



Housing and Redevelopment Authority

Monday, March 2, 2026

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
-

1. CALL MEETING TO ORDER

1.1 Commissioner Dave Klutch

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 DRAFT Minutes - February 2, 2026

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 Downtown Winter Light Pole Fixtures

6.2 Housing Rehabilitation Loan Program Update

7. OPEN DISCUSSION

This section is reserved for the board and staff to discuss relevant topics, updates, and other non-action items of the board.

8. MOTION TO ADJOURN REGULAR MEETING

9. WORK SESSION

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.

9.1 Review Housing Rehabilitation Loan Guidelines

10. MOTION TO ADJOURN

11. CLOSED MEETING

11.1 Statement to be read by the Chair:

"The Housing and Redevelopment Authority will be holding a closed meeting per MN Statute 13D.05, subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase or sale of real property. The properties being discussed are within The Village of Elk River plat:

- PID 75-00405-1110, 365 Jackson Ave NW
- PID 75-00405-1115, unaddressed
- PID 75-00405-1155, 618 Railroad Dr NW
- PID 75-00405-1120, 616 Railroad Dr NW
- PID 75-00405-1135, 612 Railroad Dr NW
- PID 75-00405-1150, 600 Railroad Dr NW

11.2 Motion Calling Closed Meeting

11.3 Hold Closed Meeting

11.4 Motion to Adjourn Closed Meeting

The Elk River Vision

A welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity





OATH OF OFFICE

I, Dave Klutch, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, will support the City Code and laws of the City of Elk River, and to discharge faithfully the duties of the Housing and Redevelopment Authority of the City of Elk River, Minnesota, to the best of my judgment and ability, so help me God.

Dave Klutch

Subscribed and sworn to before me this _____ day of _____, 2026.

Person Administering Oath



**Meeting of the Housing and
Redevelopment Authority
Held at the Elk River City Hall
Monday, February 2, 2026**

Members Present: Chair Nate Ovall, Commissioner Mel Beaudry, Commissioner Denny Chuba, Commissioner Lynn Caswell, Commissioner John Dietz

Members Absent: None.

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

1. CALL MEETING TO ORDER

Pursuant to due call and notice thereof, the meeting was called to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

Moved by Commissioner Beaudry and seconded by Commissioner Dietz to approve the agenda. Motion carried 5-0.

Mr. O'Neil commented that the work session would be brief and could be held in the Council Chambers.

4. CONSENT AGENDA

Commissioner Chuba asked that the minutes be changed to reflect that he "retired" from the HRA rather than "resigned".

Moved by Commissioner Dietz and seconded by Commissioner Beaudry to approve the following consent items as outlined in their respective staff reports, as amended. Motion carried 5-0.

4.1 DRAFT Minutes - January 5, 2026

4.2 Check Register

4.3 Balance Sheet December 2025

4.4 Revenue/Expenditure Reports December 2025

4.5 Balance Sheet January 2026

4.6 Revenue/Expenditure Reports January 2026

5. OPEN FORUM

No one appeared for open forum.

6. GENERAL BUSINESS

6.1 SAHA - Main Street Family Services Allocation Update

Mr. Mollan presented the staff report. He has received the first report of Statewide Affordable Housing Aid (SAHA) disbursements from Main Street Family Services. They have distributed nearly \$10,000 in the community so far.

Commissioner Caswell asked about the detail of the report. Mr. Mollan stated he could request a more robust report. Commissioner Caswell will consider that option.

6.2 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report. There are no new loans to report.

Commissioner Caswell asked if the borrower pays the origination fee. Mr. Mollan responded that the HRA pays the fee. The Commission asked to review the Housing Rehabilitation Loan Program guidelines. Mr. O'Neil stated the program guidelines could be brought to the March HRA work session for discussion with any changes adopted at the April HRA meeting.

6.3 Discuss Regular Meeting Schedule

Mr. O'Neil presented the staff report.

Moved by Commissioner Beaudry and seconded by Commissioner Caswell that the HRA scheduled meeting date and time remain the same. Motion carried 4-0. Commissioner Chuba abstained.

7. OPEN DISCUSSION

Mr. O'Neil stated that Dave Klutch was nominated as part of the HRA board and would be sworn in at the March 3, 2026 HRA meeting.

Mr. O'Neil stated real estate agent Ryan Hardin has had some good discussions regarding his current agreement.

Mr. Mollan commented that the board may update their group photo at the March or April meeting.

Details will be shared with the board at a later date.

8. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Dietz and seconded by Commissioner Chuba to adjourn the meeting. Motion carried 5-0.

The regular meeting adjourned at 5:55 p.m. Chair Ovall called the work session to order at 5:55 p.m.

9. WORK SESSION

9.1 King Avenue Parking Lot Plans

Mr. O'Neil gave information on the updates to the King Ave parking lot plan during spring and summer 2026. The HRA owns a portion of the parking lot and Mr. O'Neil felt they would have a say in the final plan.

Commissioner Dietz reviewed that the parking lot plan would add 50 additional parking spaces and had a target completion date of mid-June. Commissioner Dietz stated the green space would be removed and new lighting would be added.

Commissioner Beaudry liked the idea of a restroom in the downtown area but asked who would maintain the restroom. Commissioner Dietz stated it would be serviced every day the same as every other city-owned restroom facility.

Chair Ovall asked if the city had ever considered consolidating the ownership of the parcels in the parking lot. Mr. O'Neil stated current ownership of the parking lot includes Elk River Municipal Utilities, the HRA, the city, and John Houlton.

Commissioner Dietz asked if staff could do research on consolidating the parking lot ownership between the three government entities.

10. MOTION TO ADJOURN

Moved by Commissioner Dietz and seconded by Commissioner Beaudry to adjourn the meeting. Motion carried 5-0.

The meeting adjourned at 6:12 p.m.

Minutes prepared by Katie Porath.

Nate Ovall, Chair

Jolene Richter, Deputy City Clerk

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Net Invoice Check Amount	GL Account Number
CITY OF ELK RIVER								
910								
1-2026 HRA	1	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	10,312.78	10,312.78	910-4-6100-4101
1-2026 HRA	2	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	375.00	375.00	910-4-6100-4103
1-2026 HRA	3	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	777.20	777.20	910-4-6100-4104
1-2026 HRA	4	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	639.39	639.39	910-4-6100-4105
1-2026 HRA	5	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	149.48	149.48	910-4-6100-4107
1-2026 HRA	6	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	1,008.00	1,008.00	910-4-6100-4108
1-2026 HRA	7	HRA SALARIES - JAN 2026	Invoice	02/17/2026	03/06/2026	30.58	30.58	910-4-6100-4112
Total 17440 CITY OF ELK RIVER:						13,292.43	13,292.43	
Total 910:						13,292.43	13,292.43	
CENTER FOR ENERGY & ENVIRONMENT								
910								
28037	1	DEMARRE - 9624 209TH AVE. NW	Invoice	02/14/2026	03/16/2026	35,000.00	35,000.00	910-1190
28037	2	ORINATION FEE -DEMARRE	Invoice	02/14/2026	03/16/2026	775.00	775.00	910-4-6100-4409
28037	3	ANNUAL ADMIN FEE	Invoice	02/14/2026	03/16/2026	5,000.00	5,000.00	910-4-6100-4409
Total 13846 CENTER FOR ENERGY & ENVIRONMENT:						40,775.00	40,775.00	
Total 910:						40,775.00	40,775.00	
Total :						54,067.43	54,067.43	
Grand Totals:						54,067.43	54,067.43	

Summary by General Ledger Account Number

GL Account Number	Debit	Credit	Net
910-1190	35,000.00	.00	35,000.00
910-4-6100-4101	10,312.78	.00	10,312.78
910-4-6100-4103	375.00	.00	375.00
910-4-6100-4104	777.20	.00	777.20
910-4-6100-4105	639.39	.00	639.39
910-4-6100-4107	149.48	.00	149.48
910-4-6100-4108	1,008.00	.00	1,008.00
910-4-6100-4112	30.58	.00	30.58
910-4-6100-4409	5,775.00	.00	5,775.00
Grand Totals:	54,067.43	.00	54,067.43

