



CARVER COUNTY
COMMUNITY
DEVELOPMENT
AGENCY

Board of Commissioners Packet

January 16th, 2025

5:00 p.m. - Regular Meeting

CDA Office, 705 N. Walnut Street, Chaska





**CARVER COUNTY CDA
BOARD OF COMMISSIONERS**

Agenda

Meeting Date: January 16, 2025

5:00 pm

CDA Boardroom, Chaska, MN

1. Executive Director to Convene Meeting and Call To Order and Roll Call

2. Nomination and Election of Chair for 2025

A. Executive Director to turn meeting to Chair

3. Nomination and Election of Vice Chair 2025

4. Nomination and Election of Secretary/Treasurer for 2025

5. Oath of Office

6. Call to Order by Chair

7. Audience

Anyone wishing to address the CDA Board on an item not on the agenda, or an item on the consent agenda, may notify Ellie Logelin (elliel@carvercda.org or 952-448-7715) and instructions will be given to participate during the meeting or provide written comments. Verbal comments are limited to five minutes.

8. Approval of Agenda and Meeting Minutes

A. Approval of Meeting Minutes – December 19, 2024 Regular Meeting

9. Consent Agenda

- A. Approval of Recommended Official Newspaper
- B. Approval of Recommended Financial Institutions
- C. 2025 Official Meeting Dates, Times and Location
- D. Approval of January 2025 Dashboard
- E. Approval of Write-Off of Past Tenant Balances for December 2024
- F. Approval of Record of Disbursements – December 2024
- G. Approval of Board of Directors for Carver County Community Land Trust, LLC

10. Regular Agenda

- A. Approval of Down Payment Closing Cost Assistance Program Guidelines
- B. Approval of Contract with CEE
- C. Approval of LAHA Agreement with Carver County
- D. Approval of Purchase of 113 Benton Cologne
- E. Approval of Purchase of 112 Benton Cologne
- F. Approval of Purchase of 114205 Hundertmark Chaska

11. Information

- A. John Fahey, Carver County Commissioner
- B. Nick, Koktavy, Assistant County Administrator Carver County

12. Adjournment

For More Information, call 952-448-7715

Carver County CDA Board meeting agendas are available online at:
<https://www.carvercda.org/about-ccdda/board-of-commissioners/>

Next Meeting:

CDA Board of Commissioners Regular Meeting

February 20, 2025 at 5:00 pm

Carver County CDA Boardroom, 705 N Walnut St Chaska, MN 55318



Board of Commissioners

Meeting Minutes

Meeting Date: December 19, 2024

5:00 pm

CDA Boardroom, Chaska, MN

Chair Greg Anderson called the meeting to order at 5:00 p.m.

COMMISSIONER ROLL CALL:

		Present	Absent
Chair	Greg Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chair	Adam Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Secretary/Treasurer	Troy Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commissioner	Greg Kummer	<input type="checkbox"/>	<input checked="" type="checkbox"/>

CDA Staff in attendance:

Executive Director	Allison Streich
Director, Comm. Development	Melodie Bridgeman
Director, Finance	Karen Reed
Assistant Director, Finance	John Hackett
Director, Housing	Shanika Bumphurs
HR & Operations Specialist	Ellie Logelin

Others in attendance:

John Fahey, Carver County Commissioner

AUDIENCE

No audience members addressed the board.

24-88 Approval of Revised Agenda and Meeting Minutes

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the revised agenda for the December 19, 2024, Regular CDA Board meeting be approved as written.

BE IT FURTHER RESOLVED by the Carver County Community Development Agency Board of Commissioners that the minutes for the November 21, 2024, Regular meeting be approved as written.

Motion: Teske

Second: Williams

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

CONSENT AGENDA

24-89 Approval of the December 2024 Dashboard

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the December 2024 Dashboard is approved as written.

24-90 Approval of the Write-Off of Past Tenant Balance for November 2024

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners that the Past Tenant balance for November 2024 is hereby approved to be written off.

24-91 Approval of Record of Disbursements – November 2024

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the November 2024 Record of Disbursements is approved as written.

Motion: Williams

Second: Teske

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REGULAR AGENDA

24-92 Approval of Policy for Certain Expenditures

BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency (the "Agency"), that the Policy for Certain Expenditures is hereby adopted in its entirety to read as set forth in the form attached hereto. The policy shall take effective immediately following adoption of this resolution.

Motion: Teske

Second: Williams

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Community Growth Partnership Initiative

Melodie Bridgeman presented an update on the Community Growth Partnership Initiative.

24-93 Approval of Procurement for Brickyard Apartments and Loan from Windstone Townhomes

WHEREAS, the Carver County Community Development Agency (herein called the CDA) will be accepting a Best Value bid for the window replacement project at Brickyard Apartments;

WHEREAS, funds are available from the surplus, replacement reserve, retail revenue and operating accounts for the property and through a 0% loan from Windstone Townhomes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of CDA that the Contracting Officer or his/her designee be authorized to sign a contract/contracts for the project with the Best Value bidder/bidders, in an amount not to exceed \$550,000 and to accept a loan in an amount of no more than \$286,596.

Motion: Teske**Second: Williams**

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

24-94 Approval of Loan from Windstone Townhomes to Brickyard Apartments

WHEREAS, the Carver County Community Development Agency (herein called the CDA) will be accepting a Best Value bid for the window replacement project at Brickyard Apartments;

WHEREAS, funds are available from the surplus, replacement reserve, retail revenue and operating accounts for the property.

WHEREAS, Brickyard needs to borrow the remaining balance of funds to proceed with the window replacement. and through a 0% loan from Windstone Townhomes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of CDA that Windstone is authorized to borrow Brickyard Apartments a 0% loan in the amount not to exceed \$284,596 with minimum yearly payments of \$25,000.

Motion: Williams**Second: Teske**

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

LAHA Discussion

Allison Streich presented an update on the LAHA funds.

Approval of the Appraisal and Exploration of the Purchase of Additional Units on Benton St.**Motion: Williams****Second: Teske**

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Peavey Rd. Update

Allison Streich presented an update on the office space on Peavey Rd.

24-95 Approval of Sale and Transfer of Certain Real Estate

WHEREAS, the Carver County Community Development Agency (“CDA”) owns and manages certain real estate assets in Carver County, Minnesota; and

WHEREAS, the CDA acquired and retained certain real estate in cooperation with Carver County Public Works that is now appropriate for sale, disposition or transfer; and

WHEREAS, the CDA desires to undertake the sale of real property in conformity with Minnesota Statutes.

NOW THEREFORE, BE IT RESOLVED that the CDA approves the sale and conveyance of the following properties:

870 Arboretum, PID 650070500

856 Arboretum, PID 650071000

800 Arboretum, PID 650070900

780 Arboretum, PID 650070800

760 Arboretum, PID 650070700

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Executive Director is authorized to execute all documentation necessary to complete the sale and transfer for each property listed above.

Motion: Williams

Second: Teske

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

24-96 Approval of the Transfer of Ravoux Ridge Common Area to HOA

WHEREAS, the Carver County Community Development Agency (“CDA”) owns and manages certain real estate assets in Carver County, Minnesota; and

WHEREAS, the CDA began the development of Ravoux Ridge Townhomes in 2004; and

WHEREAS, the common area land for the Ravoux Ridge Townhome Association should properly be transferred from the CDA to the Ravoux Ridge Townhome Association; and

WHEREAS, the CDA desires to transfer the common area to the Ravoux Ridge Townhome Association.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to transfer and convey to the Ravoux Ridge Townhome Association for no consideration, PID 300890250, described as Lot 25, Block 1, Carver County HRA Townhomes, being the common area to units 1 through 24.

Motion: Williams

Second: Teske

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

January Work Session

There will be a work session on January 16th, 2025 at 4:00pm at the Carver County CDA main office.

INFO - Carver County update

Carver County Commissioner Fahey provided an update.

- Commissioner Fahey provided an update on the County Board commissioner positions.
- Commissioner Fahey provided an update on the CDA Board commissioner positions that are vacant or up for election.

INFORMATION

Shanika Bumphurs provided an update on staffing.

Melodie Bridgeman provided an update on the Chaska Yards project, the 413 Franklin project, and a grant through MN Housing.

Karen Reed and John Hackett provided an update on the Finance Department and staffing.

Allison Streich provided an update on Carver Oaks and Carver Place.

Discussion of 2025 CDA Board meeting dates.

ADJOURNMENT

24-97 Adjournment

BE IT RESOLVED that the Carver County Community Development Agency Board of Commissioners hereby adjourns until Thursday, January 16, 2025.

Motion: Teske

Second: Williams

	Ayes: 3	Nays: 0	Absent: 1	Abstain: 0
	Yes	No	Absent	Abstain
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kummer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The CDA Board meeting adjourned at 6:09 p.m.



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 9A

DEPARTMENT: Administration

FILE TYPE: Consent Agenda

TITLE: Approval of Recommended Official Newspaper

PURPOSE/ ACTION REQUESTED: Approve Official Newspaper

SUMMARY: The CDA shall designate a legal newspaper of general circulation as its official newspaper. The CDA designates the official newspaper at its annual meeting in January.

RECOMMENDATION: Approve the Waconia Patriot as the Official Newspaper for 2025.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☒ None ☐ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Community Development Agency (CDA) that after review and consideration, the Waconia Patriot is approved as the 2025 Official Newspaper.

PREVIOUS BOARD ACTION

n/a

ATTACHMENTS

n/a

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☒ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Allison Streich, Executive Director

Author: Allison Streich, Executive Director



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 9B

DEPARTMENT: Administration

FILE TYPE: Consent Agenda

TITLE: Approval of Recommended Financial Financial Institutions

PURPOSE/ ACTION REQUESTED: Approve Recommended Financial Institutions

SUMMARY: The CDA approves qualified depositories yearly at its annual meeting. The following is a list of qualified depositories.

RECOMMENDATION: Approval of recommended financial institutions.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☒ None ☐ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Community Development Agency (CDA) that after review and consideration, the list of qualified depositories is approved for 2025.

