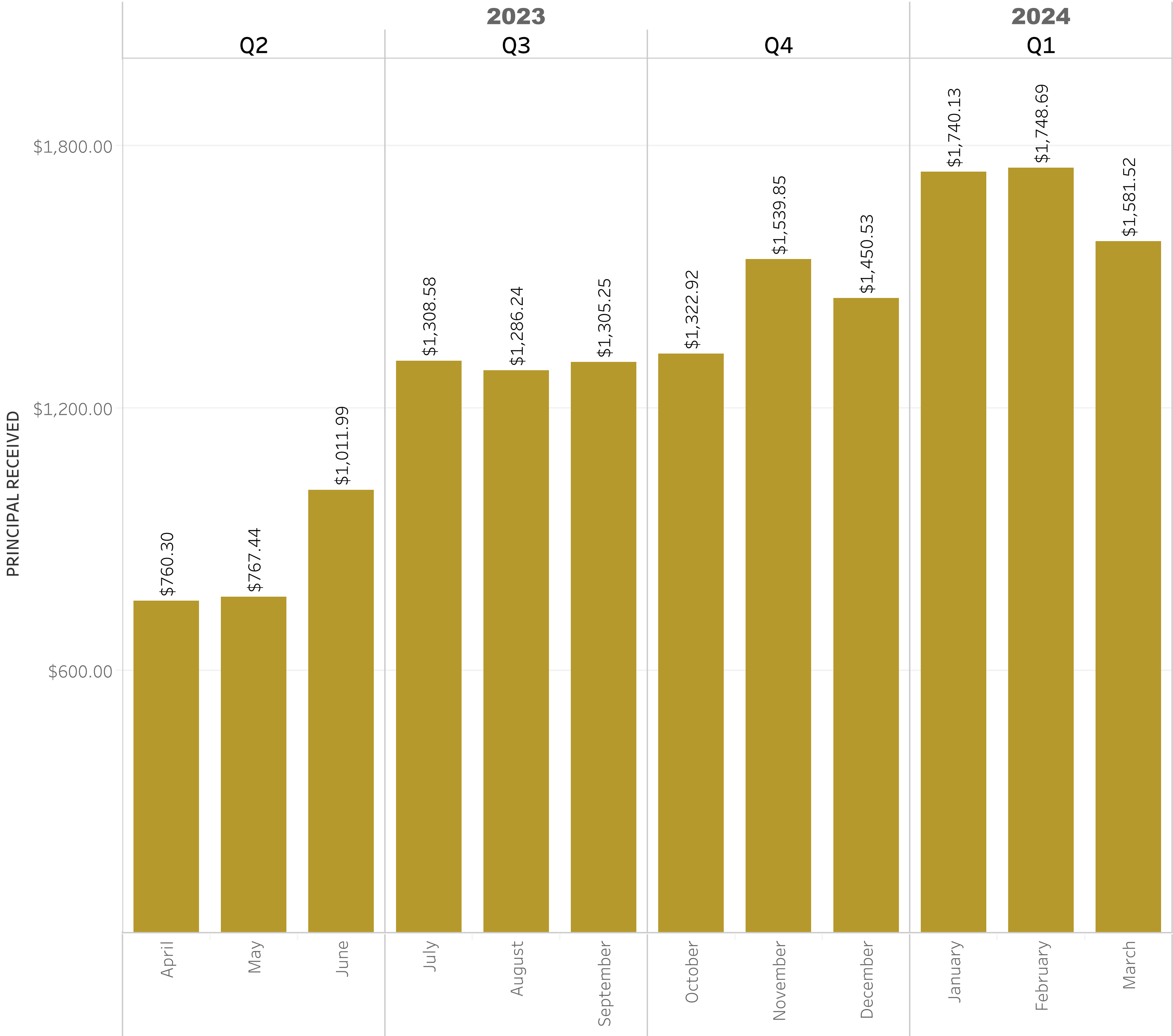
Monthly Detail

			2023									2024		
			Q2			Q3			Q4			Q1		
			April	May	June	July	August	September	October	November	December	January	February	March
ELK RIVER	19-015204	1420 5TH ST NW	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04	$208.04
	19-015209	609 GATES AVE NW	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63	$187.63
	19-015215	606 JEFFERSON LN NW	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33	$192.33
	19-015217	1811 MAIN ST	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79	$162.79
	19-016564	403 3RD ST NW	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43	$154.43
	23-028654	13222 179 1/2 AVE NW			$0.00	$251.95	$300.00	$300.00	$300.00	$300.00	$300.00	$300.00	$300.00	$300.00
	23-029012	18990 TWIN LAKES RD NW	$0.00	$0.00	$514.08	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00	$260.00
	23-029085	17931 GARY ST NW			$0.00	$306.00	$306.00	$306.00	$306.00	$306.00	$306.00	$306.00	$306.00	$306.00
	23-029618	13366 181ST LN NW							$0.00	$377.90	$201.00	$500.00	$500.00	$301.00
Grand Total			**$905.22**	**$905.22**	**$1,419.30**	**$1,723.17**	**$1,771.22**	**$1,771.22**	**$1,771.22**	**$2,149.12**	**$1,972.22**	**$2,271.22**	**$2,271.22**	**$2,072.22**