Summary by General Ledger Posting Period

GL Posting Period	Debit	Credit	Net
02/26	54,067.43	.00	54,067.43

Summary by General Ledger Posting Period

<u>GL Posting Period</u>	<u>Debit</u>	<u>Credit</u>	<u>Net</u>
Grand Totals:	54,067.43	.00	54,067.43

CITY OF ELK RIVER

Balance Sheet

February 28, 2026

Fund 910 - HRA

Assets

910-1000	Cash - HRA	1,738,201.06
910-1190	Loans Receivable	186,891.22
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	143,229.98

Total Assets 2,468,322.26

Fund Equity

910-2400	Fund Balance	2,461,786.01
	Revenues over Expenditures - YTD	6,536.25

Total Fund Equity 2,468,322.26

Total Liabilities & Equity 2,468,322.26

CITY OF ELK RIVER
 Revenues with Comparison to Budget
 For the Month Ending February 28, 2026

Fund 910 - HRA

		Period Actual	YTD Actual	Budget	Unearned	PCNT
910-3-0000-3111	Property Taxes	-	7,196.04	469,450.00	(462,253.96)	2%
910-3-0000-3621	Interest Income	621.11	5,716.51	40,000.00	(34,283.49)	14%
	Total Fund Revenue	621.11	12,912.55	509,450.00	(496,537.45)	3%

CITY OF ELK RIVER
 Expenditures with Comparison to Budget
 For the Month Ending February 28, 2026

Fund 910 - HRA

	Period Actual	YTD Actual	Budget	Unearned	PCNT
910-4-6100-4101 Regular Pay	-	-	92,000.00	(92,000.00)	0%
910-4-6100-4103 Part-time Pay	-	-	4,500.00	(4,500.00)	0%
910-4-6100-4104 PERA	-	-	6,950.00	(6,950.00)	0%
910-4-6100-4105 FICA	-	-	6,000.00	(6,000.00)	0%
910-4-6100-4107 Medicare	-	-	1,400.00	(1,400.00)	0%
910-4-6100-4108 Insurance	-	-	20,750.00	(20,750.00)	0%
910-4-6100-4109 Workers Comp	-	-	450.00	(450.00)	0%
910-4-6100-4112 PFML	-	-	500.00	(500.00)	0%
910-4-6100-4201 Office Supplies	-	82.30	100.00	(17.70)	82%
910-4-6100-4304 Legal Fees	-	-	3,000.00	(3,000.00)	0%
910-4-6100-4319 Professional Services	-	-	30,000.00	(30,000.00)	0%
910-4-6100-4331 Travel, Conferences & Schools	-	-	1,000.00	(1,000.00)	0%
910-4-6100-4349 Advertising/Marketing	-	6,228.00	9,750.00	(3,522.00)	64%
910-4-6100-4359 Publishing	-	-	500.00	(500.00)	0%
910-4-6100-4401 Bldg Repair/Maint Services	-	-	500.00	(500.00)	0%
910-4-6100-4404 Software Services	-	-	7,500.00	(7,500.00)	0%
910-4-6100-4409 Contractual Services	66.00	66.00	27,000.00	(26,934.00)	0%
910-4-6100-4433 Dues & Subscriptions	-	-	2,500.00	(2,500.00)	0%
910-4-6100-4510 Land	-	-	200,000.00	(200,000.00)	0%
910-4-6100-4530 Improvement Project Contract	-	-	50,000.00	(50,000.00)	0%
910-4-6100-4721 Transfer-General Fund	-	-	40,550.00	(40,550.00)	0%
910-4-6100-4735 Transfer-EDA	-	-	4,500.00	(4,500.00)	0%
Total Fund Expenditures	66.00	6,376.30	509,450.00	(503,073.70)	1%
Net Revenue Over Expenditures	555.11	6,536.25	-	6,536.25	0%



Request for Action

To
Housing and Redevelopment Authority

Item Number
6.1

Meeting Date
March 2, 2026

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Downtown Winter Light Pole Fixtures

Reviewed by
Brent O'Neil
Cal Portner

Action Requested

Approve, by motion, a \$7,500 financial contribution toward downtown light pole fixtures in partnership with the Downtown Elk River Business Association (DERBA).

Background/Discussion

DERBA has determined that the lit wreaths hung from the light poles downtown have reached the end of their effective lives. The wreaths were purchased in 2021 and were hung for five winters. The HRA contributed \$2,500, approximately half the cost.

DERBA is interested in replacing the wreaths with a winter-themed fixture to be utilized throughout winter, not just the holiday season. A DERBA committee, with city staff representation, reviewed three proposals for comparable products. Based on cost, quality, number of bulbs, and design, the committee selected a regional lighting vendor, Main Street Designs, and three-foot, pole-mounted lit snowflakes.

DERBA is requesting \$7,500 in financial assistance to purchase 23 snowflakes. The proposed delivery cost is \$9,061. The remainder of the balance will be covered by DERBA and/or a DERBA-coordinated sponsor.

Financial Impact

\$7,500 drawn from existing HRA funds.

Mission/Policy/Goal

Opportunity to live, work, and play.

Attachments

- I. Letter from DERBA

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Downtown Elk River Business Association
630 Main Street
Elk River, MN 55330

2/26/2026

City of Elk River Housing and Redevelopment Authority (HRA)
Elk River, MN 55330

Dear members of the HRA,

I am writing on behalf of the Downtown Elk River Business Association (DERBA) to request funding assistance to purchase snowflake decorations to go on the light poles in Downtown Elk River. These decorations bring joy to our community, foster a festive atmosphere, and help support local businesses during the holiday season. The existing lit wreaths have reached the end of their effective lives.

We received three quotes and decided on the quote from MainStreet Designs for 23 snowflake decorations for a delivered cost of \$9061. We are seeking a \$7,500 financial contribution from the HRA to support this project and enhance the holiday spirit throughout downtown. We believe this contribution aligns with the HRA's mission to support and promote a vibrant and attractive downtown. DERBA is prepared to contribute the residual balance between DERBA funds and/or business sponsorships. Future installation, removal, and repair costs will be covered by DERBA. By choosing the snowflake look we are trending towards a winter theme instead of a Christmas theme to allow the decorations to stay up till the end of February each year, extending the ambience a couple extra months. We have been working with ERMU to ensure they are comfortable with the mounting of these specific decorations.

We believe this collaboration will greatly benefit the Elk River community, and we appreciate your consideration. Please let us know if you need any additional information or documentation. We look forward to the opportunity to work together on this important initiative.

Sincerely,

Deana McLean
DERBA Chair



Request for Action

To
Housing and Redevelopment Authority

Item Number
6.2

Meeting Date
March 2, 2026

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.

There was a new loan issued on January 8 for a solar system. \$115,000 remains available for new loan disbursements in 2026.

In 2025, CEE facilitated five loans in Elk River. Two were from the HRA's Rehabilitation Loan Program for \$43,151, while the other three were leveraged with CEE or Minnesota Housing funds for \$28,235.

Financial Impact
N/A

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

- Attachments**
1. CEE Monthly Loan Activity Summary
 2. CEE Monthly Loan Servicing Report
 3. CEE Loan Activity Report Q4 2025

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CEE Monthly Loan Activity Summary

3/2/26

Loan #	Loan Amount	Contract	Maturity	Status	Rate	Dec Pymt	Jan Pymt	Balance
19-015204	\$ 22,069.00	1/25/2017	1/1/2027	Current	2.50%	\$ 208.04	\$ 208.04	\$ 2,404.71
19-015209	\$ 19,665.00	9/22/2017	9/1/2027	Current	2.75%	\$ 187.63	\$ 187.63	\$ 3,554.75
19-015217	\$ 21,640.00	5/4/2018	5/1/2033	Current	4.25%	\$ 162.79	\$ 162.79	\$ 12,323.56
19-016564	\$ 15,252.22	7/15/2019	7/15/2029	Current	4.00%	\$ 154.43	\$ 154.43	\$ 6,047.21
23-029012	\$ 34,749.06	4/21/2023	4/21/2038	Current	4.00%	\$ 260.00	\$ 260.00	\$ 29,732.15
23-029085	\$ 30,223.00	6/20/2023	6/20/2033	Current	4.00%	\$ 306.00	\$ 306.00	\$ 23,537.91
23-029618	\$ 23,780.00	10/2/2023	10/2/2038	Current	4.00%	\$ 201.00	\$ 201.00	\$ 16,836.98
24-032189	\$ 19,290.00	4/22/2024	4/22/2039	Current	4.00%	\$ 142.69	\$ 142.69	\$ 17,574.30
24-033299	\$ 35,000.00	4/22/2024	4/22/2039	Current	4.00%	\$ 258.90	\$ 258.90	\$ 31,889.39
25-039214	\$ 8,151.00	6/23/2025	6/23/2028	Current	4.00%	\$ 240.66	\$ 240.66	\$ 6,644.44
25-040378	\$ 35,000.00	10/3/2025	10/3/2040	Current	4.00%	\$ 258.90	\$ 258.90	\$ 34,574.66
25-041322	\$ 35,000.00	1/8/2025	1/8/2041	New	4.00%	\$ -	\$ -	\$ 35,000.00
Total	\$ 299,819.28					\$ 2,381.04	\$ 2,381.04	\$ 220,120.06