PREVIOUS BOARD ACTION

n/a

ATTACHMENTS

List of qualified depositories

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☒ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Allison Streich, Executive Director

Author: Allison Streich, Executive Director

<u>BANK NAME</u>	<u>CITY</u>	<u>PHONE</u>
Americana Community	Chanhasen	952-937-9596
Bremer Bank	Watertown	952-955-1916
Citizen's Bank	NYA	952-467-3000
Charter Bank	Chaska	952-361-2265
CorTrust	Mayer	952-657-2500
Old National Bank	Chaska	952-361-5390
Old National Bank	Shakopee	952-403-0400
Old National Bank	Victoria	952-443-2491
Old National Bank	Waconia	952-442-2265
Old National Bank	NYA	952-467-2313
M & I Bank	Chanhasen	612-798-3415
Magic Fund	Minneapolis	651-257-4172
MidCountry Bank	Waconia	952-442-2141
Northland Securities	Minneapolis	612-851-5900
Security Bank	Chaska	952-448-2265
TCF Bank	Chanhasen	952-470-5850
US Bank	All Locations	
Wells Fargo	Chaska	800-827-6535



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 9C

DEPARTMENT: Administration

FILE TYPE: Consent Agenda

TITLE: Approval of 2025 Official Meeting Dates, Times and Location

PURPOSE/ ACTION REQUESTED: Approve 2025 Official meeting dates, times and locations

SUMMARY: At the annual meeting, the CDA is required to adopt a schedule of regular Board meetings for the upcoming year. Meetings are scheduled for the third Thursday of the month at 5:00 p.m. at the Carver County CDA office, unless otherwise noted. Work sessions are scheduled as needed.

RECOMMENDATION: Approve the 2025 Meeting schedule.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☒ None ☐ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Community Development Agency (CDA) that after review and consideration, the 2025 Meeting schedule is adopted.

PREVIOUS BOARD ACTION

n/a

ATTACHMENTS

2025 Meeting Dates, Times and Location

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☒ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Allison Streich, Executive Director

Author: Allison Streich, Executive Director



2025 Board Meeting Dates

January 16th, 2025

February 20th, 2025

March 20th, 2025

April 17th, 2025

May 15th, 2025

June 26th, 2025

July 17th, 2025

August 21st, 2025

September 18th, 2025

October 16th, 2025

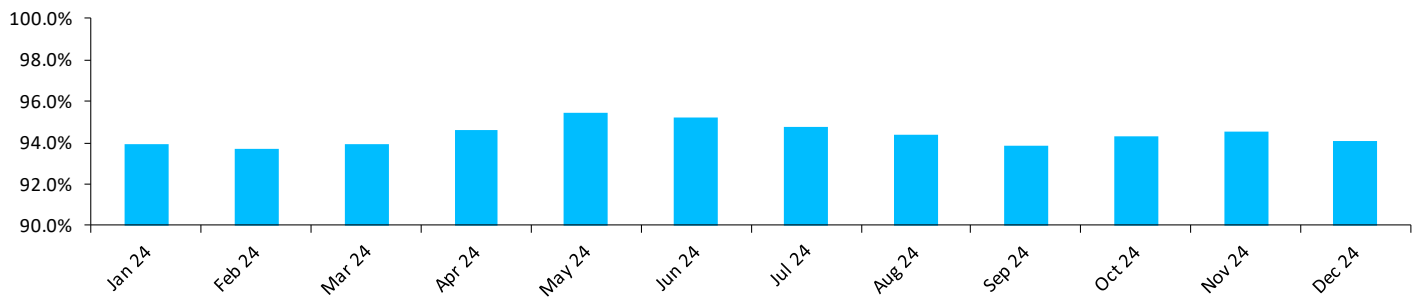
November 20th, 2025

December 18th, 2025

Meetings are scheduled for the third Thursday of the month at 5:00 p.m. at the Carver County CDA Office, unless otherwise noted.

Work sessions are scheduled as needed.

HOUSING UPDATES



2024 Capital Improvement Projects in Process:

Property	Improvement Project	Status and Tentative Schedule
Brickyard	<ul style="list-style-type: none"> Window Replacement 	<ul style="list-style-type: none"> Awarded to Project One. Scheduled to start mid-March.
Bluff Creek	<ul style="list-style-type: none"> Deck Repairs 	<ul style="list-style-type: none"> Project on hold till 2025.
Hilltop/Mayer	<ul style="list-style-type: none"> Adding Boiler to Hilltop 	<ul style="list-style-type: none"> Will be completed by mid-February
Lake Grace	<ul style="list-style-type: none"> Retaining Wall Replacement Intercom System 	<ul style="list-style-type: none"> Delayed until Spring 2025. Updating current intercom systems for each building entry. Project to be completed by the end of January.
Waybury	<ul style="list-style-type: none"> Camera Installation Smoke/CO2 Detectors 	<ul style="list-style-type: none"> Added to existing cameras and upgraded the system. Updated Smoke/CO2 combos in all units per HUD guideline.
Scattered Sites	<ul style="list-style-type: none"> 310 Maple (Chaska) Energy Efficiency Audits 110 Oak (NYA) 	<ul style="list-style-type: none"> Drain tile installation. Scheduled work 1/20. Audit work is pending audit completion. Rehab of unit to be completed by end of January. Unit with water damage.
All Properties	<ul style="list-style-type: none"> Keyless Entry 	<ul style="list-style-type: none"> We added fob systems to the entry doors of the onsite management offices. Project completed 12/20.

Staffing News:

- Welcome Amanda Olsoy, Tiara White and Susan Ortner-Roghair!! They will be assigned to Windstone (Amanda), Carver Place/Carver Oaks (Tiara), and Centennial Hill/Brickyard (Susan) as Property Site Managers. We are truly excited to have them join the team and agency!!
- We are now fully staffed in the Management, Maintenance, and Caretaker departments!! Thank you to Janette and Ellie for managing the identifying of candidates, scheduling interviews, and setting time

aside for interviews! Thank you to staff for their patience as we worked through the hiring process and all the task/duties they took on to keep the department afloat!

- We have the following vacant positions to fill:
 - Housing Assistance Manager-reassessing this position, will be looking to hire in early Q2 of 2025.
 - Housing Quality Specialist (HQS)-will be looking to hire in late Q3 of 2025, dependent on NSPIRE effective date.

Miscellaneous Updates:

- We continue to work through the implementation process for Yardi Case Manager. Yardi Case Manager is best described as a centralized tracking system that can be used to track and complete processes that are associated with current residents, previous residents, and applicants that cannot be tracked within our Yardi Voyager Application. The first phase of our rollout has been pushed back to now go live on January 13, 2025. The rollout will include the following task/cases: Reasonable Accommodation and Modification Requests, Internal Tenant Adjustments, and Resident Repayment Agreements.
- We are still working on implementing Waitlist Central by Housing Link for sites that need to maintain waitlists for funding compliance or have an active non-mandatory interest list. Waitlist Central will first be used to manage our Interest List at Windstone Townhomes and Trail's Edge South.
- The Housing Opportunity Through Modernization Act of 2016 also known as HOTMA is being delayed until 2025. The implementation of HOTMA will affect our Rural Development, Section 8, and LIHTC (Tax Credit) properties. HOTMA makes amendments to Sections 3, 8, and 16 of the Housing Act of 1937. These revisions to Sections 102, 103, and 104 of the HUD regulations found in 24 CFR Part 5 and 24 CFR Part 891, will have a significant impact on how we review, process, and define income and assets for households.
- We will be meeting with staff in early February to start planning Cap Ex Projects for 2025.

SPECIAL PROGRAMS

Program	Grant Term	# Units Under Contract	% Under Contract
Bridges	7/1/23-6/30/25	13	92%
Bridges RTC	7/1/23-6/30/25	2	100%
Housing Trust Fund	10/1/23-9/30/25	15	80% Waiting on 2 referrals
CoC PSH	8/1/23-7/31/24	14	86% 1 searching

Resident Services

Presentations (2024)

Agency	Property	Number of Residents
SmartLink	Waybury	13
	Centennial	17
	Crossings	16
	Spruce	4
	Oak Grove	11
	Trail's Edge	3
SW Transit	Centennial	15
CAP Agency	Waybury	17
	Centennial	1
	Oak Grove	8
	Crossings	6
	Spruce	1
	Trail's Edge	3
Flu Clinic	Waybury	31
	Centennial	6
	Oak Grove	17
	Crossings	16

2024 YTD:

# of appointments	# of residents/clients	Mobile food shelf participants	Energy Assistance Program Application assistance
46	24	42	14

CDA SERVICES BY COMMUNITY

The table below lists the main CDA services and number of participants or units for each Carver County Community. Numbers are year to date (or are noted accordingly).

	Metro HRA Housing Choice Vouchers	CDA Affordable Rental Units	CDA Subsidized Rental Units	CDA Rental Assistance Participants	Septic Loans and Grants	Community Growth Partnership Initiative (awards since 2016) plus outstanding Business Loan Funds	Entrepreneur Support Program (Thru Q4 2021)	Land Trust Units	Housing Rehab (single family and multifamily rental)	Commercial and Mixed-Use Rehab
Carver	17	9	9	6		3	3			
Chanhassen	45	59	20	2		5	3			
Chaska	145	183	174	24		3	9	27	2	
Cologne			3	2		1	5	1		
Hamburg										
Mayer			10					1		
New Germany				1		4				
NYA	3	47	10	1		3	5		3	7
Victoria		3	3			4	4	1		
Waconia	13	119	51	7		2	4	9		
Watertown	2		34			4	2	1	7	9
Townships					17	1				
Other							1			
TOTAL	225	420	314	43	17	30	36	40	12	16

FINANCE

FINANCE				
		December 2024 YTD Actual	December 2024 YTD Budget	Variance
CDA	Revenue	18,330,566	16,407,873	1,922,693
	Expenses	11,375,307	12,446,397	1,071,090
	Cash Balance	6,935,036		

		December 2024 YTD Actual	December 2024 YTD Budget	Variance
Properties	Revenue	10,088,902	9,711,770	377,132
	Expenses	6,858,969	6,975,714	116,745
	Cash Balance	3,276,708		

Revenue Recapture collected through December

Note-Write-off amounts and collected amounts may not be from the same year.

Property:	Written off:	Collected:	Notes:
Lake Grace	\$ 29,833	\$ 745	
Carver Homes	\$58,674	\$18,281	
Bluff Creek	\$8,945		
Centennial Hill	\$15,793		
Hilltop	\$3,687		
Trails	\$ 14,306	\$1,393	
Crossings	\$ 5,211		
Waybury	\$ 54,336	\$361	
Windstone	\$ 3,194	\$4,381	
Total:	\$193,979	\$25,161	

Other Finance updates

Consolidated YTD revenues for the CDA through December were \$18,330,566 and expenses were \$11,375,307. **Net Operating Income was \$6,955,259, 75.5% over budget.** The increase in revenues is due to a reclassification of grant funds from County of \$1,000,000, which in turn was loaned to Carver Place. YTD Revenues for the properties were \$10,088,902 and expenses were \$6,858,969. **Net Operating Income was \$3,229,933, 18% over budget.**

COMMUNITY & ECONOMIC DEVELOPMENT

COMMUNITY LAND TRUST (CCCLT)

Total Units	42
Total resales YTD	0
# of families helped	74
Waiting list	16
Acquisition this month	0

Notes:

Community Land Trust

We received 2 Notices of Intent to Sell from CCCLT homeowners. One townhome is ready to move in and will be marketed directly to potential buyers in early spring. The other single-family home requires renovations before it can be resold. CDA purchase of this second home is a January Board Action Request.