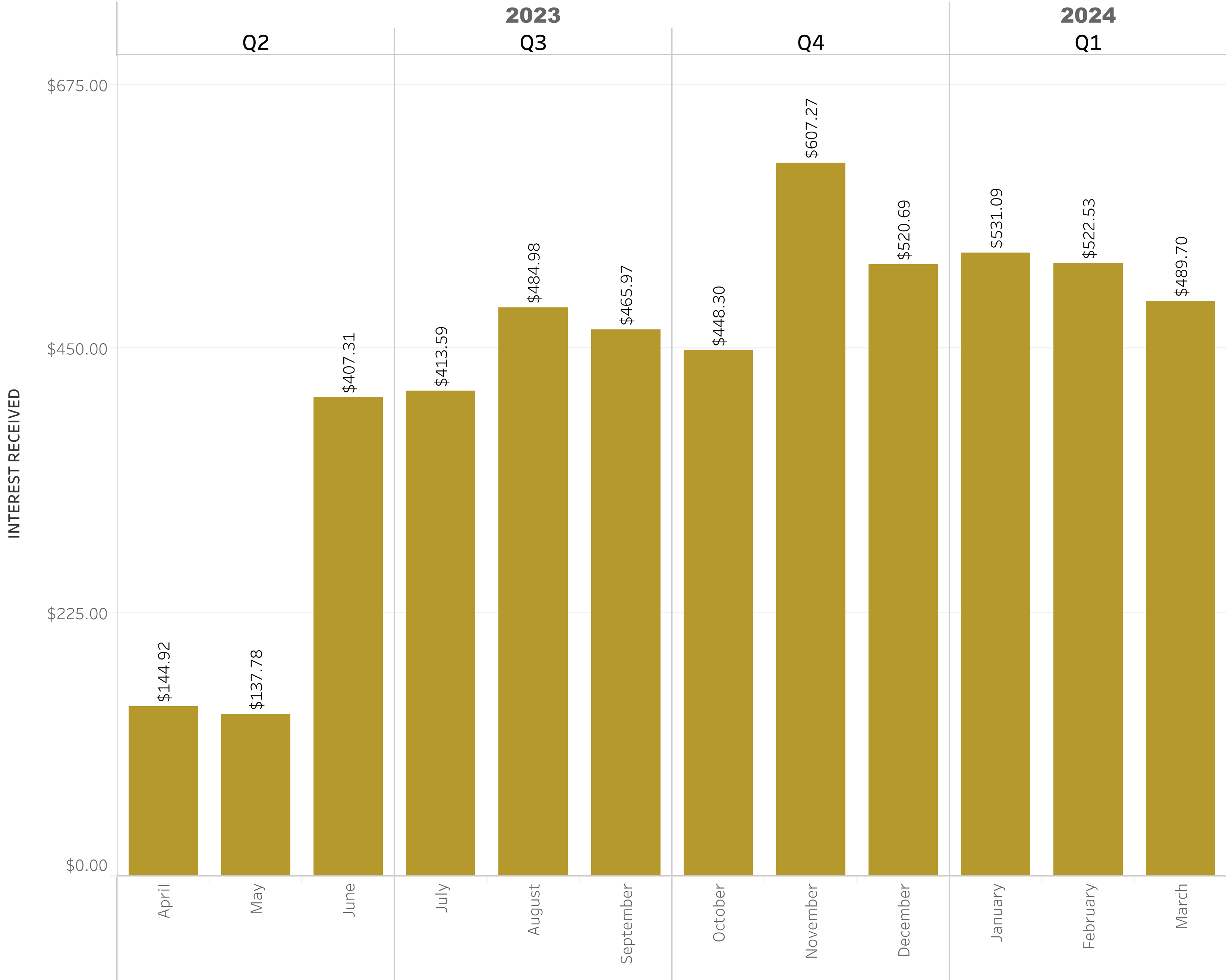
CITY OF ELK RIVER
TOTAL PAYMENT COLLECTION (USD)
Monthly Detail



CITY OF ELK RIVER
TOTAL PRINCIPAL COLLECTION (USD)
Monthly Detail



CITY OF ELK RIVER
TOTAL INTEREST COLLECTION(USD)
Monthly Detail



CEE SERVICING

REPORT TYPE: AGING DELINQUENCY REPORT
DATA SET DATE: 4/1/2024
REPORTING PERIOD: Mar-24
INVESTOR: CITY OF ELK RIVER

AGING DELINQUENCY DETAIL PER ACCOUNT AS OF 3/31/2024

LOAN #	BORROWER ADDRESS	CONTRACT	UNPD PRN BAL	DPD	TOTAL DUE	1 TO 15 DPD	15+ DPD	30+ DPD	60+ DPD	90+ DPD	UNPD LATE FEES	STATUS	LAST PMNT DATE	LAST PMNT AMNT
19-015215	606 JEFFERSON LN NW	8/3/2015	$3,010.52	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/11/2024	$192.33
19-015204	1420 5TH ST NW	1/25/2017	$6,765.50	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/20/2024	$208.04
19-015209	609 GATES AVE NW	9/22/2017	$7,400.44	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/10/2024	$187.63
19-015217	1811 MAIN ST	5/4/2018	$14,838.09	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/10/2024	$162.79
19-016564	403 3RD ST NW	7/15/2019	$8,889.42	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/15/2024	$154.43
23-029012	18990 TWIN LAKES RD NW	4/21/2023	$33,133.51	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/18/2024	$260.00
23-028654	13222 179 1/2 AVE NW	6/16/2023	$32,286.40	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/20/2024	$300.00
23-029085	17931 GARY ST NW	6/20/2023	$28,351.82	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/20/2024	$306.00
23-029618	13366 181ST LN NW	10/2/2023	$22,362.01	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	CURRENT	3/29/2024	$300.00
			$157,037.71		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			$ 2,071.22

CEE Monthly Loan Activity Summary

6/3/24 6.1 at2

Loan #	Loan Amount	Contract	Maturity	Status	Rate	Feb Pymt	Mar Pymt	Balance
19-015215	$ 20,650.00	8/3/2015	8/1/2025	Current	2.25%	$ 192.33	$ 192.33	$ 3,383.23
19-015204	$ 22,069.00	1/25/2017	1/1/2027	Current	2.50%	$ 208.04	$ 208.04	$ 7,152.56
19-015209	$ 19,665.00	9/22/2017	9/1/2027	Current	2.75%	$ 187.63	$ 187.63	$ 7,741.08
19-015217	$ 21,640.00	5/4/2018	5/1/2033	Current	4.25%	$ 162.79	$ 162.79	$ 15,058.82
19-016564	$ 15,252.22	7/15/2019	7/15/2029	Current	4.00%	$ 154.43	$ 154.43	$ 9,138.58
23-029012	$ 34,749.06	4/21/2023	4/21/2038	Current	4.00%	$ 260.00	$ 260.00	$ 33,434.13
23-028654	$ 33,925.67	6/16/2023	6/16/2038	Current	4.00%	$ 300.00	$ 300.00	$ 32,672.16
23-029085	$ 30,223.00	6/20/2023	6/20/2033	Current	4.00%	$ 306.00	$ 306.00	$ 28,775.27
23-029618	$ 23,780.00	10/2/2023	10/2/2038	Current	4.00%	$ 500.00	$ 300.00	$ 23,012.09
Total	**$ 221,953.95**					**$ 2,271.22**	**$ 2,071.22**	**$ 160,367.92**

Open the door to **home enhancement opportunities**

Homeowners, renters, and property managers in Elk River may have the opportunity to update their home with health and safety repairs and general improvements. The partnership between ERMU, Tri-CAP, and the City of Elk River is focused on improving the safety, livability, energy efficiency, and accessibility of a home. Please note: All options listed below are on a first-come, first-served basis while funds are available.