CITY OF ELK RIVER LOAN SERVICING REPORT

January 2026

Data Set: February 1st, 2026

CONTENTS



- 1 Invoice Report
- 2 Trial Balance Report (Loan Detail)
- 3 New Loan Count
- 4 Total Loan Count (Monthly Detail)
- 5 Trial Balance Report (Monthly Detail in USD)
- 6 Monthly Payment Collection Per Loan
- 7 Total Payment Collection in USD (Monthly Detail)
- 8 Total Principal Collection in USD (Monthly Detail)
- 9 Total Interest Collection in USD (Monthly Detail)

CITY OF ELK RIVER
 INVOICE SUMMARY
 Detail for January 2026

POOL	TOTAL COUNT OF ACTIVE LOANS	COUNT OF NEW LOANS	COUNT OF ACTIVE AMORTIZING LOANS	COUNT OF ACTIVE DEFERRED LOANS	COUNT OF ACTIVE DELINQUENT LOANS	COUNT OF PAYOFFS RECEIVED	TOTAL AMOUNT RECEIVED	PRINCIPAL RECEIVED	INTEREST RECEIVED	LATE FEES AND OTHER FEES RECEIVED	3RD PARTY FEES COLLECTED	NEW LOAN FEES	DELINQUENCY MANAGEMENT FEES	SATISFACTION DRAFTING FEES	SERVICING FEES	TOTAL FEES TO SERVICER	FUNDS TO THE CITY OF ELK RIVER
HRA REHAB	12	1	12	0	0	0	\$2,381.04	\$1,742.36	\$637.68	\$0.00	\$1.00	\$20.00	\$0.00	\$0.00	\$72.00	\$93.00	\$2,288.04
Grand Total	12	1	12	0	0	0	\$2,381.04	\$1,742.36	\$637.68	\$0.00	\$1.00	\$20.00	\$0.00	\$0.00	\$72.00	\$93.00	\$2,288.04

CITY OF ELK RIVER

PAYMENT BREAKDOWN PER LOAN

Detail for January 2026

Source Company	Loan #	Address	TOTAL AMOUNT RECEIVED	PRINCIPAL RECEIVED	INTEREST RECEIVED	LATE FEES AND OTHER FEES RECEIVED	3RD PARTY FEES COLLECTED
ELK RIVER	19-015204	1420 5TH ST NW	\$208.04	\$202.51	\$5.53	\$0.00	\$0.00
	19-015209	609 GATES AVE NW	\$187.63	\$178.91	\$8.72	\$0.00	\$0.00
	19-015217	1811 MAIN ST	\$162.79	\$117.88	\$44.91	\$0.00	\$0.00
	19-016564	403 3RD ST NW	\$154.43	\$133.43	\$21.00	\$0.00	\$0.00
	23-029012	18990 TWIN LAKES RD NW	\$260.00	\$158.46	\$101.54	\$0.00	\$0.00
	23-029085	17931 GARY ST NW	\$306.00	\$225.27	\$80.73	\$0.00	\$0.00
	23-029618	13366 181ST LN NW	\$201.00	\$142.32	\$57.68	\$0.00	\$1.00
	24-032189	14270 191ST AVE NW	\$142.69	\$82.71	\$59.98	\$0.00	\$0.00
	24-033299	17812 CONCORD CT NW	\$258.90	\$150.05	\$108.85	\$0.00	\$0.00
	25-039214	18471 TROTT BROOK PKWY NW	\$240.66	\$209.86	\$30.80	\$0.00	\$0.00
	25-040378	11137 167TH AVE NW	\$258.90	\$140.96	\$117.94	\$0.00	\$0.00
	25-041322	9624 209TH AVE NW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total			\$2,381.04	\$1,742.36	\$637.68	\$0.00	\$1.00

CITY OF ELK RIVER
 TRIAL BALANCE REPORT
 Monthly Detail

Loan #	Address	2025											
		Q1		Q2			Q3			Q4			2026 Q1
		February	March	April	May	June	July	August	September	October	November	December	January
19-015215	606 JEFFERSON LN NW	\$937.75	\$747.03	\$556.12	\$364.75	\$173.14	\$0.00						
19-015204	1420 5TH ST NW	\$4,610.69	\$4,411.49	\$4,212.82	\$4,013.44	\$3,813.92	\$3,613.72	\$3,413.35	\$3,212.56	\$3,011.12	\$2,809.48	\$2,607.22	\$2,404.71
19-015209	609 GATES AVE NW	\$5,502.58	\$5,326.56	\$5,151.37	\$4,975.38	\$4,799.37	\$4,622.59	\$4,445.76	\$4,268.51	\$4,090.53	\$3,912.45	\$3,733.66	\$3,554.75
19-015217	1811 MAIN ST	\$13,607.82	\$13,489.39	\$13,375.30	\$13,259.23	\$13,144.29	\$13,027.42	\$12,911.66	\$12,795.48	\$12,677.39	\$12,560.36	\$12,441.44	\$12,323.56
19-016564	403 3RD ST NW	\$7,495.73	\$7,364.30	\$7,234.89	\$7,104.25	\$6,973.95	\$6,842.45	\$6,711.27	\$6,579.64	\$6,446.84	\$6,314.31	\$6,180.64	\$6,047.21
23-029012	18990 TWIN LAKES RD NW	\$31,469.37	\$31,305.94	\$31,152.29	\$30,994.71	\$30,840.01	\$30,681.40	\$30,525.64	\$30,369.34	\$30,209.18	\$30,051.81	\$29,890.61	\$29,732.15
23-028654	13222 179 1/2 AVE NW	\$30,142.97	\$29,935.46	\$29,737.16	\$29,534.93	\$29,335.27	\$29,131.71	\$28,930.68	\$28,728.96	\$28,523.41	\$0.00		
23-029085	17931 GARY ST NW	\$25,993.50	\$25,767.26	\$25,548.80	\$25,326.80	\$25,106.84	\$24,883.38	\$24,661.92	\$24,439.70	\$24,214.05	\$23,990.31	\$23,763.18	\$23,537.91
23-029618	13366 181ST LN NW	\$19,573.56	\$19,142.21	\$18,700.94	\$18,262.42	\$18,126.46	\$18,003.93	\$17,555.23	\$17,405.25	\$17,119.26	\$17,119.26	\$16,979.30	\$16,836.98
24-032189	14270 191ST AVE NW	\$18,482.59	\$18,396.61	\$18,316.42	\$18,233.95	\$18,153.21	\$18,070.20	\$17,988.90	\$17,907.32	\$17,823.51	\$17,741.37	\$17,657.01	\$17,574.30
24-033299	17812 CONCORD CT NW	\$33,537.34	\$33,381.35	\$33,235.85	\$33,086.22	\$32,939.72	\$32,789.12	\$32,641.61	\$32,493.60	\$32,341.53	\$32,192.50	\$32,039.44	\$31,889.39
25-039214	18471 TROTT BROOK PKWY NW					\$8,151.00	\$7,935.35	\$7,721.65	\$7,509.76	\$7,290.49	\$7,081.00	\$6,854.30	\$6,644.44
25-040378	11137 167TH AVE NW									\$34,848.50	\$34,848.50	\$34,715.62	\$34,574.66
25-041322	9624 209TH AVE NW												\$35,000.00
Grand Total		\$191,353.90	\$189,267.60	\$187,221.96	\$185,156.08	\$191,557.18	\$189,601.27	\$187,507.67	\$185,710.12	\$218,595.81	\$188,621.35	\$186,862.42	\$220,120.06