Vacant Lot at 413 Franklin Ave NE, Watertown

We received interest from additional contractors for the reissued RFP for a General Contractor. Bids are due on January 21, 2025. We anticipate bringing a recommendation to the Board at the February meeting for a spring construction start.

Community Growth Partnership Initiative (CGPI) Program

The 2025 Request for Proposals for the CGPI Program was released to cities and townships on January 6, 2025. Applications are due to the CDA on February 28, 2025.

Strategic Partnerships Summit

The CDA will be hosting a Strategic Partnership Summit meeting on Tuesday, February 4 from 1:00 to 3:00 at Charlson Meadows with community leaders throughout the county. Our key goals for this meeting are to make connections, share information about resources and needs, and create opportunities for meaningful partnerships.

Chaska Yards (Ernst House)

Construction continues to progress on the project. Framing on Unit 3 and the garage was just completed. The foundation is being dug for Unit 2 and footings will be poured on January 13, 2025. We are working on marketing materials and strategy.





BUSINESS DEVELOPMENT - NEXTSTAGE

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 4 Qtrs
Total Carver County Clients Assisted	19	24	34	46	46
# of Financing Events	2	1	1	1	5
Total Financing/Investment	\$483,150	\$460,000	\$746,650	\$1,013,150	\$2,702,950
New Business Starts	1	1	0	1	3
Business Expansions	0	0	0	0	0
New FT Jobs	2	2	0	0	4
New PT Jobs	6	1	0	0	7

MINNESOTA CITIES PARTICIPATION PROGRAM (MCP) – 2024 allocation is \$1,992,221 Numbers through December 2024

	# Committed loans	Total \$	% of allocated funds
First Mortgage Loans	26	\$6,590,857	331%
Additional Start-up loans	5	\$1,448,485	N/A
Step Up loans	12	\$4,305,986	N/A
Fix Up Loans	1	\$20,459	N/A
Down Payment and Closing Cost Loans		\$616,050	N/A
TOTALS	44	\$12,345,329	N/A

SEPTIC / WELL LOAN PROGRAM (SSTS)

	2026 new assessments	Underway (anticipated 2026 assessment)	2024 Paid Off	Total active assessments
Applications	1	23	0	67

COMMUNITY GROWTH PARTNERSHIP INITIATIVE (CGPI)

Open Grants:

Year	Grant	City	Project	Budget
2023	Comm. Development	Mayer	Old Firehall	\$90,000
2023	Comm. Development	Waconia Township	Sovereign Estates	\$90,000
2024	Pre Development	NYA	Urban Streetscape	\$7,500
2024	Pre Development	Watertown	Spring Hills	\$10,000
2024	Pre Development	Victoria	Tif Analysis	\$10,000
2024	Pre Development	Chaska	Zoning Audit	\$10,000
2024	Comm. Development	Cologne	Cooperative	\$100,000
2024	Comm. Development	Chanhassen	Downtown	\$100,000

The 2025 CGPI Request for Proposal was opened on January 6, 2025. Applications will be due to the CDA on February 28, 2025, at 4:00 pm.

ECONOMIC DEVELOPMENT (social media)**FACEBOOK choosecarvercounty**

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Totals
<i>Facebook Reach</i>	17,100	5,800	233	314	23,447
<i>Facebook Page new likes</i>	22	84	163	2	271
<i>Total Facebook Likes</i>	160	244	247	249	
<i>Total Facebook Followers</i>	232	314	318	326	

- Note: Social media advertisements ran in Q1 2024 through Q2 2024.

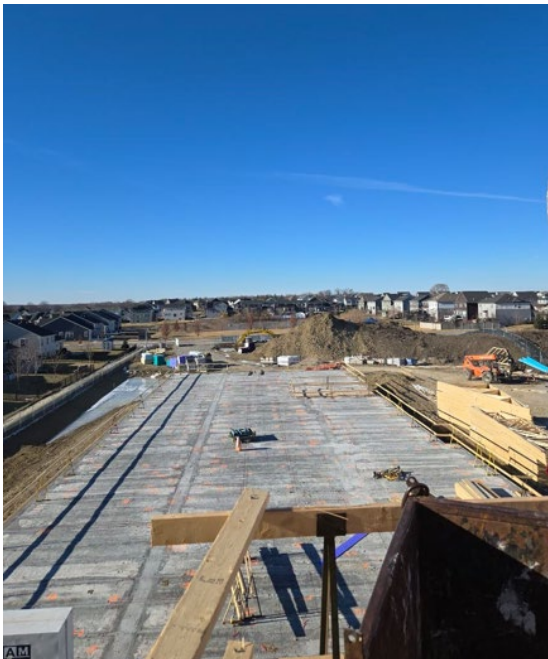
	Q1 2024 VCC	Q2 2024 CCC	Q3 2024 CCC	Q4 2024 CCC	Totals
Page Views	2,605	3,446	4,641	3,331	14,023
Average Engagement		2:15m	1:19m	1:56m	
Top 3 Pages	Events, Home, Work Here	Events, Home, Contact Our Staff	Home, Events, Lake Auburn Campground	Home, Hillcrest Café & Catering, Events	

ADMINISTRATIVE/OTHER ITEMS OF INTEREST

Staff will be presenting on the housing study to the Chanhassen City Council during a work session on January 27.

Working towards an early start for Carver Oaks later this month. We have completed the city entitlement process and received early start approval from MN Housing. We are just working through a few final due diligence items.

Photos of Carver Place:







Board of Commissioners

Request for Board Action

Meeting Date: January 16, 2025

Agenda number: 9E

DEPARTMENT: Housing

FILE TYPE: Regular Consent

TITLE: Approval of Write-Off of Past Tenant Balances for December 2024

PURPOSE/ ACTION REQUESTED: Approve write-off of Past Tenant Balances

SUMMARY: The Carver County CDA's policy is to write off past tenant balances that have been submitted to MN Revenue Recapture and was approved by the CDA Board. When a past tenant moves out with a balance, the tenant has 10 business days to contact the CDA to either pay the balance in full or set up a repayment agreement. If the past tenant does not contact the CDA, the balance due is submitted to MN Revenue recapture. The CDA will "write-off" the past balance in Yardi once it has been submitted to MN Revenue Recapture. Any former resident that has been submitted to MN Revenue Recapture due to that past balance will remain there until such time as that balance is paid or the six-year statute of limitations has passed.

RECOMMENDATION: Staff recommend approval of the write-off of past tenant balances.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☒ None ☐ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners that the Past Tenant balance for December 2024 is hereby approved to be written off.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Past tenant balances

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☒ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Shanika Bumphurs, Director of Housing

Author: Shanika Bumphurs, Director of Housing

Tenant Unpaid Charges

Status = Past

Property	Tenant	Charge	Current	Amount
centhill				
Resident 1				
	Past	DAMAGE	\$2,795.96	\$150.04
Total For Resident 1			\$2,795.96	\$150.04
hilltop				
Resident 2				
	Past	RENT	\$299.48	\$75.52
	Past	DAMAGE	\$695.00	\$0.00
Total For Resident 2			\$994.48	\$75.52
Resident 3				
	Past	DAMAGE	\$1,383.54	\$528.24
Total For Resident 3			\$1,383.54	\$528.24
lakegrc				
Resident 4				
	Past	DAMAGE	\$10,708.41	\$0.00
	Past	RENT	\$371.83	\$522.73
Total For Resident 4			\$11,080.24	\$522.73
Resident 5				
	Past	RENT	\$1,106.75	\$551.65
	Past	DAMAGE	\$6,601.60	\$0.00
Total For Resident 5			\$7,708.35	\$551.65
Resident 6				
	Past	DAMAGE	\$941.13	\$110.01
Total For Resident 6			\$941.13	\$110.01
Resident 7				
	Past	RENT	\$1,478.25	\$480.34
	Past	DAMAGE	\$9,084.34	\$0.00
Total For Resident 7			\$10,562.59	\$480.34
Resident 8				
	Past	DAMAGE	\$5,290.41	\$540.42
Total For Resident 8			\$5,290.41	\$540.42
Resident 9				
	Past	DAMAGE	\$3,177.86	\$690.16

Total For Resident 9		\$3,177.86	\$690.16
TOTAL		\$43,934.56	\$3,649.11



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 9F

DEPARTMENT: Finance

FILE TYPE: Regular - Consent

TITLE: Approval of Record of Disbursements - December 2024

PURPOSE/ ACTION REQUESTED: Approve Record of Disbursements for December 2024

SUMMARY: In December 2024, the Carver County Community Development Agency (CDA) had \$1,358,602.97 in disbursements and \$245,967.70 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance Department.

RECOMMENDATION: Staff recommends approval of the Record of Disbursements for December, 2024.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☒ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the December 2024 Record of Disbursements is approved as written.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Record of Disbursements - December 2024

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☒ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Karen Reed, Director of Finance

Author: Karen Reed, Director of Finance

**Carver County CDA
Record of Disbursements
For the Month of December 2024**

	Date	Amount		Total
Carver Homes	12/04/24	\$17,178.71		
	12/11/24	\$72,702.03	(1)	
	12/18/24	\$40,886.95		
	12/26/24	\$32,655.16		
				\$163,422.85
CDA	12/04/24	\$153,972.80	(2)	
	12/11/24	\$41,219.75		
	12/18/24	\$423,527.99	(3)	
	12/26/24	\$89,292.88	(5)	
				\$708,013.42
Properties	12/04/24	\$120,636.48	(4)	
	12/11/24	\$33,436.82		
	12/18/24	\$206,447.17	(5)	
	12/26/24	\$126,646.23		
				\$487,166.70
Total December 2024 Disbursements				<u>\$1,358,602.97</u>
December 2024 Payroll				
	12/04/24	\$78,730.93		
	12/18/24	\$83,006.73		
	12/31/24	\$84,230.04		
				<u>\$245,967.70</u>

Disbursement detail is available in the Finance Office

- (1) interfund clearing to CDA - \$45,800
- (2) US Bank - levy payments for Brickyard, Centennial Hill, Lake Grace, Oak Grove - \$108,000
- (3) City of Carver - Carver Oaks - city connection and Met Council SAC fees - \$176,400
Bituminous Roadways, Inc (concrete) - Rural Development - \$56,600
Michael Schwartz - Siding and gutters - Rural Development - \$66,000
- (4) Interfund clearing to CDA- \$32,000
Pacific Life - Trail's Edge debt Service - \$32,000
US Bank -Waybury debt service - \$34,000
- (5) Project One - Brickyard exterior project - \$190,000



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 9G

DEPARTMENT: Community Development

FILE TYPE: Consent Agenda

TITLE: Approval of Board of Directors for Carver County Community Land Trust, LLC

PURPOSE/ ACTION REQUESTED: Approve the Board of Director for the Land Trust LLC

SUMMARY: The CDA created a legal entity to accept, hold and convey property through the formation of the Carver County Community Land Trust (CCCLT) in March 2023. The Carver County Community Land Trust, LLC was created for the West Creek Apartments project. The LLC Board shall consist of three board members, which will be the Chair, Vice Chair and Secretary of the CDA Board.