Home Improvement Programs Available

- **Tri-CAP sponsored Energy Assistance Program** offers assistance with utility bill payment and/or fuel delivery for income eligible homeowners
- **Tri-CAP sponsored Weatherization Assistance Program** is federally funded for income eligible homeowners
- **City of Elk River Housing Rehabilitation Loan Program** has no maximum income limit

Home Improvement Possibilities

For a complete list of possible projects — from plumbing and electrical, to HVAC and energy efficiency, to cosmetic upgrades and everything in between — please review the details on the back of this form.

Partnering to Make Your Home an Energy Efficient, Healthy, and Safe Environment

Elk River Municipal Utilities

Tri-CAP Inc. Tri-County Action Program Energy Assistance Helping People. Changing Lives.

City of Elk River

HOME IMPROVEMENT RESOURCES

Tri-CAP | 320.251.1612 | 888.765.5597 | Email: general@tricap.org | www.tricap.org

Tri-CAP Energy Assistance Program

The Energy Assistance Program is a federally funded program. Grants are based on household size, income, fuel type, and energy usage.

ELIGIBILITY

- Households at or below 50% of the state median income (see guidelines)
- Tri-CAP provides energy assistance to Sherburne county residents

HOME IMPROVEMENT SERVICES

- Help for utility bill payment and/or fuel delivery
- Emergency heating system repair or replacement

2024 Maximum EAP Income Guidelines
Based on 50% State Median Income

Household Size	1 Month Gross Income
1	$2,722
2	$3,559
3	$4,397
4	$5,235
5	$6,072
6	$6,910
7	$7,067
8	$7,224
9	$7,381
10	$7,538

Tri-CAP Weatherization Assistance Program

Provides services at no cost to the customer to reduce energy consumption and eliminate health and safety concerns for eligible homeowners and renters.

ELIGIBILITY

- Customers are eligible if they have not received weatherization in the last 15 years and if the total household income before taxes is equal to or less than 200% of the Federal Poverty guidelines. **No credit check required.**
- Tri-CAP provides weatherization services to Sherburne county residents.

HOME IMPROVEMENT SERVICES

- Comprehensive energy audit
- Insulation (attic and walls)
- Weather stripping
- Caulking
- Furnace clean and tune up
- Health and safety items such as smoke alarms and carbon monoxide detectors
- Emergency refrigerator replacement

Elk River Housing and Redevelopment Authority | 763.635.1000 | ElkRiverMN.gov

City of Elk River Housing Rehabilitation Loan Program

The Elk River Housing and Redevelopment Authority is making financing available for homeowners to make property improvements. Loan amounts are from $5,000-$35,000, with no maximum income limit, and terms up to 15 years with a 4% fixed interest rate. Closing costs may apply. Please contact the City of Elk River to learn more about the loan terms.

ELIGIBILITY

- 1-4 unit owner-occupied residential properties located in the City of Elk River with sewer and water service
- Townhomes, condominiums, and properties held in trust are eligible

TYPES OF IMPROVEMENTS

- Roofing
- Siding
- Doors/windows
- Plumbing
- Electrical
- HVAC
- Insulation
- Solar
- Garage
- Driveways
- Sidewalks/steps
- Painting
- Flooring
- Additions
- Landscaping

Request for Action

To
Housing and Redevelopment Authority

Item Number
6.2

Meeting Date
June 3, 2024

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Duffy Development Letter of Support for Coachman II State Funding Application

Reviewed by:
Brent O'Neil
Cal Portner

Action Requested
Approve, by motion, a joint letter of support for Duffy Development Company for a state funding application for the proposed Coachman II housing project.

Background/Discussion
Duffy Development Company (Duffy) proposes an affordable senior housing project called Coachman Ridge II near the Northstar Station. The proposed project is for roughly 50 units for residents with incomes at 30 to 50% of the area median income. The total project is expected to cost $15 to $18 million.

To support the affordability component, Duffy will apply again for funding through the Minnesota Housing Agency. Like last year, Duffy has requested a letter of support from the city to ensure the strongest application is submitted. The application is due in mid-July.

The HRA and City Council have previously shown support for this project. In June 2023, a similar letter of support was approved and signed by the City Council upon recommendation of the HRA. This year, staff suggests a joint letter of support from the HRA and City Council. This item will go to the City Council for consideration at its June 17 meeting.

Financial Impact
N/A

Mission/Policy/Goal
Support the growth and development of the community. Opportunity to live, work, and play.

Attachments
1. Draft Council and HRA Letter of Support

June 6, 2024

Mr. John Duffy ☒Sent via email to jduffy@duffydevelopment.com
Mr. Jeff Von Feldt ☒Sent via email to jvonfeldt@duffydevelopment.com
Duffy Development Company, Inc.
12708 Wayzata Blvd., Suite 400
Minnetonka, MN 55305

RE: Proposed Elk River Affordable Senior Apartments (Coachman Ridge II)

Dear Mr. Duffy and Mr. Von Feldt,

The Elk River City Council and Housing and Redevelopment Authority have previously reviewed the proposed Coachman Ridge II affordable senior housing development proposal which proposes a 45-55-unit, new multi-family construction project in the City of Elk River. We understand that you will be submitting a funding application through the Minnesota Housing Finance Agency (MHFA) Consolidated RFP process in July of 2024, and that the project is proposed to target individuals 55+ with incomes at 30% to 50% of area median income.

The need for this type of housing Elk River is evidenced by the Comprehensive Housing Market Study Updates completed for the city by Maxfield Research on February 15, 2018, and Preliminary Analysis for Elk River Apartments completed for Duffy Development by Market Analyst Professionals on May 20, 2023.

The proposed parcel for the proposed project is adjacent to another multi-family property and the Northstar commuter rail station. The city's comprehensive plan guides the property for multi-family use and standard entitlement processes would apply.

The City Council and HRA moved to support your application at their June 6, 2024, meetings. On behalf of the Council and HRA, please accept this letter of support for your application to the MHFA.

Sincerely,

John J. Dietz
Mayor

Dennis Chuba
HRA Chair

Enclosures: XXX
cc: name here

Request for Action

To
Housing and Redevelopment Authority

Item Number
6.3

Meeting Date
June 3, 2024

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Placer.ai Presentation

Reviewed by:
Brent O'Neil
Cal Portner

Action Requested
Item presented for information and discussion purposes.

Background/Discussion
Staff will use this time to share a presentation of relevant reports and features from Placer.ai which include: leakage report, downtown visitation trends, former ERM green space visitation, and 169 Redefine impacts, among others.

Financial Impact
N/A

Mission/Policy/Goal
Promote and support certain housing and redevelopment projects.