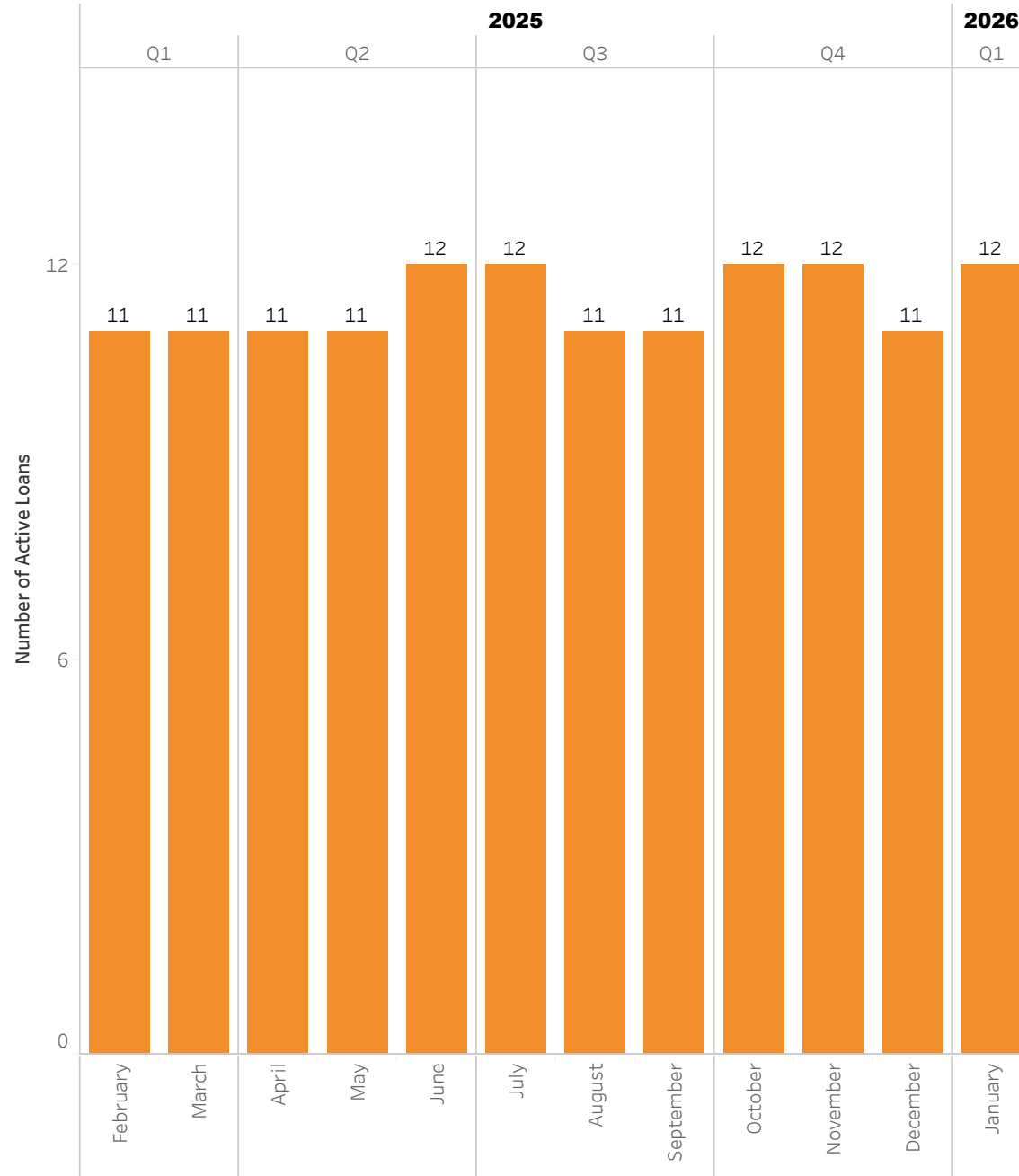
CITY OF ELK RIVER

NEW LOAN REPORT

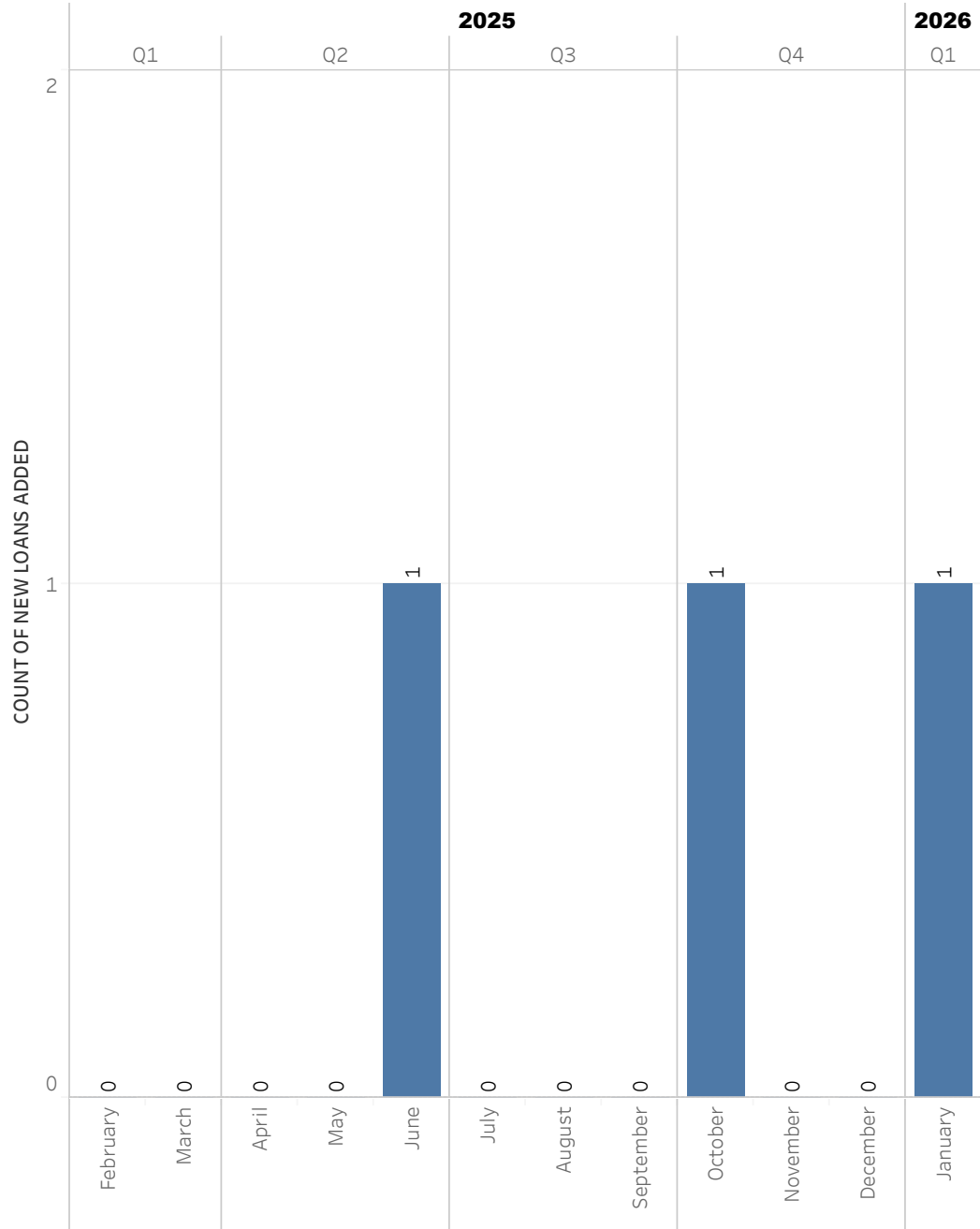
Detail for January 2026

POOL	Loan #	Address	Contract Date	
HRA REHAB	25-041322	9624 209TH AVE NW	1/8/2026	\$35,000.00
Grand Total				\$35,000.00