RECOMMENDATION: Approve the Board of Directors for the Carver County Community Land Trust, LLC

EXPLANATION OF FISCAL/ FTE IMPACTS:

☒ None ☐ Current budget ☐ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, the Carver County Community Development Agency ("CDA") is authorized under Minnesota Statutes, Section 469.012, Subd. 2j, to become a member in a limited liability company for the purpose of developing, constructing, rehabilitating, managing, supporting, or preserving housing projects and housing development projects, including low-income housing tax credit projects; and

WHEREAS, limited liability companies and other entities created by the CDA pursuant to Section 469.012, Subd. 2j, are subject to the provisions of Minnesota laws applicable to housing and redevelopment authorities as if they were housing and redevelopment authorities; and

WHEREAS, it is in the best interest of the CDA to form a single purpose limited liability company to serve as the sole member of the CCCLT to hold real estate to support certain housing projects.

WHEREAS, the CDA authorized the creation of the Carver County Community Land Trust, LLC through resolution 23-08 and said creation includes the LLC Operating Agreement. And said Operating Agreement outlines the requirements for Officers of the Company.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

1. The Chair, Vice Chair and Secretary of the CDA Board shall act as the Chair, Vice Chair and Secretary for the Carver County Community Land Trust, LLC board.

PREVIOUS BOARD ACTION

23-08 Approving the creation of the Carver County Community Land Trust ("CCCLT") limited liability company in connection with the construction and financing of housing

ATTACHMENTS

none

BOARD GOALS

☐ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☒ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Melodie Bridgeman, Director of Community Development

Author: Allison Streich, Executive Director



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10A

DEPARTMENT: Community Development

FILE TYPE: Regular Agenda

TITLE: Approval of Down Payment Closing Cost Assistance Program Guidelines

PURPOSE/ ACTION REQUESTED: To approve the guidelines for the CDA's Down Payment Closing Cost Assistance Program.

SUMMARY: In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations with the goal to fund affordable housing projects and help organizations provide affordable and supportive housing. The funding source is the Local Affordable Housing Aid (MN §477A.35) (LAHA) which is from a 0.25% metro sales tax.

On August 20, 2024, the Carver County Board of Commissioner approved contracting with the CDA to administer LAHA funds with 70% of the annual funding to be deposited into the CDA's Local Housing Trust Fund. The CDA Board approved the acceptance of these funds at its meeting on September 19, 2024. The County and CDA are finalizing the contract to administer these funds. Carver County received the first installment of LAHA funds in the amount of \$815,183.99 (\$570,628.79 would be 70%) with a second installment anticipated to arrive in December. These funds, per legislation, are ongoing with no end date listed. The allocation is sent to counties from the Minnesota Department of Revenue.

CDA Staff propose utilizing a portion of the LAHA funds to create a Down Payment Closing Cost Assistance Program to create affordable homeownership opportunities for first time homebuyers in Carver County as identified as a high priority need in the Carver County Housing Study prepared by Maxfield in 2024.

The Down Payment Closing Cost Assistance Program will be the first key initiative of the Carver County LHTF. The Carver County CDA will provide financing for qualified first-time homebuyers to use towards down payment and/or closing costs. The goals of the program are to:

- Provide an affordable pathway for low to moderate income households to achieve first-time homeownership.
- Encourage homeownership within Carver County.
- Maintain a strong residential real estate market for all household income and property types.

RECOMMENDATION: Approve guidelines to establish the CDA's Down Payment Closing Cost Assistance Program

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, the State of Minnesota enacted the Local Affordable Housing Aid (LAHA), Minnesota Statutes, Section 477A.35, as may be amended, which established distributions to Metropolitan area counties for qualifying projects as defined in Section 477A.35, subdivision 4; and

WHEREAS, Carver County (the “County”) is a direct recipient of LAHA funding; and

WHEREAS, the County desires to engage the Carver County Community Development Agency (the “CDA”), with its experience and expertise in housing assistance and development, as a subrecipient and agent of the County to receive and administer the funds on behalf of the County; and

WHEREAS, the County and the CDA have developed a LAHA Agreement to formalize the terms and roles; and

WHEREAS, a Down Payment Closing Cost Assistance Program will create affordable homeownership opportunities for first time homebuyers in Carver County as identified as a high priority need in the Carver County Housing Study prepared by Maxfield in 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY as follows:

The Carver County CDA approves the Guidelines to create a Carver County Down Payment Closing Cost Assistance Program to provide financing for qualified first-time homebuyers to use towards down payment and/or closing costs.

PREVIOUS BOARD ACTION

24-66 Approval of Acceptance of LAHA (Local Affordable Housing Aid) Funding from Carver County

ATTACHMENTS

Down Payment Closing Cost Assistance Program Guidelines
MN Homeownership Center Best Practices for Down Payment Assistance

BOARD GOALS

☒ Focused Housing Programs ☒ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☒ Inform and Listen ☐ Discuss ☐ Involve ☐ N/A

CONTACT

Department Head: Melodie Bridgeman, Director of Community Development
Author: Melodie Bridgeman, Director of Community Development

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY



Down Payment Closing Cost Assistance Program

PROGRAM GUIDELINES

2025

PURPOSE

The Carver County Board of Commissioners created a Local Housing Trust Fund (LHTF) to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to people of very low income, low income, and moderate-income. The Commissioners designated the Carver County Community Development Agency (CDA) to administer the LHTF on behalf of Carver County. The LHTF programs are guided primarily by the following documents:

- Minn. Stat. §462C.16 462C.16 Housing Trust Funds for Local Housing Development
- Ordinance Establishing a Housing Trust Fund in Carver County (Ordinance No.104-2023), effective 12/19/23

The Down Payment Closing Cost Assistance Program is an initiative of the Carver County LHTF. The Carver County CDA will provide financing for qualified first-time homebuyers to use towards down payment and/or closing costs.

Primary funding for the program is provided by the Local Affordable Housing Aid (MN §477A.35) (LAHA) which is from a 0.25% metro sales tax.

PROGRAM GOALS

- ✓ Provide an affordable pathway for low to moderate income households to achieve first-time homeownership.
- ✓ Encourage homeownership within Carver County.
- ✓ Maintain a strong residential real estate market for all household income and property types.

This document outlines the guidelines and procedures for the administration of Carver County CDA Down Payment Closing Cost Assistance Program.

PROGRAM ELIGIBILITY

Borrower Eligibility

This program will provide financial assistance to households with income at or below 100% of the Area Median Income (AMI) for Carver County to assist in the purchase of a home. Borrower must be a first-time homebuyer (have never owned a home or have not owned a home in the past three years) to receive funding. Borrowers do not need to be current residents of Carver County but there is preference for those who live, rent or work within the County. Non-occupant co-borrowers are not allowed.

Property Eligibility

Eligible properties must be in Carver County and may include any of the following property types:

- A single-family detached home
- A duplex or twin home
- A condominium unit
- A townhome
- The purchase price of the property may not exceed \$415,000.*

**This is approximately 85% of the area median sales price for a single-family home in Carver County. Maximum purchase price may be adjusted annually by the CDA staff based on area median sales information provided by the Minneapolis Area Realtors Association.*

Property Requirements

- House must be 'move-in' condition (no major construction or repairs needed prior to move-in).
- House must be primary residence of Borrower(s) and homesteaded.
- House must have an appraised value equal to or greater than all loans.
- Homeowners must secure homeowners' insurance for the property.
- Property must conform to all applicable zoning ordinances and possess all appropriate use permits.
- An independent full home inspection is required prior to closing. Note there are no minimum property standards.

Loan Amount

Eligible borrowers can receive a maximum of 25% of the purchase price not to exceed \$50,000 for homebuyer assistance. The minimum housing ratio cannot be less than 25% and the maximum debt-to-income ratio cannot be greater than 40%, as calculated by the first mortgage lender. Ratios are based on gross household income and established to ensure affordability and preservation.

Loan Terms

The homebuyer assistance will act as a soft second loan. The interest rate will be set at zero percent (0%) for the length of the term. This is a twenty (20) year forgivable loan with 5% of the original loan principal forgiven annually as long as the original homebuyer(s) owns and resides in the home. The balance of the loan is due in full upon sale, transfer, conveyance, or when it is no longer the primary residence. The borrower(s) is required to sign a Note and Mortgage.

Mortgage Qualification

The household's monthly mortgage payment cannot exceed 40% of gross household income. Homebuyers shall have prior contact with a lender and secure a fully underwritten conditional pre-approval for a first mortgage prior to applying for the CDA's downpayment assistance program. Borrowers may use a lending institution of their choice.

The first mortgage must be a prime/A-rated fixed rate mortgage loan. Conventional, FHA and VA mortgages are acceptable. In no instance will an adjustable-rate mortgage be allowed. Borrowers are encouraged to apply for loans and other down payment closing cost assistance funded through the Minnesota Housing Finance Agency (MHFA) Home Buyers Programs, HUD FHA programs, and other local opportunities.

Household Contribution

Borrowers must contribute a minimum of \$1,000 of their own funds toward the purchase of the home (earnest money can make up part or the entire requirement).

Layering

Funds can be layered with other Down Payment Assistance.

Purchase Agreement

Borrowers must have secured a conditional pre-approval mortgage commitment and completed homebuyer education prior to signing a purchase agreement.

INCOME QUALIFICATIONS

Income Limit

Borrower income, as determined by the first mortgage lender, must be at or below 100% of the Area Median Income (AMI) for Carver County, as determined annually by the U.S. Department of Housing and Urban Development. Borrower income is not adjusted for household size and instead a maximum income is established based on the median family income, currently for FY24 is \$124,200.

Asset Limits

Borrower does not own other real estate, including but not limited to lakeshore property, farmland, or residential property. The only exception is commercial property that generates income for payment of the house loan. Borrower liquid assets cannot exceed \$50,000 after closing and excludes: retirement accounts, life insurance, and college savings accounts.

Homebuyer Education

At least one borrower must attend a Home Stretch homebuyer education workshop within the last 12 months, and it was completed PRIOR to submitting a purchase agreement. A copy of the completion certificate is required to receive a CDA commitment of funds. Virtual and in person courses can be located at: <https://www.hocmn.org/>

EVALUATION AND SELECTION

Borrower Selection

Borrowers will be considered on a first-come, first-serve basis by the date and time of receipt of a complete application package. In the event multiple eligible applications are received at the same time, preference will be given to those who live, rent or work within Carver County. The CDA may also consider priorities established in the HTF ordinance and guidelines when making selection decisions.