Attachments
1. HRA Placer Presentation 06-2024 Clean

Placer.ai Update

Joshua Mollan

June 2024

Leakage Report

Leakage Report

- Identify unmet needs for residents
- Identity entities for which residents leave the most
- Understand where potential tax dollars are lost

City of Elk River

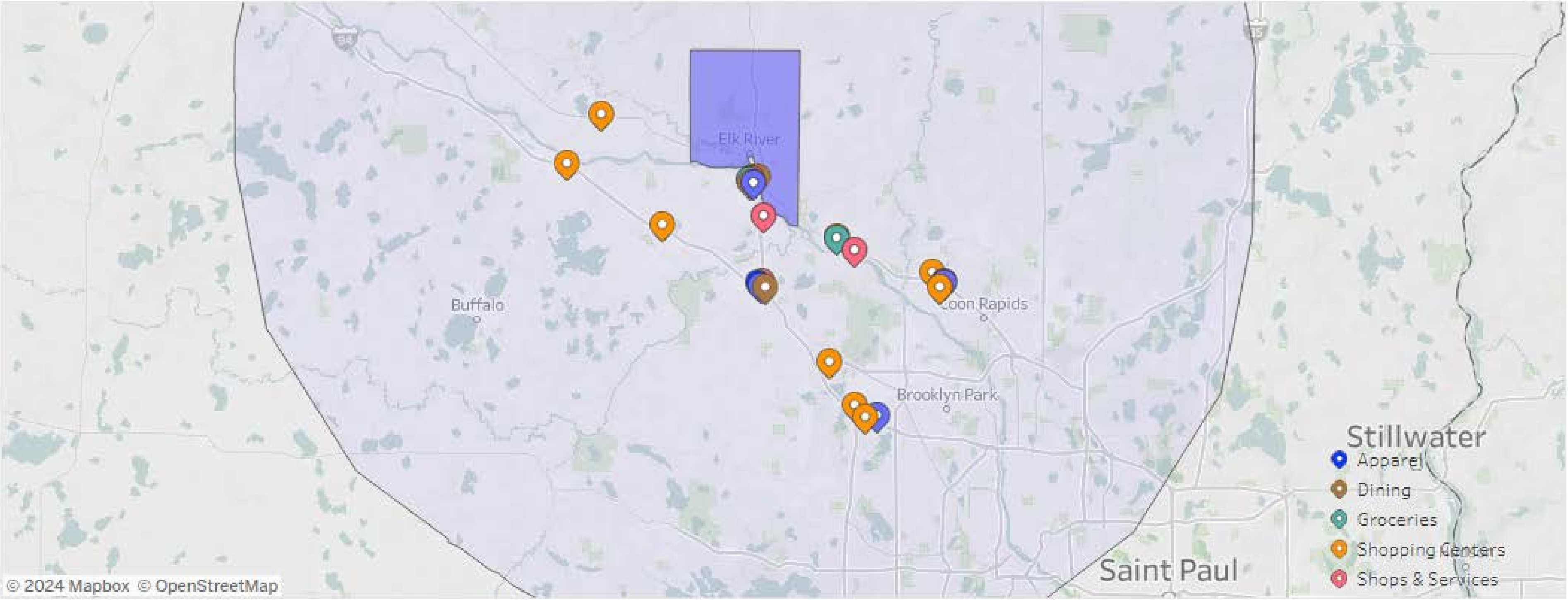
Placer.ai

Leakage Report

Leakage Analysis of Elk River Boundary Residents

Category (All)

Show Top 25



Leakage by residents is shown for all locations within 25 miles of the region boundaries

City of Elk River

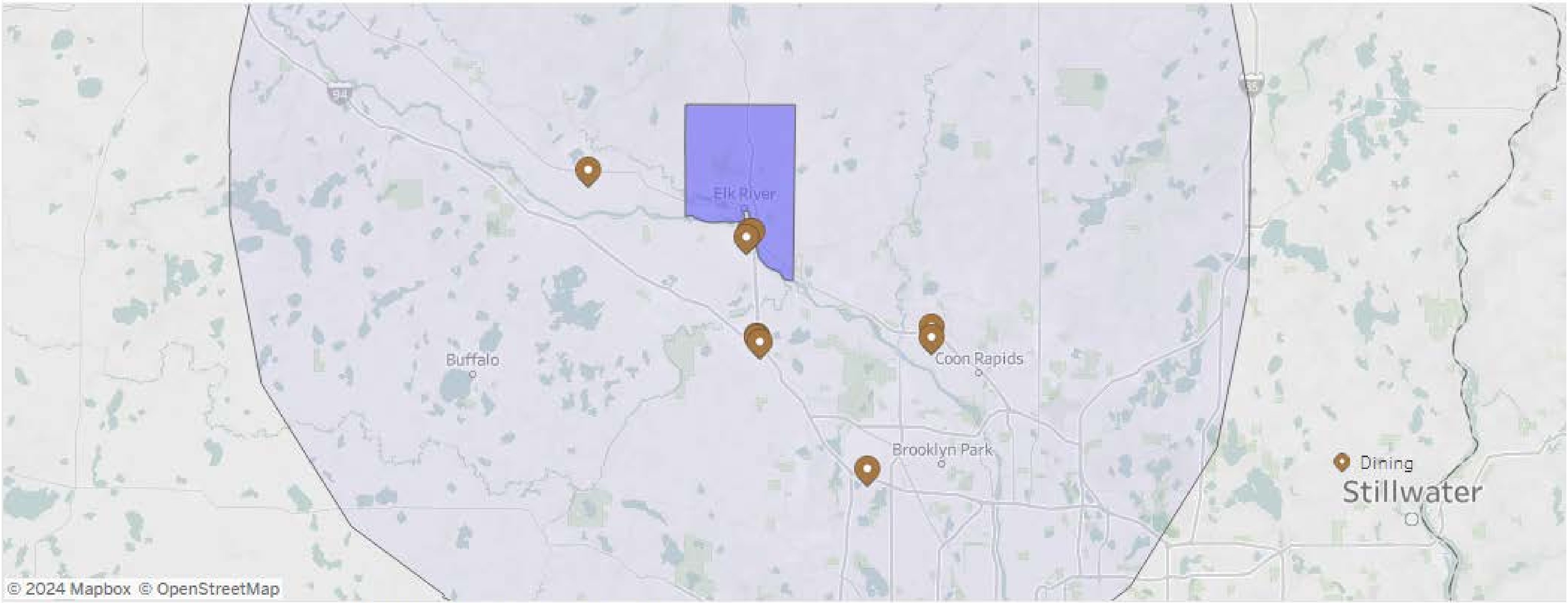
Placer.ai

Leakage Report

Leakage Analysis of Elk River Boundary Residents

Category: Dining

Show Top: 10



Leakage by residents is shown for all locations within 25 miles of the region boundaries