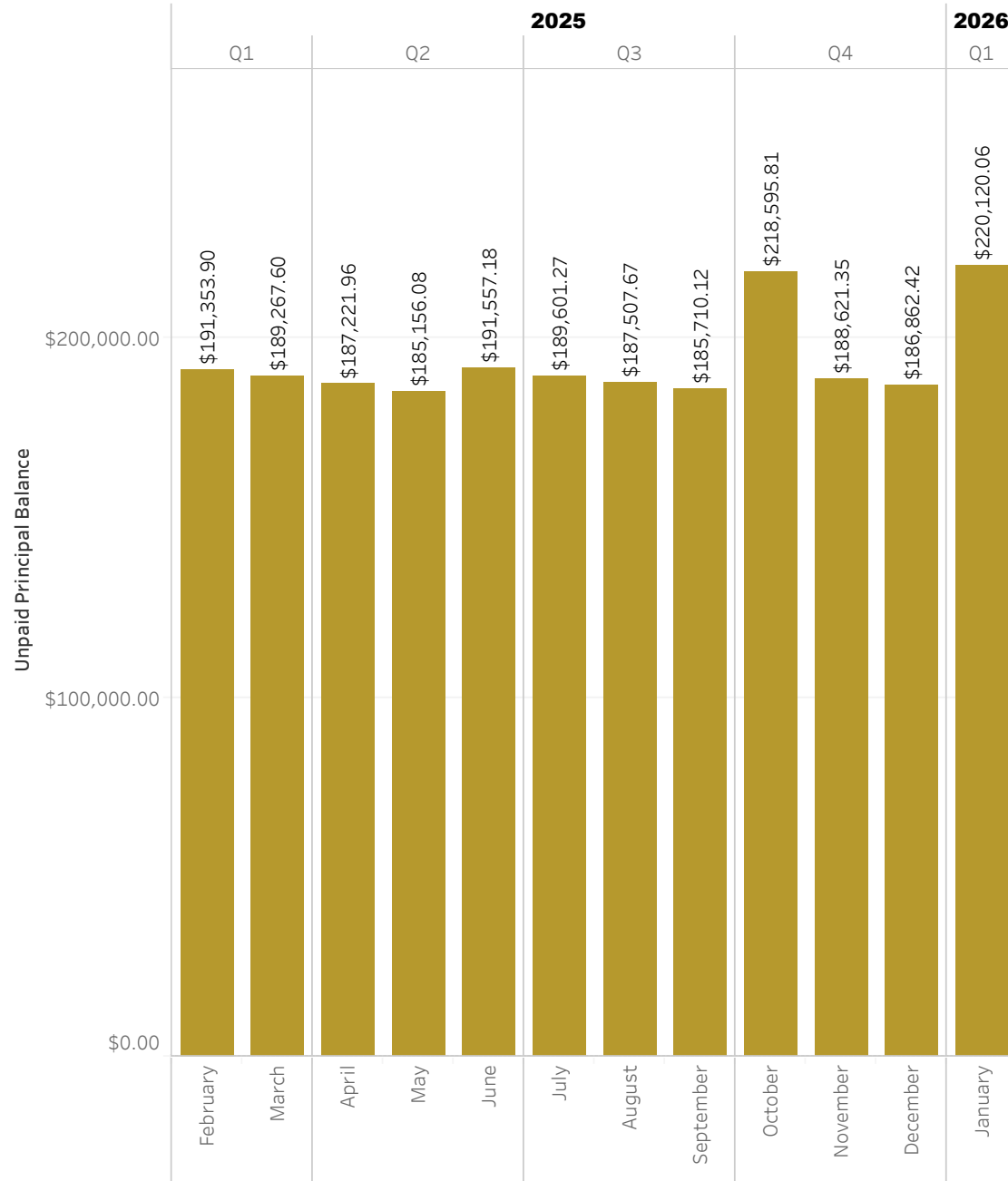
CITY OF ELK RIVER
 TOTAL LOAN COUNT
 Monthly Detail



CITY OF ELK RIVER
 NEW LOAN COUNT
 Monthly Detail



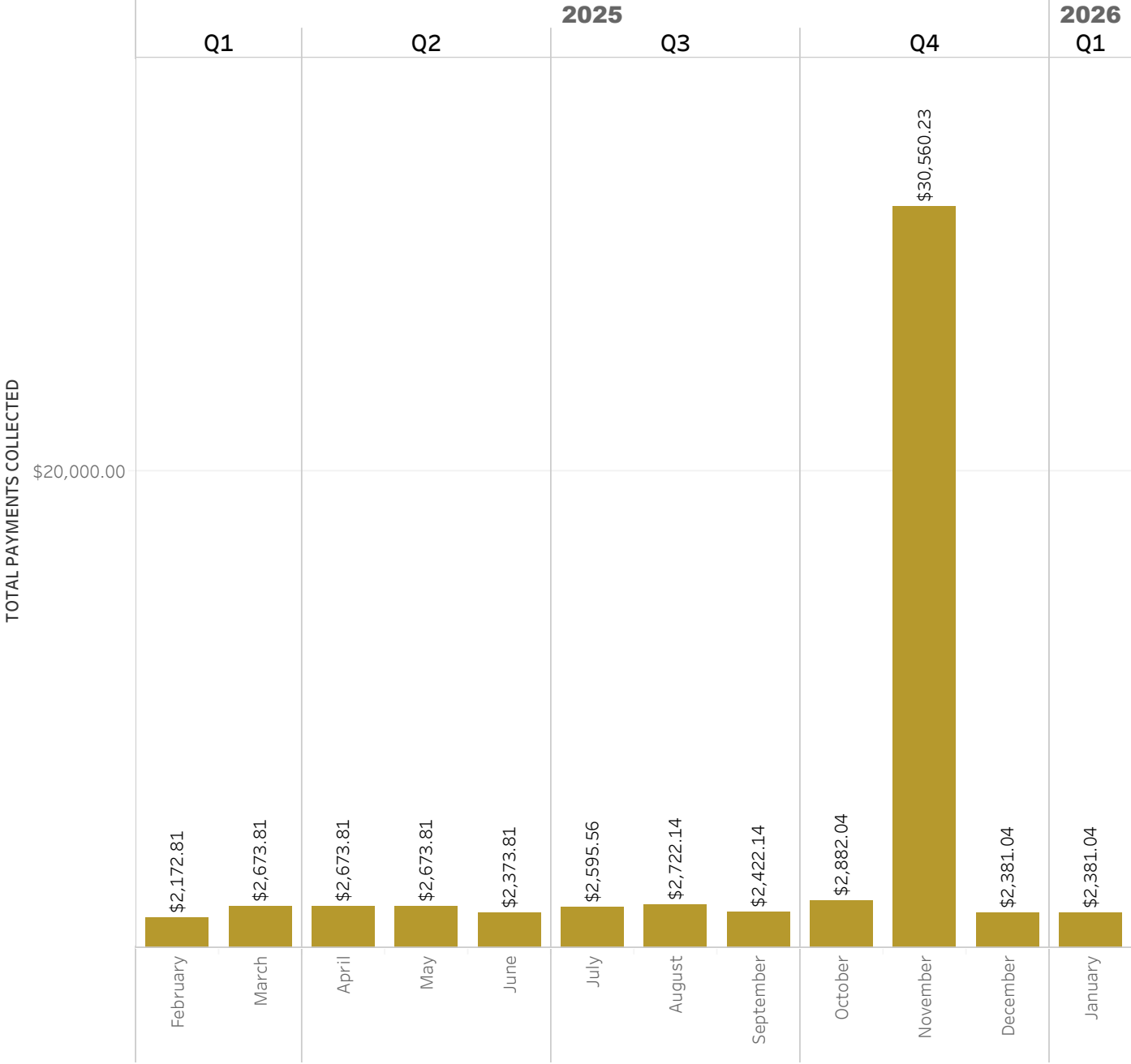
CITY OF ELK RIVER
 TRIAL BALANCE
 Monthly Detail in USD