Previous recipients of program benefits are ineligible. Awards are subject to funding availability.

Pre-Application

All borrowers must complete a pre-application to help determine program eligibility. If eligible, borrowers will move forward with a full application and underwriting process to determine size of the loan.

Intent to Proceed

If the initial eligibility screening deems the borrower eligible, then CDA staff will submit an intent to proceed. The borrower must sign the intent to proceed for the full underwriting process to begin. If the borrower wishes to proceed, they will need to pay an application fee to CDA.

Fund Reservation & Commitment Period

Borrowers will undergo a full underwriting process and final eligibility will be determined during the underwriting for the loan. Borrowers may still be denied if more information is discovered during underwriting that would make a borrower ineligible.

Funds will be reserved for 90 days for approved borrowers. Once a Purchase Agreement has been executed, a commitment letter is issued and allows 60 days for a closing.

Loan Disbursements

Homeownership loans are disbursed to the title company one day prior to closing. Same day disbursements are not authorized. In no instance will funds be disbursed directly to the borrower.

Data Privacy

Information on program Borrowers (including, but not limited to, credit reports, financial statements, income calculations, and asset information) is private data, which must be administered in accordance with the Minnesota Government Data Practices Act. Borrowers shall be provided with proper written notice as specified under the Act. Solely for the purpose of administering the program, information may be made available to the members of the Carver County CDA Board of Commissioners, CDA staff, and the staff of participating agencies, organizations, or financing sources.

LOAN ADMINISTRATION

CDA Administration

The CDA Community Development staff will administer this program. Center for Energy and the Environment (CEE) will service the loan.

Processing Fees

There is a processing fee of \$100 for all Borrowers, which can be paid up front or subtracted from the final loan amount at closing. Borrowers are also responsible for all filing fees at the courthouse and title search costs.

Re-subordination

Re-subordination of the CDA loan is allowable if in the best interest of the borrower and results in a lower interest rate and/or payment or prompted by a life event, such as death or divorce of one of the borrowers. Cash out is restricted to home improvements or repairs.

Lien Position

Allows for any lien position.

OTHER POLICIES AND PROCEDURES

Appeal and Complaint Procedures

Borrowers denied program participation or having other complaints concerning the program may direct their complaint or appeal to the Carver County CDA. Staff will contact the complainant and attempt to resolve the problem and provide a written response to the complaint or appeal within fifteen (15) working days. If the complainant is not satisfied with the response, he/she may file a complaint with the CDA Executive Director for a final decision.

Conflict of Interest

Any potential conflicts of interest under Minnesota Statutes 471.88 shall be evaluated based on a legal opinion to be requested from the CDA attorney. Approval must also be obtained from the CDA for all potential conflicts. No assistance may be given until such an opinion has been made.

Fair Housing/Equal Opportunity

It is the policy of the Carver County CDA to work to further fair housing opportunities in its programs and to administer housing programs in a way that all residents of similar incomes have equal access to programs regardless of race, color, creed, assistance, disability, sexual orientation, or familial status.

No person will be denied services, contracts for project services, or access to program information and materials due to race, color, creed, religion, national origin, sex, marital status, status regarding public assistance, disability, sexual orientation, or familial status. There will be no discrimination of persons in the administration of the down payment assistance program.

It is the policy of the Carver County CDA that marketing efforts will be such that no potentially eligible Borrowers or providers of services are excluded from participation. Affirmative marketing will include efforts to reach people who have traditionally not participated in similar programs or have not been aware of available assistance. This includes, but is not limited to, single heads of households, people of color, or people with disabilities.



Best Practices for Down Payment Assistance Administrators

Minnesota Homeownership Center convened a working advisory group of city and county officials, lenders, Realtors® and nonprofits to create a slate of down payment assistance program administration best practices.

The goal is to **increase consumer access and improve outcomes** by facilitating standardization and transparency. Streamlining the down payment assistance delivery system will ensure that funding is accessible, increase investment, improve targeting and enable a more successful purchase transactions. Further we seek to advance homeownership for Black, Indigenous and communities of color, helping to reduce the state’s racial homeownership gap – one of the worst in the nation.

Standards

The table includes a column for Standards and when applicable Advancing Racial Equity.

Standards are the “must haves” for the program to be recognized as a meeting Best Practices. While Advancing Racial Equity is optional, it is strongly encouraged for Administrators committed to reducing the racial homeownership gap.

BEST PRACTICES FOR DPA ADMINISTRATORS		
TERM	STANDARDS	ADVANCING RACIAL EQUITY
Eligible Homebuyers	<ul style="list-style-type: none"> ❑ First-time homebuyer. ❑ Maximum borrower income ≤ 100% of the Area Median Income. ❑ Occupy the home as their primary residence. ❑ ITINs (Individual Taxpayer Identification Numbers) are accepted regardless of immigration status. 	<ul style="list-style-type: none"> ❑ Limit eligibility with Targeted Programs: <ul style="list-style-type: none"> ▪ First-Generation homebuyers¹. Allowing self-attestation. ▪ Offer a Special Purpose Credit Program which allows eligibility to be limited to an economically disadvantaged class of persons.
Amount of Assistance	<ul style="list-style-type: none"> ❑ Amount is at least 3% of the county median home price. NOTE: The frequency of adjustments correlates to market fluctuation. 	<ul style="list-style-type: none"> ❑ Targeted programs offer a higher amount of assistance to increase access and affordability.

	<ul style="list-style-type: none"> □ Funds can be used for down payment and closing costs, including prepaids and principal reduction. 	
Repayment	<ul style="list-style-type: none"> □ The following options are allowable: <ul style="list-style-type: none"> ▪ Non-amortizing second lien repayable at sale, refi, or maturity of first position mortgage. ▪ Forgiven on a pro rata basis or in full, after continuous owner-occupancy that is less than or equal to the term of the first mortgage. ▪ Amortizing second lien with an interest rate equal to or less than the first mortgage rate, and a repayable term equal to or less than the term of the first mortgage. □ For all options, if the combined Unpaid Principal Balance (UPB) is below the sales price or appraised value at repayment or in the event of a financial or personal hardship, the balance is forgiven. 	<ul style="list-style-type: none"> □ Targeted Programs extend forgivable repayment terms for all or a portion of the assistance to support wealth creation.
Administrative Fees Paid by Homebuyer	<ul style="list-style-type: none"> □ Borrower fees are not included unless there are unpaid administration costs. □ To support the cost of administration a flat fee, not to exceed 3%, can be charged to the borrower and if allowable, paid from DPA proceeds. 	
Re-Subordination	<ul style="list-style-type: none"> □ Is allowable if in the best interest of the borrower and results in a lower interest rate and/or payment or prompted by a life event, such as death or divorce of one of the borrowers. Cash out is restricted to home improvement or repairs. 	
Homeownership Education and Counseling	<ul style="list-style-type: none"> □ HUD approved Homeownership Education is required and completed before the borrower executes a purchase agreement. □ Borrower purchasing a 2 to 4-unit property must also complete landlord education. 	
Homebuyer Contribution	<ul style="list-style-type: none"> □ Borrowers are not required to contribute more funds than required by the first mortgage. 	
Eligible Properties	<ul style="list-style-type: none"> □ 1-4 unit detached and townhomes, condominiums, co-ops, and manufactured homes titled as real property. □ Shared equity, community land trusts, and other resale restrictions. 	

First Mortgage	<ul style="list-style-type: none"> ❑ Fixed rate, fully amortizing, first mortgage loan that meets CFPB “Qualified Mortgage” definition or is originated in compliance with the nonprofit exemption to the Ability to Pay rule, including: <ul style="list-style-type: none"> ▪ GSE fixed rate products including high balance loans and government loans from FHA including 203k; USDA, VA, and HUD 184. ▪ HFA fixed rate products and fixed rate portfolio products offered by CRA depositories or credit unions. ▪ Sharia compliant products that meet above standards. ❑ Contract for Deed is only allowable if administered by an established nonprofit housing organization, providing ongoing support and housing counseling.
Layering	<ul style="list-style-type: none"> ❑ Funds can be stacked and layered with other down payment assistance programs. ❑ Allow for any lien position and is subordinated to the first mortgage.
Fund Reservation	<ul style="list-style-type: none"> ❑ Fund reservation is available to borrowers who are preapproved for a first mortgage and have completed homebuyer education. Fund reservation is not contingent on the borrower executing a purchase agreement. ❑ Funds can be reserved for a minimum of 60 days and allows at least one extension equal to original the reservation period. Once a purchase agreement has been executed a minimum of 60 days is allowed for closing. ❑ New construction allows a reservation period of at least 180 days.
Underwriting & Closing	<ul style="list-style-type: none"> ❑ Same as first mortgage.

ⁱ First-Generation Homebuyer: never owned a home or owned a home but lost it due to foreclosure AND whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10B

DEPARTMENT: Community Development

FILE TYPE: Regular Agenda

TITLE: Approval of Contract with CEE

PURPOSE/ ACTION REQUESTED: To approve contracting with Center for Energy and Environment to service loans originated through the CDA's Down Payment Closing Cost Assistance Program.

SUMMARY: CDA staff anticipates establishing a Down Payment Closing Cost Assistance Program to create affordable homeownership opportunities for first time homebuyers in Carver County as identified as a high priority need in the Carver County Housing Study prepared by Maxfield in 2024. The Down Payment Closing Cost Assistance Program ("DPA") will be the first key initiative of the Carver County Local Housing Trust Fund, funded with the Local Affordable Housing Aid (MN §477A.35) (LAHA) which is from a 0.25% metro sales tax. The CDA will provide financing for qualified first-time homebuyers to use towards down payment and/or closing costs. Staff anticipate awarding 15-20 deferred loans annually following the Down Payment Closing Cost Assistance Program Guidelines recommended to the Board at it January 2025 meeting.

Carver County CDA would like to engage Center for Energy and Environment ("CEE"), an experienced Loan Servicer, to manage the CDA's DPA program to assist with payoffs, collections, satisfactions, subordinations and tracking.

CEE is a Minneapolis/St. Paul based non-profit organization devoted to energy efficiency and research. Since its inception in the late 1970's, CEE introduced its lending program now known as the Lending Center. The Lending Center was created to provide low interest funding for home improvement projects, energy efficiency improvements and emergency heating/cooling systems. The lending program was expanded in 2017, including the creation of the Loan Servicing Department in February 2018. Currently, the Lending Center manages programs for over 22 cities and counties in the Metro Area and services a portfolio of 3,000 loans valued at over \$33 Million. These loans range from down payment assistance loans to solar loans, with a delinquency rate of 0.48% and a recovery success of 82%.