Leakage Report

Category Type

Primary

Leakage by Category from Elk River Boundary

Retail Leakage Outside My Boundaries

Category	*# of Stores*	*Residents*	*Resident Visits*
Gas Stations & Convenience Stores	245	26.22K	977.08K
Community Shopping Centers	153	26.30K	917.05K
Fast Food & QSR	505	26.19K	849.93K
Superstores	46	25.69K	783.52K
Groceries	158	22.83K	375.86K
Restaurants	244	24.10K	364.46K
Breakfast, Coffee, Bakeries & Dessert Shops	160	18.67K	237.21K

City of Elk River

Placer.ai

Leakage Report

Category
(All)

Leakage by Entity from Elk River Boundary

Entity	*Category*	*Residents*	*Visits*	*Avg. Spend ($)*	*Avg. Home Distance (mi)*	*Avg. Work Distance (mi)*
Target 15800 87th St NE, Otsego	Superstores	19.22K	428.97K	64.83	3.22	12.64
The Shoppes at Arbor Lakes 12459 Elm Creek Blvd N, Maple Gro..	Community Shopping Centers	13.19K	89.99K	--	17.05	12.53
Coborn's 15700 88th St NE, Otsego	Groceries	6.47K	74.80K	--	2.92	14.06
Northstar Marketplace 7988 Sunwood Drive, Ramsey, MN 5..	Community Shopping Centers	7.64K	72.97K	--	7.01	10.08
Albertville Premium Outlets 6415 Labeaux Ave Ne, Albertville, M..	Community Shopping Centers	11.63K	71.69K	--	6.75	14.40

City of Elk River

Placer.ai

Leakage Report

Store	2021	2022	2023
Target – Otsego	304,000	291,000	309,000
Costco – Coon Rapids	68,000	63,000	52,000
Kohl's – Rogers	43,000	33,000	27,000
Target – Rogers	36,000	34,000	34,000
Costco – Maple Grove	31,000	32,000	31,000

City of Elk River

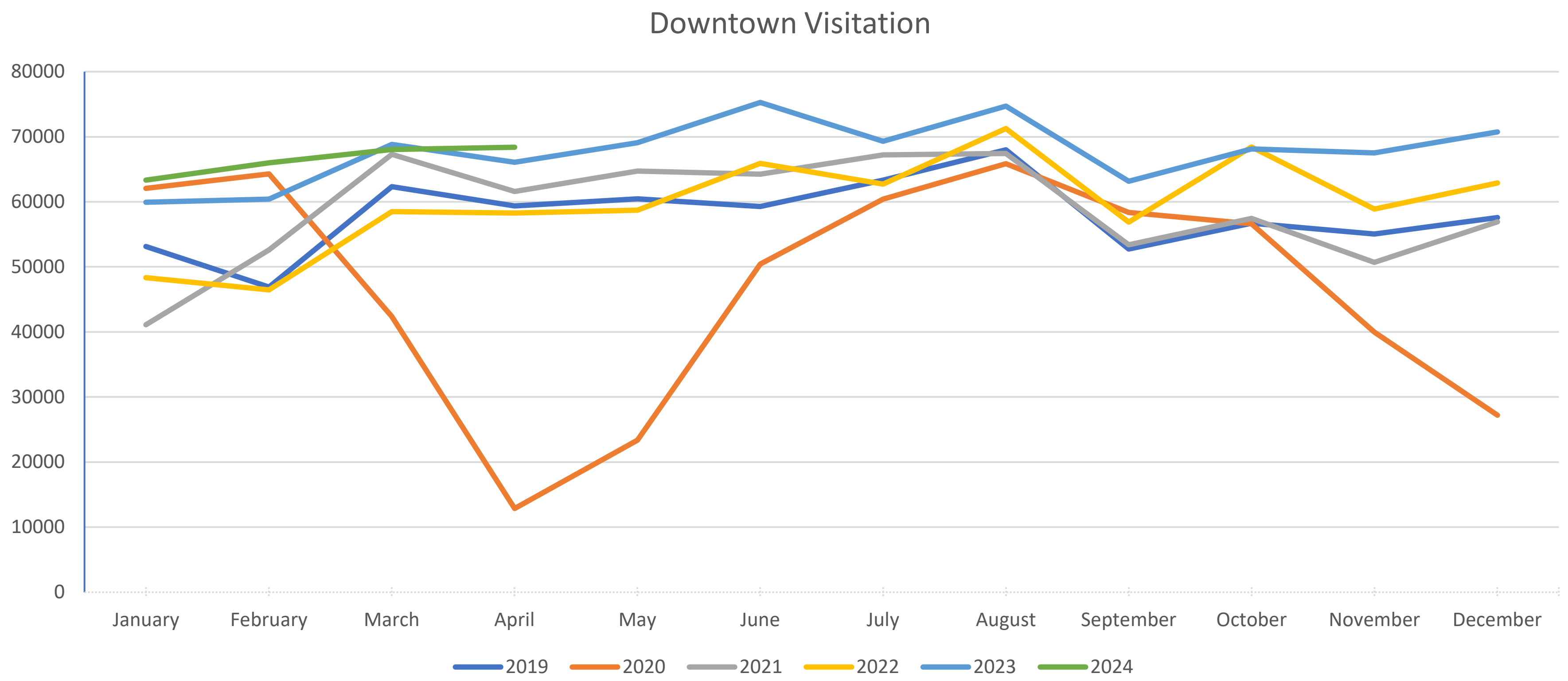
Placer.ai

Leakage Report

2021		2022		2023	
Chick-fil-A – CR	14	Chick-fil-A – CR	14	McDonald's – R	24
Raising Cane's – CR	13	Chick-fil-A – MG	12	Chick-fil-A – CR	21
Chick-fil-A – MG	9	Raising Cane's – CR	11	McDonald's – BL	19
Raising Cane's – MG	9	Raising Cane's – MG	10	Wendy's – R	17
Freddy's – R	8	Noodle's – R	9	Raising Cane's – CR	16

Downtown Analysis

Downtown Analysis



City of Elk River

Placer.ai

Downtown Analysis

Annual visitation trends

	2019	2020	2021	2022	2023	2024
Total	695,000	564,000	705,000	717,000	813,000	*846,000 est.*
YTD (5/1)	222,000	182,000	223,000	212,000	255,000	266,000