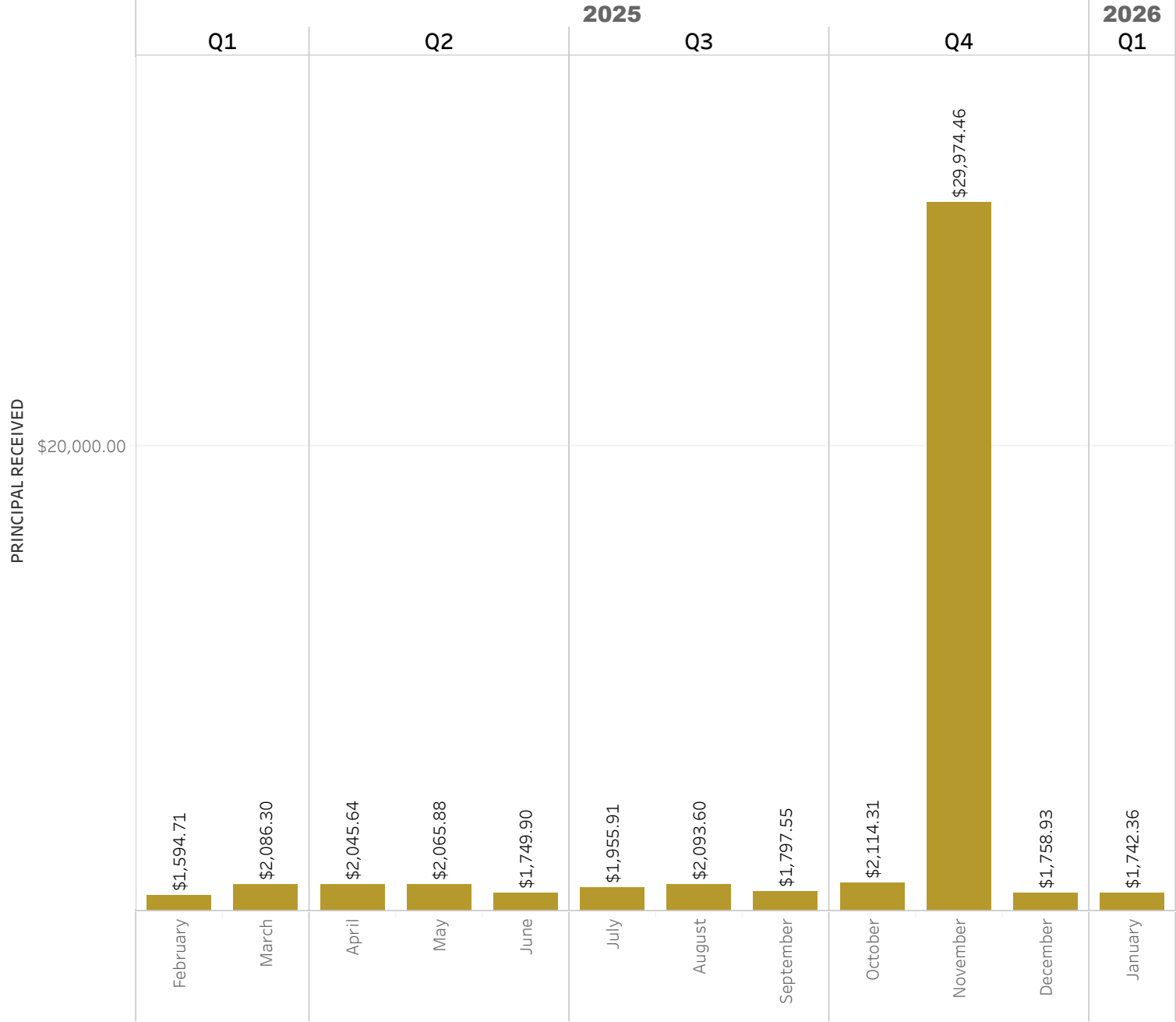
CITY OF ELK RIVER
 PAYMENT COLLECTION PER LOAN
 Monthly Detail

			2025											2026
			Q1		Q2			Q3			Q4			Q1
			February	March	April	May	June	July	August	September	October	November	December	January
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	\$173.42						
	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	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$28,639.09		
	23-029012	18990 TWIN LAKES RD NW	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00
	23-029085	17931 GARY ST NW	\$306.00	\$306.00	\$306.00	\$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	\$501.00	\$501.00	\$501.00	\$201.00	\$201.00	\$501.00	\$201.00	\$402.00	\$0.00	\$201.00	\$201.00
	24-032189	14270 191ST AVE NW	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69	\$142.69
	24-033299	17812 CONCORD CT NW	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90	\$258.90
	25-039214	18471 TROTT BROOK PKWY NW					\$0.00	\$240.66	\$240.66	\$240.66	\$240.66	\$240.66	\$240.66	\$240.66
	25-040378	11137 167TH AVE NW									\$258.90	\$0.00	\$258.90	\$258.90
	25-041322	9624 209TH AVE NW												\$0.00
Grand Total			\$2,172.81	\$2,673.81	\$2,673.81	\$2,673.81	\$2,373.81	\$2,595.56	\$2,722.14	\$2,422.14	\$2,882.04	\$30,560.23	\$2,381.04	\$2,381.04

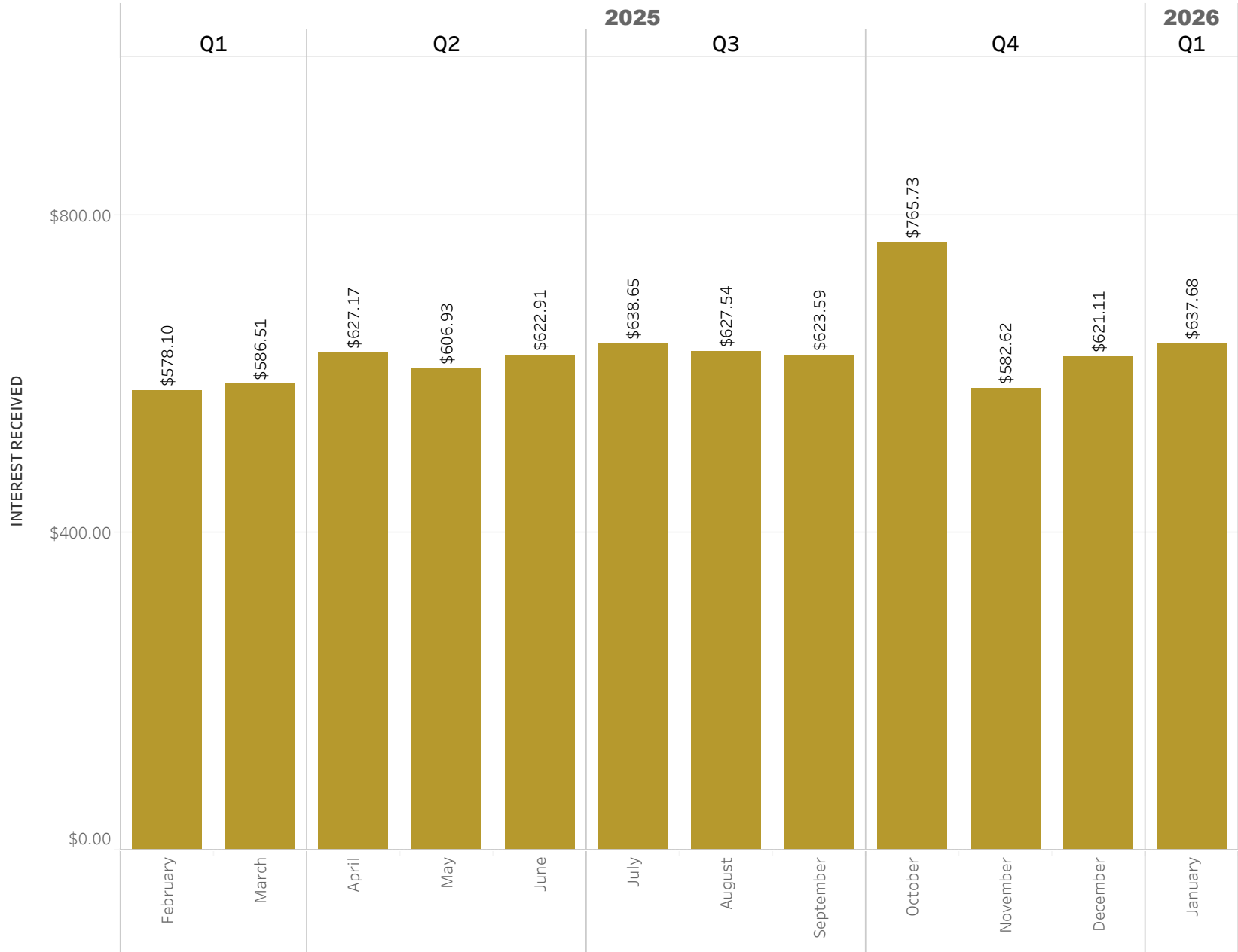
CITY OF ELK RIVER
TOTAL PAYMENT COLLECTION (USD)
 Monthly Detail



