



**Meeting of the Housing and
Redevelopment Authority
Held at the Elk River City Hall
Monday, June 2, 2025**

Members Present: Commissioner Dennis Chuba, Commissioner Nate Ovall, Commissioner Lynn Caswell, Commissioner Mel Beaudry, Mayor John Dietz

Members Absent: None

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 5:30 P.M.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

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

4. CONSENT AGENDA

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

4.1 Draft Minutes - May 5, 2025

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

6.1 Presentation from Central Minnesota Habitat for Humanity

Mr. O'Neil presented the staff report. He introduced Chad Bouley, Executive Director for Central Minnesota Habitat for Humanity, along with Amy Lord, Career and Technical Education Coordinator with ISD 728. Together, they outlined a collaboration between both entities to provide hands-on experience for high school students to learn the home-building trade, while providing an affordable home for a family. This partnership, along with the HRA naming Habitat as a likely recipient of the city's allocation of State Affordable Housing Aid dollars, will help aid the Habitat goals by assisting them in identifying land for future Habitat homes.

Both Mr. Bouley and Ms. Lord expressed excitement about this partnership. It not only provides students with additional construction experience, but the HRA can help fund the purchase of the lot, which can be an expensive part of homeownership. Mr. Bouley explained how Habitat now partners with Stearns Bank to hold the mortgage. The recently approved MHFA funding grant of \$100,000 received by ISD 728 can be applied for each year but may not always receive the same amount. Those annual funds will be additional financial aid to this program. The HRA discussed the process of finding a lot to ensure a home could be constructed on it and met the size of the lot. The partnership details will continue to be finalized, and the program will begin in September 2026.

6.2 Addendum to 724 Main Street MOU

Mr. Mollan presented the staff report.

Moved by Commissioner Caswell and seconded by Commissioner Dietz to approve the First Addendum to the Memorandum of Understanding allowing the Downtown Elk River Business Association (DERBA) to utilize the HRA property at 724 Main Street. Motion carried 5-0.

6.3 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report.

Commissioner Caswell asked about the inconsistent payments on a particular property.

Mr. Mollan stated the inconsistent payments for the property has been discussed with CEE and they don't see it as a delinquency because the property, even though the property oscillates between overpayment and no payment, it is not behind on principal owed. The payments are current and Mr. Mollan stated if the HRA would like to re-visit the topic, they could discuss it at the upcoming worksession.

6.4 General Updates

The following updates were provided to the HRA:

-Mr. Mollan shared the Garden Gem Awards will launch this week with an article and announcement on social media.

-Mr. O'Neil stated Ron Touchette has stated he is drawing up plans for building a 9000 ft. building on the corner of Main and Gates and would like to connect with the EDA and HRA to market the building.

-Staff has received a resignation from a member of the Joint Finance Committee, and another member will also be resigning. Mr. O'Neil stated he and Mr. Mollan will work together prior to soliciting new

members if the 9 members (2 HRA, 2 EDA, 5 at-large) is an appropriate number and if the professional representations are adequate.

-The downtown small area plan will be on the City Council agenda for this evening for a vote.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Dietz and seconded by Commissioner Beaudry to adjourn the meeting and go into worksession at 6:01 p.m. Motion carried 5-0.

8. WORK SESSION

The HRA work session was called to order at 6:06 p.m.

8.1 Housing Rehabilitation Loan Program Discussion

Mr. Mollan presented the staff report. The commission discussed changing the debt to income ratio and minimum credit score qualifiers to ensure applicants have the ability to repay the loan but noted there are loans with consistent payments from borrowers and no one is in default.

Commissioner Ovall discussed the purpose of the HRA loan program, noting that the HRA was not meant to compete with banks or to be a bank, but rather help the city's aging housing stock. The HRA does this by providing low-interest money to make improvements to houses in the Urban Service District on homes at least 20 years old. Critical improvements include energy-efficient windows and doors, sewer and water improvements, and exterior structural items like roofing and siding.

The commission also discussed consideration of providing a different type of loan program to offer funds for other types of home improvements for homes outside the Urban Service District.

It was the consensus of the HRA to keep the program parameters with a 43% debt to income ratio and credit score no lower than 620. The program area will remain in the Urban Service District and continue to be serviced by CEE.

9. MOTION TO ADJOURN

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

The meeting adjourned at 6:30 P.M

Minutes prepared by Jennifer Green.



Denny Chuba, Chair



Tina Allard, City Clerk