RECOMMENDATION: To approve contracting with Center for Energy and Environment to service loans originated through the CDA's Down Payment Closing Cost Assistance Program.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, the Carver County Community Development Agency ("CDA"), will be providing financing for qualified first-time homebuyers to use towards down payment and/or closing costs through its Down Payment Closing Cost Assistance Program ("DPA") to create affordable homeownership opportunities in Carver County; and

WHEREAS, CDA staff anticipate awarding 15-20 deferred loans annually following the DPA; and

WHEREAS, the CDA seeks an experienced service provider to assist with payoffs, collections, satisfactions, subordinations, and tracking of the DPA loans; and

WHEREAS, the Center for Energy and Environment ("CEE") is an experienced Loan Servicer and comes highly recommended for this role.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY as follows:

The Carver County CDA approves contracting with Center for Energy and Environment to service loans originated through the CDA's Down Payment Closing Cost Assistance Program. The Executive Director is hereby authorized to sign and execute all necessary documents related to the transaction.

PREVIOUS BOARD ACTION

Not applicable

ATTACHMENTS

CEE Loan Servicing Proposal and Draft Agreement

BOARD GOALS

☒ Focused Housing Programs ☒ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Melodie Bridgeman, Director of Community Development

Author: Melodie Bridgeman, Director of Community Development

LOAN SERVICING PROPOSAL

Developed for Carver County CDA, Minnesota

October 7th, 2024

Completed by:
Loan Servicing Department
Center For Energy and Environment
212 3rd Ave N
Minneapolis, MN 55401



Center for Energy and Environment



PURPOSE OF THIS PROPOSAL

- Delineate and detail the necessary steps to complete the Servicing Protocols of the lending portfolio owned by Carver County CDA, Minnesota.
- Establish the steps needed to complete loan information transfer and creation of the program in CEE's Servicing Platform.
- Determine the cost of Servicing Carver County CDA's lending portfolio.

BACKGROUND

- Over the last 10 years, Carver County has experienced a consistent population growth that has placed it as one of the most important counties in the Twin Cities Metro Area.
- With an estimated population of 110,034, and a median home price of nearly \$500K, Carver County Community Development Agency (CDA) is planning on injecting funding through special housing programs in order avoid an affordability problem and the resulting reduction of the housing stock in its area.
- Carver County CDA will receive funding through the LAHA program and is planning on using the funding to create a Down Payment Assistance Program aimed to bring affordability for new families moving to the area.
- Carver County CDA is looking for Servicer to partner with and manage the CDA's DPA program while providing its borrowers with the following services:
 1. Payment collection (regular payments for amortizing loans, and monthly Interest collection for Interest Only loans)
 2. Payoff Calculations and Collection of the Proceeds
 3. Preparation of Satisfactions
 4. Monthly Reporting on the following subjects:
 - a. Trial Balances
 - b. Aging Delinquency
 - c. Payment Collection (P&I Collection)
 - d. New Loans
 - e. Paid in Full Loans
 5. Online access to the servicer's portal to do online review of individual loans.

PROJECT DESCRIPTION AND EXECUTION

Upon acceptance of this proposal, CEE requires 30 days to complete the settings of the portfolio and start formal servicing of the loans owned by the Carver County CDA. The management of the portfolio will be developed according to the following plan:

PHASE 1 – Program Profile and Loan creation

During this phase, the work will be focused on the creation of the program in CEE's servicing platform. A Source Company profile will be created for Carver County, and a template for the creation of its loans will be developed.

Phase 2 – Loan Inception

Once the program has initiated the underwriting and qualification of borrowers, CEE will prepare to receive the data, enter the information in its Servicing Platform and create the corresponding loans using the template created for the program. CEE will provide Carver County with an Intake form for each loan.

Phase 3 – Borrower Contact

This is an ongoing phase that will continue every time a new loan is created. After the loan has been activated in CEE's Servicing Platform, a Welcome Package containing the details of the loan and CEE's contact information will be mailed to the borrower along with any other pertaining documentation as needed.

Phase 4 – Loan Management

CEE will manage payoff requests, payments, principal reductions or any other necessary tasks as requested by Carver County or its borrowers.

SERVICES OFFERED THROUGH THIS PROPOSAL

This proposal covers the following services:

- All the necessary work needed to complete Phase 1, 2 and 3, including but not limited to supplies, loan analysis, creation of pools in CEE's servicing platform, creation of borrower profiles in CEE's borrower database and internal audit of loans and balances.
- Once Phase 3 has been initiated, the following services will be included to the regular process:
 1. Collection of monthly installments of regular payments (for both, amortizing loans and Interest Only loans).
 2. Payoff calculations, including contact and coordination with title companies, closing agents, new lenders and/or borrowers.
 3. Collection of Proceeds from payoffs
 4. Monthly disbursement of funds collected on behalf of the Foundation through a method to be determined (ACH, Wire Transfer or Check).
 5. Drafting of Satisfactions (as needed)
 6. Subordination requests review and recommendation (as needed)
 7. Collections Activity for loans in delinquency
 8. Review of options and recommendations to cure delinquencies
 9. Monthly Reporting covering the following topics:
 - a. Trial Balances per Pool
 - b. Principal and Interest Collected during the reported month
 - c. New Loan Report
 - d. Paid in Full Report
 - e. Aging Delinquency Report

Servicing includes Online Access to Carver County's portfolio and secure information exchange via Microsoft OneDrive and SharePoint and any other services needed to complete specific tasks related to the servicing of the Foundation's portfolio.

COST OF THIS PROPOSAL

Based on the information received from the Foundation, our ongoing relationship with the Carver County CDA, and a thorough analysis of the portfolio, we have decided to propose a transfer fee instead of using our regular Pricing Schedule. Our proposal includes all the services described above at the following cost:

- *One-Time Program Setup Fee: **\$1,000.00** (includes the creation of all the necessary files and reports). Will be invoiced upon the completion of the settings.*
- *One-Time new loan fee: **\$35.00** per loan when a new loan is received.*
- *Monthly Servicing Fee for amortizing loans and Interest Only loans: **\$12.00/loan***
- *Monthly Servicing Fee for all other deferred loans: **\$1.00/loan***

Any other servicing activity will be subject to the cost established in the current CEE Pricing Schedule (page 8 of this document).

DATA REQUIREMENTS

CEE requires the following data in order to be able to complete the creation of Carver County CDA's lending program in its Servicing Platform:

- a. Copy of the program guidelines.
- b. Blank copy of the Mortgage and Note for the program (if available).
- c. Program timetable and or expected launch date.

Carver County CDA Loan Servicing Proposal

CEE CURRENT PRICING SCHEDULE

Activity	Description	Pricing
New Program Setup	Creating the new program in CEE Loan Servicing System and creating reports	\$1,000 one-time fee
New Loan Setup	Loan Boarded to servicing system and quality control review, welcome letter	\$35.00 one-time fee per loan
Standard Servicing Activities – Amortizing and Interest Only Payment Loans	Payment processing, billing notices, customer service, investor reporting, early collections	\$12.00 per loan per month
Standard Servicing Activities- Deferred Loans (no payments)	Payment processing, customer service, investor reporting	\$1.00 per loan per month
Collection Activity	Collection Work for loans past due 15-90 days	\$5.00/loan per month on all amortizing loans
Default Management	Example of activities: Repayment Plan, Forbearance Agreement, Deferment, Extension	\$80.00 per hour plus any charges that may be incurred from 3 rd party vendor.
Subordination Preparation	Review request and Prepare subordination document	\$200.00 per request (Borrower Paid)
Mortgage/Deed of Trust Satisfaction Preparation	Drafting of mortgage/deed of trust satisfaction (excludes recording / filing fees)	\$30.00 one-time fee per loan
Final /Special Processing Transaction	For Charge-off, foreclosure, service release, loans not paid in full but no longer active on the servicing system	\$25.00 per transaction
Conversion/On-Boarding of Amortizing Loans	Boarding Loans previously serviced by a different company	\$70.00 one-time fee per loan
Special Report Programming	Special report creation not included in standard report package	\$150.00 one-time fee per report
Special Reporting Distribution	Monthly maintenance for special reports created for distribution	\$75.00 one-time fee per report
Special Project work	Special requests, such as assistance in audit preparation, special mailings, etc.	\$80.00 per hour plus any charges that may be incurred from 3 rd party
Non-Standard Servicing Activities	Any additional activities required for servicing a loan not specified in contract	\$80.00 per hour, fee will be set based on time to complete task on a regular basis

QUALIFICATIONS AND COMPANY BACKGROUND

CEE is a Minneapolis/St. Paul based Non-Profit devoted to Energy Efficiency and research. Since the beginning, in the late 1970's, CEE introduced its Lending program that became what we know today as the Lending Center. The Lending Center was created to provide low interest funding for Home Improvement projects, Energy Efficiency Improvements and Emergency Heating/Cooling systems. The lending program was expanded in 2017 thanks to the merger between CEE and St. Paul's NEC and the expansion of its programs, including the creation of the Loan Servicing Department in February 2018. Currently, the Lending Center manages the Lending Programs for over 22 Cities and Counties in the Metro Area, including loan Servicing for fifteen of those cities and counties.

Currently, the Loan Servicing department services a portfolio of over three-thousand loans and \$33 Million, ranging from Down Payment Assistance loans to Solar loans, with a delinquency rate of 0.48% and a recovery success of 82%.



CONCLUSION

We look forward to working with Carver County CDA and supporting its efforts to improve the affordability and housing access for eligible homebuyers in the South-West Metro area. We are confident that we can meet the challenges ahead, and help the County complete a seamless new DPA program.

If you have questions on this proposal, feel free to contact me at your convenience by email at mlandoni@mncee.org or by phone at 612.455.7805.

Please let me know if you will be interested in a quick meeting to review the information contained in this proposal.

Thank you for your consideration,

Marco F Landoni
Loan Servicing Manager
Center For Energy and Environment
212 3rd Avenue North, Suite 560
Minneapolis, MN 55401
Ph. 612.455.7805
mlandoni@mncee.org

LOAN SERVICING AGREEMENT

This LOAN SERVICING AGREEMENT (“Agreement”) is made by and between **CENTER FOR ENERGY AND ENVIRONMENT**, with offices at 212 Third Avenue North, Suite 560, Minneapolis, Minnesota 55401 (“CEE”) and **CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY**, with offices at 705 N. Walnut Street, Chaska, Minnesota 55318 (“Client”).