City of Elk River

Placer.ai

Downtown Analysis

Top Visitation Days – 2023

Thursday, August 17	4880	FM/RCS: The Fabulous Armadillos
Saturday, May 13	4800	ERHS Prom
Thursday, July 20	4500	FM/RCS: Church of Cash
Thursday, June 22	3900	FM/RCS: A Hard Days Night
Saturday, September 30	3700	
Thursday, June 29	3700	FM/RCS: The Whitesidewalls
Friday, December 29	3700	
Friday, October 27	3700	Trick or Treat
Thursday, June 15	3600	FM/RCS: Mick Sterling

City of Elk River

Placer.ai

Downtown Analysis

Top 5 Demographic Types: 2023 and 2024

▪ Booming with Confidence	20.8%
▪ Promising Families	17.7%
▪ Suburban Style	10.1%
▪ Flourishing Families	10%
▪ Thriving Boomers	9.4%

City of Elk River

Placer.ai

Downtown Analysis

Top 5 zip code visitation by home location

Elk River	337,000	+23.3K	41.4%	+7.4%
Zimmerman	68,400	+4.2K	8.4%	+6.5%
Anoka	53,600	+4.1K	6.6%	+8.4%
Big Lake	39,000	+10K	4.8%	+34.5%
Princeton	23,500	+4.3K	2.9%	+22.2%

- 813,200 total visits

City of Elk River

Placer.ai

Main Street

City of Elk River

Placer.ai

Main Street

Average cars per day

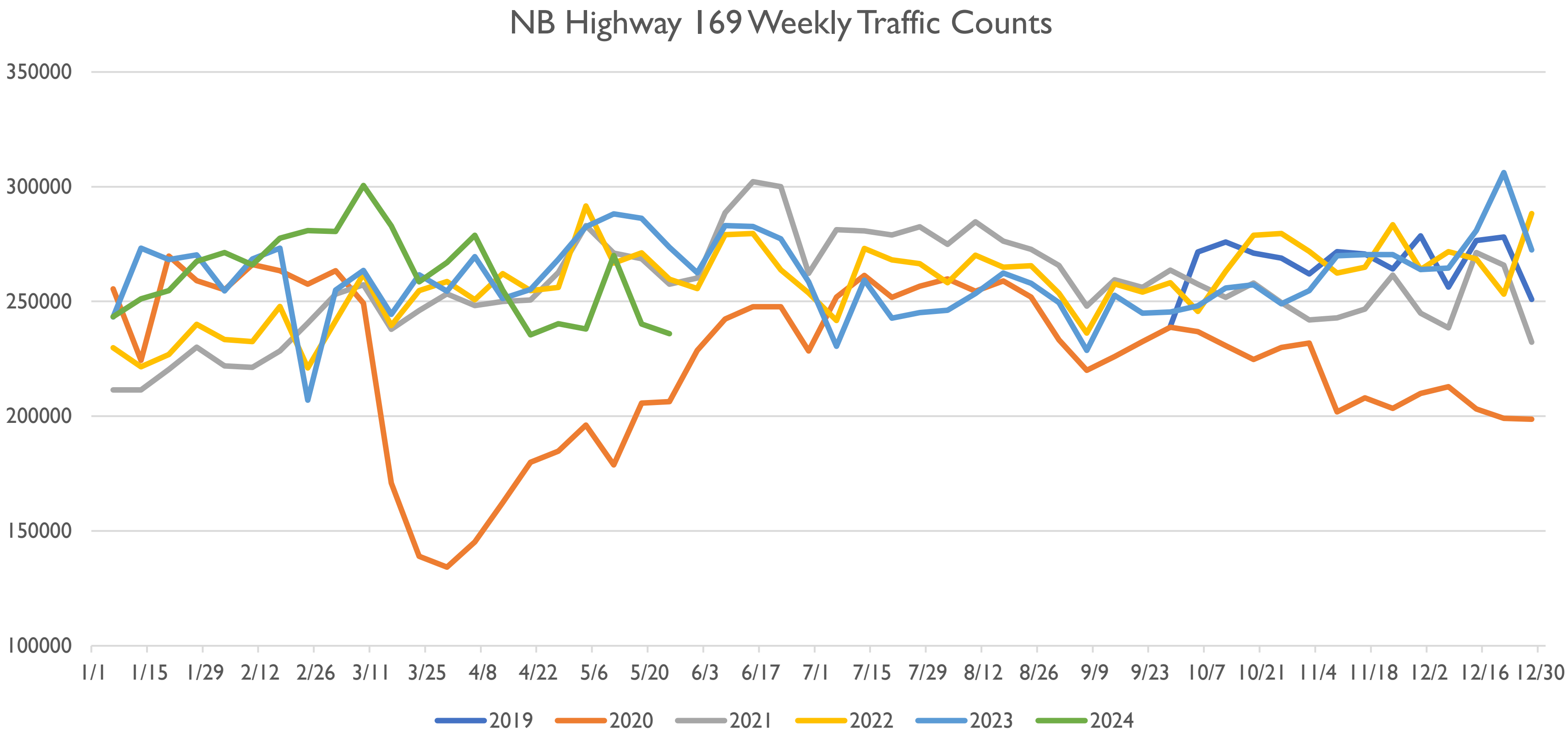
2019	16,200
2020	13,200
2021	15,000
2022	16,300
2023	17,900
2024 ytd	14,600
2024 construction	11,800

169 Redefine Analysis

City of Elk River

Placer.ai

169 Redefine Analysis



City of Elk River

Placer.ai

Thank you!

Questions?

Requests?

Request for Action

To
Housing and Redevelopment Authority

Item Number
6.4

Meeting Date
June 3, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Extension - Sale of Main and Gates Properties

Reviewed by:
Cal Portner

Action Requested
Approve, by motion, Amendment Two to the purchase agreement for the HRA properties at Main Street and Gates Avenue.

Background/Discussion
Ron Touchette, the buyer and lead developer of the Main and Gates site, has provided a progress update on the Main and Gates development as the project moves towards commencement this summer.

The timeline has been altered slightly in which Mr. Touchette is uncertain whether the property transaction can close at the end of June as contemplated in the first extension of the purchase agreement.

The HRA has been requested to provide a second extension of one month to facilitate the completion of necessary steps ahead of closing.

Financial Impact
N/A

Mission/Policy/Goal
The HRA facilitates certain redevelopment projects.

Attachments
1. Proposed Amendment Received from Ron Touchette

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement (this "Second Amendment") is made this 29th day of May, 2024 by and between the Elk River Housing and Redevelopment Authority, a Minnesota body corporate and politic (the "HRA") and Ronald J. Touchette, a married person (the "Buyer").