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



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



CITY OF ELK RIVER
 AGING DELINQUENCY
 Detail for January 2026

Source Company	Loan #	Address	DAYS PAST DUE	AMOUNT DUE 30+ DAYS	TOTAL AMOUNT DUE
ELK RIVER	19-015204	1420 5TH ST NW	0	\$0.00	\$0.00
	19-015209	609 GATES AVE NW	0	\$0.00	\$0.00
	19-015217	1811 MAIN ST	0	\$0.00	\$0.00
	19-016564	403 3RD ST NW	0	\$0.00	\$0.00
	23-029012	18990 TWIN LAKES RD NW	0	\$0.00	\$0.00
	23-029085	17931 GARY ST NW	0	\$0.00	\$0.00
	23-029618	13366 181ST LN NW	0	\$0.00	\$0.00
	24-032189	14270 191ST AVE NW	0	\$0.00	\$0.00
	24-033299	17812 CONCORD CT NW	0	\$0.00	\$0.00
	25-039214	18471 TROTT BROOK PKWY NW	0	\$0.00	\$0.00
	25-040378	11137 167TH AVE NW	0	\$0.00	\$0.00
	25-041322	9624 209TH AVE NW	0	\$0.00	\$0.00
	Grand Total			0	\$0.00

Elk River Loan Summary Report

Activity for Period 10/1/2025 - 12/31/2025



Application packets requested/mailed:	This period:	0	Year-to-Date:	0
Residential Advisor Visits:	This period:	0	Year-to-Date:	0
Applications received and processed in your City/Neighborhood this period:				3

Closed Loans	This period:	Units	Year-to-Date:	Units
Elk River		0		0
Closed End	35,000.00	1	43,151.00	2
<hr/>			<hr/>	
Total	35,000.00	1	43,151.00	2

Leveraged Funds	This period:	Units	Year-to-Date:	Units
CEE	12,060.00	1	24,085.00	2
MHFA FUF	0.00	0	4,150.00	1
<hr/>			<hr/>	
Total	12,060.00	1	28,235.00	3

Types of Improvements Financed YTD	# of Projects	% of Total
Additions/Finishing off unused space	1	11.11
Air Conditioning	3	33.33
Heating System	3	33.33
Thermostat	2	22.22

Types of Properties Financed YTD	#	% of Total
Single Family Residence	5	100.00



Request for Action

To
Housing and Redevelopment Authority

Item Number
9.1

Meeting Date
March 2, 2026

Prepared By
Joshua Mollan, Economic Development Specialist

Item Description
Review Housing Rehabilitation Loan Guidelines

Reviewed by
Brent O'Neil
Cal Portner

Action Requested

Discuss potential changes to the HRA's Housing Rehabilitation Loan Program.

Background/Discussion

The HRA's Housing Rehabilitation Loan Program offers low-interest home improvement loans to eligible Elk River residents. It has the following terms:

- Loan amounts from \$5,000 to \$35,000.
- Terms up to 15 years, depending on loan amount.
- No down payment required.
- 4% interest rate (e.g., \$11,600 interest accrued on a 15-year \$35,000 loan).

Fees:

HRA responsibility:

- Origination fee: \$775

Borrower responsibility:

- Credit report: \$50-100
- Origination: 1%
- Service fee: \$18
- Document preparation: \$50
- Mortgage filing: \$46
- Title work: \$60

Commissioners are requested to review and propose any suggested changes. Staff will bring changes back to the Commission next month for approval.

The Elk River Vision

A welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity



Financial Impact

N/A

Mission/Policy/Goal

Improve housing stock by offering incentives or programs to repair or maintain residential properties.

Attachments

- I. Loan Origination Agreement Packet 2026

LOAN ORIGINATION AGREEMENT

This LOAN ORIGINATION AGREEMENT ("Agreement") is made by and between The City of ELK RIVER HOUSING and REDEVELOPMENT AUTHORITY, with offices at 13065 Orono Parkway, Elk River, MN 55330 ("Authority"), and CENTER FOR ENERGY AND ENVIRONMENT, with offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401 ("CEE").

RECITALS

- A. The Authority has a need for certain professional services and desires to retain CEE to provide said services, all subject to the terms and conditions contained in this Agreement.
- B. CEE is qualified to provide the desired professional services and desires to provide said services for the Authority, all subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, the parties agree as follows:

1. Services/Scope of Work

1.1 CEE shall in conjunction with the Authority develop and deliver the City of Elk River Home Improvement Loan Program (hereinafter the "Program") and more fully described in Exhibit A attached hereto. All activities delivered under the Program shall be coordinated with the Authority's designated Economic Development Director.

1.2 CEE shall assist the Authority staff in marketing the Program. CEE shall insure that the Authority's sponsorship of the program is a prominent part of any marketing effort.

1.3 The funding source is exclusively from the Authority and the program will be referred to as the Authority Funded Program.

2. Compensation

2.1 The Authority shall compensate CEE for services provided under this agreement according to the following schedule and more fully described in Exhibit B attached hereto:

<u>Loan Set Up Fee</u>	\$1,500
------------------------	---------

The Authority shall pay CEE a one time loan set-up fee. This shall compensate CEE for time and labor to create the loan program.

<u>Loan Origination Fee</u>	\$550.00
-----------------------------	----------

The Authority shall pay CEE an Origination Fee for each loan closed using the Authority Funded Program. The Origination Fee shall compensate CEE for assisting borrowers with

loan applications, preparation of loan documents, loan closing and other direct costs of processing loans. Mortgage filing, title work, credit report, flood, origination fee, document preparation fee and other applicable closing costs shall be paid by the borrower. CEE shall provide a copy of closing documents including the loan note and mortgage as documentation of the loan closing.

Annual Administrative Fee

\$500.00

This shall be due January 1st of each calendar year the contract is in effect. To begin in the year 2020.

The Authority shall compensate CEE only for services completed.

Upon request, CEE will provide marketing services for the following fees:

CEE Labor \$65 per hour

Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to marketing. CEE will be reimbursed by the Authority for any non-labor, out-of-pocket expenses, relating to these services on a dollar-for-dollar basis with no mark-up. There is no cost for creating a program information sheet, creating links to our website and assisting in writing articles to promote the program.

2.2 CEE shall invoice the Authority not more than two times each month for the principal of loans and administrative fees. The Authority shall pay CEE within 20 days of receipt of the invoice.

3. CLIENT's Obligations

- 3.1 If requested by CEE, the Authority shall make reasonable efforts to respond promptly to requests from CEE for information and approvals regarding the services to be provided under this Agreement.
- 3.2 If requested by CEE, the Authority shall make reasonable efforts to obtain information and or permission for access from clients which may be necessary for CEE to provide the services under this Agreement.
- 3.3 The Authority shall provide sufficient funding to fund eligible Authority funded loans. The Authority shall determine the amount of funds allocated to the Program.
- 3.4 The Authority shall establish eligibility for the Authority Funded Program and shall provide these criteria in writing to CEE prior to commencement of any marketing efforts .
- 3.5 The Authority shall make reasonable efforts to respond promptly to requests from CEE for information and approvals regarding the services to be provided under this Agreement.

4. CEE's Obligations

- 4.1 CEE shall use its best efforts to provide services under this Agreement in a professional manner consistent with the care and skill used by reputable members of CEE's profession.
- 4.2 CEE, and all of its employees or agents, shall comply with all statutes, ordinances, rules, regulations and other laws applicable to the provision of services under this Agreement.
- 4.3 CEE shall secure all permits and licenses required for performance of the services under this Agreement.
- 4.4 CEE shall not engage in discriminatory employment practices against any employee or applicant for employment and shall in all respects comply with all federal, state and local laws, regulations and orders, including without limitation, Chapter 363 of the Minnesota Statutes, as amended from time to time. Failure to comply with the provisions hereof shall be deemed a material default under this Agreement.