RECITALS

In consideration of their mutual undertakings and payments provided for herein, the parties recite, covenant, and agree to the following:

- A. CEE is a non-profit corporation engaged in the servicing of development loans; and represents that it is qualified and authorized to perform the services described herein; and
- B. Client originates, purchases, owns, and/or manages loans that benefit economically distressed or declining areas, disadvantaged persons, neighborhoods or community revitalization, foster job creation, or other section 501(c)(3) charitable purposes; and
- C. CEE is authorized by Client to function as a servicing agent under the terms of this agreement; and
- D. Client now desires to have CEE perform the duties set forth herein for the loans covered by this Loan Servicing Agreement (the “Agreement”).

NOW, THEREFORE, CEE and Client agree as follows:

1. *Duties of CEE*

- a. CEE shall, at all times and with respect to all loans identified by Client (the “Client Loans”) which it has been engaged by the Client to service, employ its normal and regular servicing activities in the servicing of Client Loans to perform those responsibilities specifically set forth on Exhibit A (the “Services”). CEE shall provide the Services by servicing and administering the Client Loans on behalf of the Client in accordance with Applicable Requirements (defined hereafter), the terms of this Agreement, the Client Loan documents and, to the extent consistent with the foregoing, with the same care, skill and diligence as is normal and usual in its general loan servicing activities on behalf of third parties or on behalf of itself, whichever is higher, with respect to loans that are comparable to the Client Loans. The parties acknowledge that, from time to time, the Services may be modified at the request of the Client and agreement by CEE. Such changes shall be mutually agreed upon and are not effective unless agreed to in writing by the execution of a revised Exhibit A.

2. *Effective Date*

CEE shall commence servicing activities under this agreement effective on the following date: _____, 20__ (“Effective Date”) and shall continue until terminated as provided in Section 17 of this Agreement.

3. *Servicing Compensation and Reimbursement*

Client shall compensate CEE for the Services in accordance with the fee schedule attached as Exhibit B of this Agreement and reimburse CEE for any of CEE’s out of pocket third-party costs of recordation, perfecting or releasing liens, legal costs incurred, servicing of notices, repossession, foreclosure, and other similar costs paid by CEE on behalf of Client with respect to CEE’s actions on specific Client Loan(s) (the “Fees”). CEE shall retain any late fee payments collected from borrower. CEE shall retain fees owed from Fund Remittance as provided in Exhibit A. CEE shall issue a report to Client showing fees netted with funds remitted to Client. Following the Initial Term, as hereinafter defined, Client and CEE may mutually agree in writing to increase the Fees. No modification to the Fees shall be effective unless agreed to in writing by both Client and CEE.

4. *Initial Boarding of Clients*

In making this Agreement, CEE represents, warrants, and agrees to provide Client the Information for each Client Loan and the loan documents within two (2) business days related to the Client Loans upon request.

For purposes of this Agreement, “Information” shall include the following:

- Borrower Full Name
- Property Address, if Secured
- Loan Amount
- Interest Rate
- Term
- Closing Date
- Monthly Payment Amount
- Payoff Date
- Amortization Schedule
- Closing Documents
- Servicing Records
- Complaint Resolution
- Collections Records (for Delinquent Accounts only)

Client will reasonably cooperate with CEE, and provide CEE such information and documents as may be reasonably necessary in CEE’s reasonable discretion to perform its duties under this

Agreement, reconcile any loan balance information provided to CEE, and CEE may reasonably rely in good faith on information provided to it by Client.

5. *Ongoing Boarding of Client Loans*

On a monthly basis, following the Effective Date of this Agreement, CEE will notify Client in writing of newly originated Loans for which it will service under the terms of this Agreement.

Client agrees to reasonably cooperate with CEE, and provide CEE such information as may be reasonably necessary to perform its duties under this Agreement, reconcile any loan balance information provided to CEE, and CEE may reasonably rely in good faith on information provided to it by Client.

CEE represents, warrants, and agrees to onboard loans accurately according to the provisions provided by Client and shall, subject to Section 26. Force Majeure of this Agreement, remedy any onboarding errors within five (5) business days (or such shorter period as may be required by applicable law) after receipt of notice of such errors.

6. *Reports the Property of Client*

All reports, documents, and materials delivered by CEE to Client or otherwise arising out of or produced pursuant to this Agreement are the exclusive property of Client. Client may use any work product prepared by CEE in such manner, for such purpose, and as often as Client shall deem advisable, in whole, in part, or in modified form, without further compensation to CEE.

7. *Nature of Agreement*

CEE shall perform all of its services and duties hereunder at its own expense and without cost or charge to Client except as expressly provided in Exhibit B of this Agreement.

Governmental Approvals. CEE has obtained and will maintain in full force and effect, and satisfy at all times, all related eligibility criteria in order to maintain in full force and effect, without material impairment, suspension or revocation, all municipal, local, or other applicable governmental approvals, registrations, qualifications, permits, licenses, and other applicable authorizations that are required or necessary to perform and conduct the services and CEE's business in accordance with Applicable Requirements, as hereinafter defined.

For purposes of this Agreement, "Applicable Requirements" shall mean:

- (1) All applicable federal, state, and local legal and regulatory requirements binding upon CEE related to the performance of the Services;
- (2) All other final judicial and administrative judgments, orders, stipulations, awards, writs, and injunctions applicable to CEE; and

- (3) The reasonable and customary practices of prudent loan servicing providers that offer the same types of services as CEE for the same types of loans serviced by CEE in the jurisdictions in which CEE operates.

8. *Disaster Recovery*

CEE shall take all commercially reasonable precautions to mitigate the risks to information regarding the Client Loans in connection with disruptions to business operations due to fire, flood, storm, epidemic illness, equipment failure, sabotage, terrorism, natural disaster, disaster caused by humans, or electronic data system failures;

CEE shall keep duplicate records of all electronic information in its possession or control pertaining to Client Loans and shall store at least one copy of such duplicate records in a site remote from its main offices in the following manner:

- (1) Full backups of daily files for 7 consecutive days (weekly backup);
- (2) Full weekly backups rolled into monthly backups;
- (3) Monthly backups rolled into yearly files and kept for 7 years from the date loan is paid off;
- (4) Full daily backups of Cloud Data;
- (5) Daily Cloud backups rolled up into Monthly files and moved out of the Cloud into magnetic storage after 30 days;
- (6) In the event of a natural disaster or catastrophic failure of CEE's electronic data system, CEE shall have a period not to exceed 45 days from the date of such catastrophe to recover or reconstruct such lost data necessary for compliance with its disaster recovery obligations.

**The Cloud Provider's policy is subject to change. CEE will notify Client of any material changes in the event that they affect the security of the loans.*

9. *Equal Opportunity Employment*

CEE shall comply with all applicable provisions of the Equal Credit Opportunity Act (15 U.S.C. § 1691 et seq.). CEE is an equal opportunity employer and will not discriminate against any person on the basis of race, color, creed, religion, sex, national origin, age, disability, marital status, sexual orientation, status with regards to public assistance, or any other characteristic protected by law.

10. *Compliance*

General. CEE shall comply with all Applicable Requirements.

Vendors. Subject to the assignment provisions of Section 19 hereafter, from time to time, CEE may engage vendors to perform certain tasks that may be included in CEE's performance of the Services. CEE shall follow commercially reasonable practices designed to ensure that any Services performed by vendors are in compliance with the Applicable Requirements and this Agreement. Client has the unilateral right to instruct CEE to not use any particular vendor that it may deem in its sole discretion is not capable of performing the Services.

Policies and Procedures. CEE will maintain and follow written internal policies and procedures related to the Applicable Requirements in connection with providing services to Client, including without limitation, policies and procedures for internal quality control, employee hiring and training, and other methods that ensure compliance.

Audit Rights. Client will have the right to audit CEE, at Client's own expense and not more than once per calendar year, for purposes of evaluating compliance with the terms of this Agreement. CEE will require full cooperation and will be responsible for assuring full cooperation by its employees and vendors in connection with such audits. CEE will and shall cause any vendor that performs tasks related to the Services to allow Client and its counsel, accountants, and other representatives, as well as the applicable regulatory authorities of Client, reasonable access upon thirty (30) days advance written notice and only during normal business hours, to all of CEE and vendors' files, books and records directly relating to the Services performed for Client under this Agreement. CEE will provide, and shall require the vendor to provide, to Client, or obtain for Client, access to such properties, records, and personnel as Client may reasonably require, and shall provide Client with CEE's most recent audited financial statements and the names, resumes, and proof of any required licensures for all relevant personnel employed by CEE, the Client and its representatives and affiliates shall treat all information obtained in such investigation that is not otherwise in the public domain as confidential. CEE shall make financial statement audits available to Client on an annual basis, including any SSAE -16 audits that may be performed on behalf of CEE. CEE shall remit annual financial statement audit reports to Client upon request.

11. Cooperation.

Client agrees that it shall (a) promptly deliver to CEE (i) any material communications that Client receives from a borrower relating to such borrower's loan, and (ii) any communication Client receives from any regulator, state or federal agency or other governmental entity relating to any borrower's loan that is being serviced by CEE or otherwise relating to CEE's loan servicing activities, and (b) reasonably cooperate with CEE regarding any claim, dispute, regulatory examination or investigation related to Client's loans and the services provided to Client by CEE under this Agreement. Nothing in this Agreement shall be deemed or construed to prohibit Client or the CEE from communicating directly with any borrower or with any other person or entity related to any Client Loan.

12. Indemnity

CEE and Client each agree to indemnify, defend, and hold the other and each of their respective officers, directors, employees, agents, counsel, advisors, and representatives (each, an "Indemnified

Party”) harmless from and against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees, and expenses incurred by Indemnified Party arising out of or in connection with any actions, demands, investigations, proceedings, claims, counterclaims, or defenses, made by or on behalf of any third party related to gross negligence, intentional misconduct, fraud, or the material failure of CEE or Client to perform its duties in compliance with the terms of this Agreement. Notwithstanding the foregoing, neither CEE nor Client shall indemnify any such Indemnified Party if such acts, omissions, or alleged acts constitute fraud, gross negligence, willful misconduct, or breach of fiduciary duty by such Indemnified Party. Neither CEE nor Client shall have an obligation to appear with respect to, prosecute, or defend any legal action which is not incidental to this Agreement.

Except as expressly provided in this Agreement, none of the parties hereto makes any express or implied representation or warranty of any kind with respect to the Client Loans or the Client Loan documents or any other matter.

13. *Taxes*

Neither CEE nor Client shall be responsible to the other party for any taxes owed by such party, including, without limitation, any federal, state, or local income or franchise taxes or other taxes, imposed on or measured by income received by such party (or any interest or penalties with respect thereto or arising from a failure to comply therewith) that are required to be paid by such party in connection herewith to any taxing authority.