WHEREAS, the HRA and the Buyer entered into that certain Purchase and Sale Agreement dated June 21st, 2023 (the "Agreement") providing for the conveyance by the HRA to the Buyer of certain property located in the City of Elk River, Sherburne County, Minnesota and legally described on the attached Exhibit A (the "Property"); and

WHEREAS, due to unanticipated delays, the parties have determined to further extend the Closing Date set forth in the Agreement to July 31, 2024 or such other date on which the Seller and Purchaser may agree; and

WHEREAS, in an event wherein the Seller does not agree to the amendments contained in items 1 and 2 below of this Second Amendment then the Purchase Agreement shall be immediately cancelled and have no further force and effect as of June 1, 2024 and all Earnest Money shall be returned to the Buyer.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Amendment to Paragraph 5 of the Agreement. The first paragraph of Paragraph 5 of the Agreement is amended to read as follows:

    5. CONTINGENCIES WHICH MUST BE EXERCISED BY WRITTEN NOTICE TO THE HRA ON OR BEFORE JUNE 28, 2024 (THE "CONTINGENCY DATE"):

2. Amendment to Paragraph 6 of the Agreement. The first paragraph of Paragraph 6 of the Agreement is amended to read as follows:

    6. CLOSING. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on July 31, 2024 or on such other date on which the parties may agree (the "Closing Date"). The HRA agrees to deliver possession of the Property to the Buyer on the Closing Date

3. Miscellaneous. Except as amended by this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Purchase and Sale Agreement as of the date written above.

SELLER:

ELK RIVER HOUSING AND REDEVELOPMENT AUTHORITY

____
Denny Chuba, President

____
Brent O'Neil, Executive Director

BUYER:

RONALD J. TOUCHETTE

AuthentiSIGN
Ronald J. Touchette 05/29/24
Ronald J. Touchette

EXHIBIT A

Legal Description of the Property

Parcels:

Lot 1, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0105

AND;

Lot 3 & Lot 4 except the East 15 feet, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0115

AND;

Lot 7, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0130

AND;

Lot 8, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0135

AND;

Lot 9, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0140

AND;

Lot 10, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0145

AND;

LOT 11 & that part of Lot 12 lying West of the East 4.50 feet of Lot 12, Block 1, Auditors Subdivision No 5, according to the recorded plat thereof, Sherburne County, Minnesota.
PID 75-401-0150

* All legal descriptions are subject to verification by a survey.

Request for Action

To
Housing and Redevelopment Authority

Item Number
6.5

Meeting Date
June 3, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
General Updates

Reviewed by:
Cal Portner

Action Requested
This item is presented for information and discussion purposes.

Background/Discussion
This item is an opportunity to discuss relevant topics and other non-action items of the board.

Financial Impact
N/A

Mission/Policy/Goal
The mission of the HRA is to facilitate certain housing and redevelopment projects.

Attachments
None

Request for Action

To
Housing and Redevelopment Authority

Item Number
8.1

Meeting Date
June 3, 2024

Prepared By
Brent O'Neil, Economic Development Director

Item Description
Substandard Property and Redevelopment at 19116 Troy Street

Reviewed by:
Cal Portner

Action Requested
Item presented for information and discussion purposes.

Background/Discussion
The property owner at 19116 Troy Street NW passed away a few years ago. Since then, the home has become uninhabitable and the property has numerous code violations.

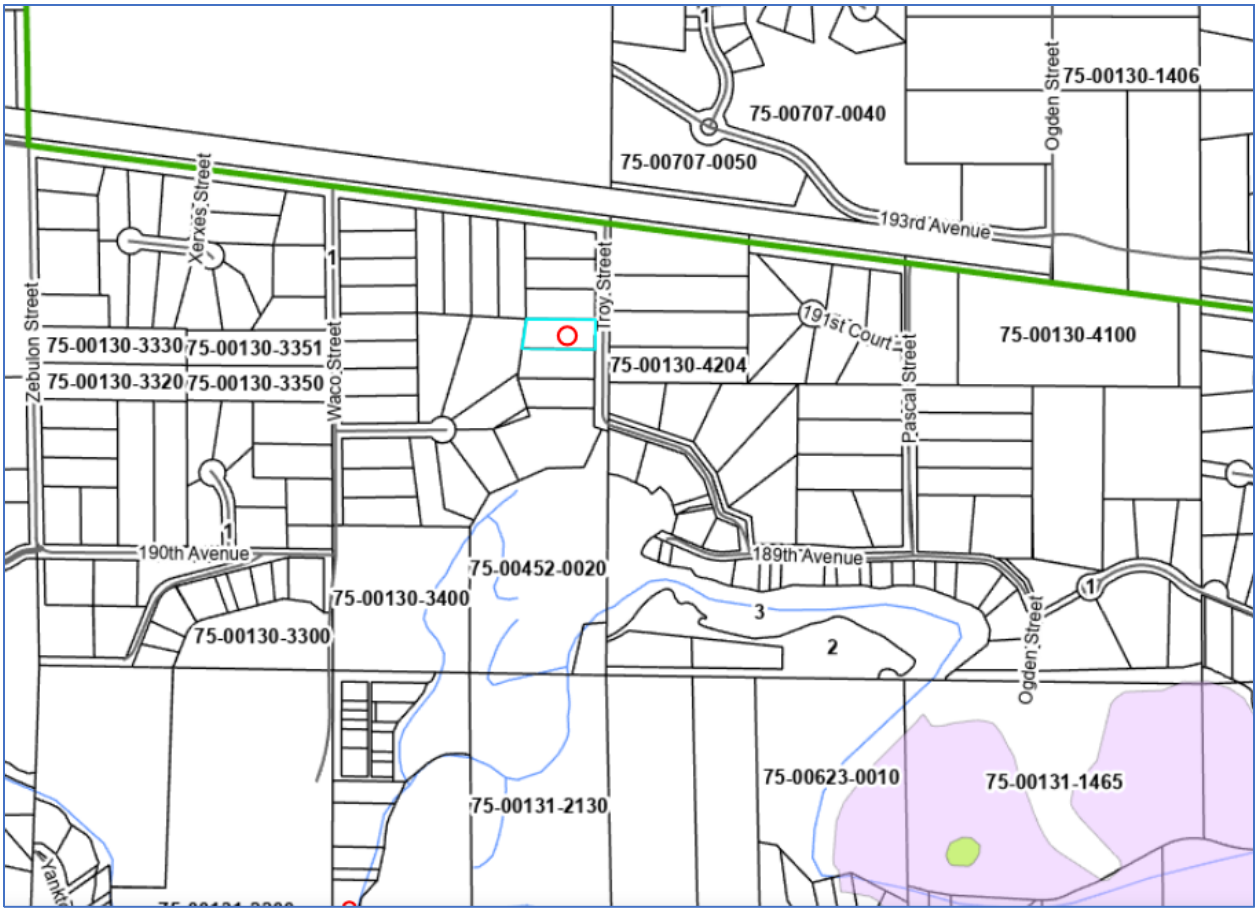
The city will initiate a condemnation process on the property due to its unsuitability as a habitable residence. The HRA would be in a position to facilitate the redevelopment of the property as a single-family home. The purpose of the work session is to determine the HRA's interest and involvement in being a key partner in the acquisition and redevelopment process.