5. Term and Termination

- 5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on Feb 4, 2019 and continue through 12/31/2021.
- 5.2 This Agreement may be terminated by either party, for any reason or no reason, immediately upon written notice to the other party. In the event this Agreement is terminated by CEE prior to the expiration of the term set forth in paragraph 5.1, the Authority shall compensate CEE for all services delivered up the date of termination and CEE shall provide the Authority with such information as the Authority may request regarding the status of the Authority Funded Program.
- 5.3 Any termination of this Agreement shall not release either party from their respective obligations under sections 7 and 8 of this Agreement.

6. Insurance

- 6.1 During the term of this Agreement, CEE will obtain and maintain insurance in the amounts listed below:

General Liability	\$2,000,000	Aggregate Limit
Automobile Liability	\$1,000,000	Combined Single Limit
Excess Liability	\$1,000,000	Aggregate Limit
Workers Compensation		Statutory Limit

7. Liability and Indemnification

- 7.1 CEE represents that the services to be provided under this Agreement are reasonable in scope and that CEE has the experience and ability to provide the services.
- 7.2 CEE warrants that any services provided hereunder shall be done in a professional and workmanlike manner.
- 7.3 CEE shall indemnify, defend and hold harmless Authority and its officers, directors, employees and agents from and against any and all claims, damages, losses, injuries and expenses (including attorneys' fees and damages for death, personal injury and property damage) which Authority may incur as a result of any act or omission by CEE in providing services under this Agreement.
- 7.4 Authority shall indemnify, defend and hold harmless CEE and its officers, directors, employees and agents from and against any and all claims, damages, losses, injuries and expenses (including attorneys' fees and damages for death, personal injury and property damage) which CEE may incur as a result of any act or omission by Authority in discharging its duties under this Agreement.

8. Confidentiality

Unless otherwise agreed by Authority in writing, CEE shall maintain in confidence and not disclose to any third party any information obtained regarding the Authority and/or any of Authority's clients for which CEE is providing services; provided, however, that this obligation to maintain confidentiality shall not apply to:

- a) Information in the public domain at the time of disclosure;
- b) Information which becomes part of the public domain after disclosure through no fault of CEE; or
- c) Information which CEE can demonstrate was known by it prior to the date of this Agreement.

Notwithstanding the foregoing, CEE shall be entitled to disclose the documents or client information covered by this paragraph to governmental authorities to the extent CEE reasonably believes it has a legal obligation to make such disclosures and to the extent CEE reasonably deems to be necessary; provided, however, that if CEE believes that any such disclosure is required by law, it shall provide advance notice to the Authority to provide the Authority with a reasonable opportunity to attempt to obtain an injunction or other protective order preventing such disclosure.

9. Relationship of Parties

CEE will provide services as an independent contractor under this Agreement. Neither CEE, nor any of its employees or agents, shall be considered employees of the Authority for any purpose, and neither shall CEE be eligible for any compensation or benefits which the Authority may provide to its employees from time to time. CEE shall be solely responsible for all employment and other taxes applicable to providing

services hereunder, and the Authority will not withhold any taxes or contributions from the compensation payable to CEE under this Agreement.

10. Notices

All notices, requests, demands and other communications required to be given in writing under this Agreement shall be given to the other party in person or by mail as provided in this section. If delivered personally, notice shall be deemed to have been duly given on the date of delivery. If delivered by mail, such notice shall be sent via first class U.S. mail, postage prepaid, to the address set forth at the beginning of this Agreement or such other address as a party may otherwise request by written notice, and notice shall be deemed duly given three (3) business days after mailing.

11. Assignment

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns; provided, however, that neither party shall assign or transfer in any manner, this Agreement or any portion hereof without the prior written consent of the other party, and any attempt to assign or transfer without prior written consent shall be void and of no effect.

12. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. Miscellaneous

- 13.1 Headings and captions used in this Agreement are for convenience only and shall not affect the meaning of this Agreement.
- 13.2 This Agreement contains the entire agreement of the parties and supersedes all prior agreements, discussions and representations, written or oral, concerning the subject matter hereof.
- 13.3 No waiver by the Authority of any term or condition of this Agreement or any document referred to herein shall, whether by conduct or otherwise, be construed as a waiver or release of any other term or condition of this Agreement.
- 13.4 This Agreement may only be amended in a written agreement signed by both parties.
- 13.5 Except as expressly set forth in section 7, the rights and benefits under this Agreement shall inure solely to the benefit of the Authority and CEE, and this Agreement shall not be construed to give any rights, benefits or causes of action to any third party.

13.6 The invalidity or partial invalidity of any provision of this Agreement shall not invalidate the remaining provisions, and the remainder shall be construed as of the invalidated portion shall have never been a part of this Agreement.

13.7 CEE shall comply with the provisions of Minnesota Statutes Chapter 13 (Government Data Practices) that are applicable to the Authority and shall not disseminate any information concerning loan requests of the borrowers without the prior written approval of the Authority.

13.8 This Agreement may be signed in any number of counterparts, each of which shall be deemed an original and one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

The City of ELK RIVER HOUSING and REDEVELOPMENT AUTHORITY

By: [Signature] Its: HRA Chair

Print Name LARRY R FOTH

Date: 2-21-19

CENTER FOR ENERGY & ENVIRONMENT

By: [Signature] Its: Chief Financial Officer
Meranda L. Wacek

Date: 2-26-19 Tax ID # 41-1647799

AMENDMENT 5 to the LOAN ORIGINATION AGREEMENT
Between
HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF ELK
RIVER And
CENTER FOR ENERGY AND ENVIRONMENT

The Agreement made the 4th day of February, 2019 by and between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF ELK RIVER, with offices at 13065 Orono Parkway, Elk River, MN 55430, (the “Authority”), and the CENTER FOR ENERGY AND ENVIRONMENT, with its offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401 (“CEE”) is hereby amended.

1. Section 2 and 5 of the Agreement are hereby revised as follows:

Section 2. Compensation of the agreement shall be amended to read:

2.1 The Authority shall compensate CEE for services provided under this agreement according to the following schedule and more fully described in Exhibit B4 attached hereto:

<u>Loan Origination Fee</u>	\$775
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The Authority shall pay CEE an Origination Fee for each loan closed using the Authority Funded Program.

<u>Annual Administrative Fee</u>	\$5,000
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This shall be due January 1st of each calendar year the contract is in effect.


<u>Remodeling Advisor Visit (RAV)</u>	\$275
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Section 5. Term and Termination of the agreement shall be amended to read:

- 5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on January 1, 2026 and continue through December 31, 2026.

IN WITNESS WHEREOF, the parties hereunder set their hands as of the date written below:

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF ELK RIVER

By 
Denny Chuba, Chair Person

Date 12-01-2025

By 

Date 12/2/2025

CENTER FOR ENERGY AND
ENVIRONMENT

By _____
Stephanie Haddad, COO

Date _____
#5287

TAX ID 41-1647799

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)

EXHIBIT B5

TOTAL PROGRAM BUDGET \$150,000

ELK RIVER LOAN PROGRAM BUDGET

Revolving Loan Program Budget Allocation (Origination Fees, Remodeling Advisor Visit and Annual Administration Fee is not a part of the TOTAL PROGRAM BUDGET):

Budget Notes:

1. CEE shall submit monthly invoices to the Housing and Redevelopment Authority in and for the City of Elk River for the loan principal and administrative fees.
2. Services performed by CEE will initially be funded from the Total Program Budget as stated above and paid in accordance with the following schedule.

(a) Loan Origination Fee	\$775 per loan closed
(b) Annual Administration Fee	\$5,000.00
(c) Remodeling Advisor Visit (RAV)	\$275 per visit

The Annual Administration Fee shall be payable on January 1st of each year the contract is active.

3. **Marketing**
Marketing efforts will be supported by CEE and marketing costs are not included in the administrative budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by the City of Elk River Housing and Redevelopment Authority for any non-labor, out-of-pocket expenses relating to these services on a dollar-for-dollar basis.