Financial Impact
N/A

Mission/Policy/Goal
To facilitate housing and redevelopment opportunities.

Attachments
1. 19116 Troy Street Exhibits

Item 8.1 -- 19116 Troy St. NW



Request for Action

To Housing and Redevelopment Authority	**Item Number** 8.2
Meeting Date June 3, 2024	**Prepared By** Joshua Mollan, Economic Development Specialist
Item Description Housing Rehab Loan Program Overview	**Reviewed by:** Brent O'Neil Cal Portner

Action Requested
This item is for information and discussion purposes.

Background/Discussion
This is an opportunity for staff and commission members to review and discuss the Housing Rehabilitation Loan Program policy and guidelines following some questions at the March meeting. Topics may include eligibility boundary, and interest rate, among others.

Financial Impact
N/A

Mission/Policy/Goal
Improve existing housing stock by offering incentives or programs to repair and maintain residential properties.

Attachments
1. Rehab Loan Guidelines 2024
2. Urban Service Area 2024

EXHIBIT A

PROGRAM GUIDELINES

This document includes guidelines for the
REVOLVING LOAN PROGRAM

CITY of ELK RIVER REVOLVING LOAN PROGRAM GUIDELINES

The Elk River Housing and Redevelopment Authority has funds available for homeowners to make improvements to their properties. The Elk River Revolving Loan Program is designed to supplement existing loan programs available from MHFA, CEE, private lenders and other housing resources. This program is not intended to be the sole source of improvement funds available to the City. Center for Energy and Environment shall serve as the administrator for the Elk River Loan Program and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Revolving Loan Program

Interest Rate: 4%

Amortization Type: Amortizing (Monthly Payments Required).

Loan Amount: Minimum of $5,000 and Maximum of $35,000.

Loan term: Generally, one year per $1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan.

- $5,000 to $15,000 – up to 10 years
- $15,001 to $35,000 – up to 15 years

Eligible Properties: 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Elk River **AND** the Urban Services District. A recent water and sewer utility bill may be used to verify the borrower is in the Urban Services District. If applicant does not have a utility bill a letter of eligibility from the City of Elk River can be used. Townhomes, Condominiums and properties held in a Trust are eligible. The property **must be at least 20 years old**. Property must not be in a flood plain.

Ineligible Properties: Dwellings with more than four units, cooperatives, manufactured homes, and properties used for commercial purposes. Properties located in a flood plain. Properties **NOT** located in the Urban Services District.

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, Including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers, and business entities.

Ownership/Occupancy: Owner- occupied only.

Loan - to - Value Ratio: The ratio of all loans secured by the property, including the new loan, should not exceed 100% of the property value. Half of the improvement value may be added to the initial property value.

Income Limit: No maximum income limit.

Debt - to - Income Ratio: Applicant must have the ability to repay the loan. An applicant who has a debt to income ratio in excess of 43% will be ineligible to receive financing.

Credit Score Requirement: All borrowers must have a minimum of a 620 credit score.

Credit Requirements: 1) All mortgage payments must be current and reflect no 30 day late payments history in the past 12 month period (without reasonable explanation). 2) All real estate taxes must be current. 3) No outstanding judgements or collections. 4) Bankruptcy must have been discharged for at least 24 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 24 months prior to the loan application date. 6) Generally, no more than two 30-day late payments on credit report in the past year (without reasonable explanation). Any 30 day late requires a documented explanation and reasonable reasons; medical, unemployment, divorce. 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed, however, the outstanding balance(s) cannot exceed the maximum program limit and previous loans are current and have an acceptable payment history.

Eligible Use of Funds: Loans may be used to finance most permanent interior and exterior improvements including, but not limited to: roofing, siding, doors/windows, plumbing, electrical, HVAC, insulation, solar, garage, driveways, sidewalks/steps, painting, flooring, additions, landscaping, etc.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances(unless part of a full kitchen remodel), and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed.

Bids: Only one estimate is required. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials and to rent tools/ equipment, but not to compensate for labor.

Remodeling Advisor Visit (RAV): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice upon request of the resident. The intent is to help residents improve their homes by providing technical assistance before and during the bidding and construction process. All "Eligible Properties" are eligible for this service. This visit is not required and would be paid by the borrower(s).

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post installation inspection will be performed by a City of Elk River representative to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a mortgage in favor of the Elk River Housing and Redevelopment Authority. Borrower will pay all applicable title and filing fees, which may be financed in the loan amount.

Borrower Fees: Borrower will be responsible for a 1% origination Fee, $50 Document Preparation Fee, mortgage filing and service fees, flood certificate, credit report fees and any other applicable closing costs, all which may be financed in the loan amount.

Underwriting Decision: Applicants must have acceptable credit history (see Credit Requirements). CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE shall refer to the Elk River HRA for any questionable situations. All borrowers must have a credit score of at least 620.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case by case basis.

General Program Conditions

Application Processing: Loans will be distributed on a first come first serve basis as borrowers qualify.
Applicants must provide a completed application package including, but not limited to:

- Completed and signed application form
- Proof of income
- Bids or estimates for proposed projects
- Valid Identification
- Other miscellaneous documents CEE may require.

Program Costs: Loan origination and other administrative fees will be paid out of the Program Budget. Loan program marketing efforts will be billed directly to the City of Elk River Housing and Redevelopment Authority. Should the HRA choose to commission CEE for marketing support it will be a separate expense.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the original loan amount, the borrower must obtain the additional funds and show verification of the additional funds in order to be approved for the loan.

Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. An inspection will be performed by a city inspector and/or representative to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final invoice or proposal from contractor (or materials list from supplier);
- Final inspection verification by a City Inspector or representative;

- Completion certificate(s) signed by borrower, contractor and city inspector or representative (if a permit is not required);
- Lien waiver for entire cost of work;
- Evidence of city permit (if required)