14. *Representations and Warranties of CEE.*

CEE hereby represents, warrants and covenants to and for the benefit of the Client as of the date of this Agreement:

- a. Organization. CEE is and has been duly organized and is validly existing and in good standing under the laws of its state of organization, with power and authority to conduct its business as such business is presently conducted.
- b. Power and Authority; Due Authorization. CEE has (i) all necessary power, authority and legal right to execute, deliver and perform, as applicable, its obligations under this Agreement, and (ii) duly authorized, by all necessary action, the execution, delivery and performance of this Agreement. CEE has at all relevant times, and now has, all necessary power, authority and legal right to perform its duties as servicer of the Client Loans.
- c. No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time

or both) a default under, (A) the organizational documents of CEE, or (B) any agreement or instrument to which CEE is a party or by which it is bound. CEE is in compliance with the requirements of all applicable laws.

- d. Validity and Binding Nature. This Agreement is, the legal, valid and binding obligation of CEE enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights generally and by general principles of equity.
- e. Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority required for the due execution, delivery or performance by CEE of this Agreement remains unobtained or unfiled.
- f. No Proceedings. There is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which CEE is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, threatened, before or by any Governmental Authority, against CEE that, individually or in the aggregate, is reasonably likely to have a material adverse effect; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the actual knowledge of CEE, threatened, before or by any Governmental Authority (A) asserting the invalidity of this Agreement, or (B) seeking to prevent the consummation of any of the other transactions contemplated by this Agreement.
- g. Accuracy of Information. All information heretofore furnished by, or on behalf of, CEE to Client in connection with this Agreement, or any transaction contemplated hereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).
- h. No Material Adverse Change. In the past three (3) years there has been no material adverse change in CEE's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under this Agreement.

15. *Reliance*.

CEE and Client, and any director, officer, employee, or agent of CEE or Client respectively, may reasonably rely on any document of any kind which it, in good faith, reasonably believes to be genuine and to have been adopted or signed by the proper authorities or persons respecting any matters arising hereunder.

16. *Insurance*

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
Professional Liability	\$1,000,000	Aggregate Limit
Workers Compensation		Statutory Limit

17. *Limitation of Liability*

CEE's role is strictly limited to the Services. Except as may be set forth herein, Client will be solely responsible for making all decisions concerning the management of the Client Loans. At all times, Client will be responsible for the accuracy of all information provided to CEE, and CEE may reasonably rely on any document of any kind which it, in good faith, reasonably believes to be genuine and to have been adopted or signed by the proper authorities or persons respecting any matters arising hereunder. CEE shall exercise the same care, skill and diligence as is normal and usual in its general loan servicing activities on behalf of third parties or on behalf of itself, whichever is higher, with respect to the obligations described in this Agreement. Unless caused by CEE or CEE Representative's (defined hereafter) gross negligence, intentional misconduct, or fraud, Client agrees that CEE, its officers, directors, agents, and employees ("CEE Representatives") will not be liable for events or circumstances beyond their reasonable control. Client and CEE agree that clerical errors and mistakes in judgment do not constitute a failure to exercise ordinary care or to act in good faith.

Unless caused by a party's gross negligence, intentional misconduct, or fraud, neither party shall be liable to the other or any other person for any indirect, incidental, consequential, punitive or special damages whatsoever (including without limitation, any damages claimed for loss of income, revenue, or profits or for loss of goodwill) arising from or related to services provided pursuant to this Agreement. The exclusive remedy available to Client shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by CEE of its duties under this Agreement. Notwithstanding anything to the contrary in this Agreement, CEE's total aggregate liability arising out of or related to this Agreement shall not exceed the total amount of fees paid by Client to CEE pursuant to this Agreement during the twelve (12) months immediately preceding the event giving rise to such action, excluding any third party costs; provided, however, this cap set forth in this sentence shall not apply if Client sustains loss, damage, or expense as a result of CEE's gross negligence, intentional misconduct, or fraud.

18. *Term of Agreement: Termination*

The initial term shall commence on the Effective Date and continue for a period of three (3) years (the "Initial Term"). Thereafter, the Agreement shall automatically renew for successive one (1) year periods, unless CEE or Client provides written notice of non-renewal or amendment to the other party at least sixty (60) days before the end of the then current term. Notwithstanding the preceding, on the date corresponding to sixty days prior to the initial three-year anniversary, the

contract will automatically extend to the next one-year anniversary date, unless notice of termination is given as specified in the following paragraph.

Either Client or CEE may terminate servicing by CEE with respect to any Client Loan or all Client Loans upon (a) ninety (90) days prior written notice delivered to the other party via email (and duly acknowledged by the other party) or (b) upon the occurrence of a CEE Termination Event (as defined below). Upon such termination, CEE shall promptly, but no less than two (2) business days, supply appropriate reports, documents, promissory notes, and other information as requested by Client or any person or entity designated by Client and shall use its commercial best efforts to effect the orderly and efficient transfer or servicing to the Client or a new servicer designated by Client subject to the fees described in Exhibit B.

If any of the following events with respect to CEE shall occur and be continuing, it shall be a “Termination Event”:

- A. Any failure by CEE to remit any payment required to be made under the terms of the Agreement which continues un-remedied for a period of ten (10) business days after such payment was required to be made (and such cured failure shall not be deemed a Termination Event); provided, however, that any such failure shall not constitute a Termination Event if such delay or failure could not have been prevented by the exercise of reasonable diligence by CEE, or such delay or failure was caused by events subject to Section 26. Force Majeure; or
- B. Any material breach by CEE or Client of their respective representations and warranties contained herein that materially and adversely affects the interests of the other, or any failure on the part of CEE or Client to observe or perform in any material respect any of the covenants or agreements other than as described in subsection A of this Section 14 and that continues un-remedied for a period of thirty (30) days after the date on which notice of such breach, requiring the same to be remedied, shall have been given to by the non-breaching party to the breaching party; provided, however, that if the breaching party certifies to the non-breaching party that it has in good faith attempted to remedy such breach, such cure period will be extended to the extent necessary to permit breaching party to cure such breach; or
- C. CEE or Client shall suffer a material adverse change in its financial condition that affects its ability to perform its obligations under this Agreement; or
- D. CEE or Client is subject to a bankruptcy or other proceeding relating to its liquidation or insolvency, or a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been

entered against CEE or Client and such decree or order shall have remained in force, undischarged or un-stayed for a period of sixty (60) days; or

- E. CEE or Client shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets or liabilities, or similar proceedings of or relating to CEE or Client or of or relating to all or substantially all of such party's property; or
- F. CEE or Client shall admit in writing its inability to pay its debts as they become due, file a petition to take advantage of any application insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

19. *Assignment of Rights*

This Agreement may not be assigned by Client except with prior written consent of CEE, which consent shall not to be unreasonably withheld. CEE may not assign its rights under this Agreement without the prior written consent of Client.

20. *Independent Contractor*

Nothing herein contained shall be deemed or construed to create an employment, co-partnership, or joint venture between the parties hereto and the services of CEE shall be rendered as an independent contractor and not as an agent for Client, its successors and assigns, or any obligors or noteholders under the Client Loans.

21. *Amendments*

This Agreement may not be amended or modified except by a written agreement signed by the parties in interest at the time of such modification.

22. *Confidentiality*

Neither Client nor CEE shall disclose or use any Confidential Information (defined hereafter) of the other party or its affiliates, and each party will keep such Confidential Information confidential.

Notwithstanding the forgoing, Client or CEE may provide such Confidential Information as required pursuant to a court or administrative subpoena, court order or other such legal process or requirement of law; provided, however, that it shall endeavor to promptly notify the other of such request, order or requirement, unless such notice is prohibited by statute, rule, or court order. Nothing herein shall require either Client or CEE to fail to honor a subpoena, court or administrative order, or a requirement of law on a timely basis.

Notwithstanding this section, CEE is expressly permitted to release information to borrowers upon written request regarding their specific loans; and, following receipt of borrower's written authorization to release information, CEE is expressly authorized to release such information regarding that borrower's loan to a third party which borrower has consented to in writing.

CEE shall cause vendors, if any, not to use or disclose any Confidential Information of Client except in compliance with this Agreement. Notwithstanding the foregoing, a vendor may disclose Confidential Information as required pursuant to a court or administrative subpoena, order or other such legal process or requirement of law; provided, however, that it shall first notify Client of such request or requirement, unless such notice is prohibited by statute, rule or court order. CEE shall not, on Client's behalf, require a vendor to fail to honor a subpoena, court or administrative order, or a requirement of law on a timely basis. CEE shall also cause vendors not to remove any Confidential Information from Client premises without Client's prior written authorization.

Each party shall limit access to the other party's Confidential Information to only those of its employees and agents who require such access in performing their duties hereunder. CEE agrees to either return the Confidential Information to Client or destroy the Confidential Information upon completion of the work or, in any event, upon termination of the Agreement between the parties. Except as expressly provided in this Agreement, no ownership or license rights are granted in any Confidential Information. Notwithstanding anything to the contrary in this Agreement, Confidential Information may be disclosed to a party's accountants, attorneys, insurers, regulators and consultants. Notwithstanding the foregoing, a party may retain one archival copy of Confidential Information that may be used solely to demonstrate compliance with this Agreement, Applicable Law, and internal policies and procedures.

"Confidential Information" for purposes of this agreement, shall mean any information of CEE, Client, or their respective affiliates, whether written or oral, including:

- A. Financial Information, marketing plans, and personnel records;
- B. Technical and non-technical data, including without limitation, customer lists, customer information, customer non-public information, fee schedules, forms, information, business and management methods, trade secrets, compilation and analysis of financial information and data to prepare and submit bids and proposals to third parties;
- C. Other proprietary or confidential information;

- D. Proprietary computer software, management information and information systems, whether or not such Confidential Information is disclosed or otherwise made available to one party or other pursuant to this Agreement;
- E. Terms and provisions of this Agreement and any transaction or document executed by the parties pursuant to this Agreement.

“Confidential Information” shall not include the following:

- A. Information that is or becomes generally available to and known by the public (other than as a result of an unpermitted disclosure directly or indirectly by the receiving party or its affiliates, advisors, or representatives);
- B. Information that is or becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party or its affiliates, advisors, or representatives, provided that such source is not and was not bound by a confidentiality agreement with or other obligation of secrecy to the disclosing party of which the receiving party has knowledge at the time of the disclosure; or
- C. Information that has already been or is hereafter independently acquired or developed by the receiving party without violating any confidentiality agreement with or obligation secrecy to the disclosing party.

23. *Attorney In-Fact.* Solely with respect to enabling CEE to carry out its obligations under this Agreement, Client hereby

- a. authorizes CEE (and its third-party contractors) on behalf of Client to communicate as Client’s agent with (i) borrowers, guarantors, and others obligated in connection with a Loan by electronic means or otherwise, (ii) credit reporting bureaus and consumer reporting agencies selected by CEE, and (iii) to do or perform any other reasonable and necessary acts for purposes of carrying out its obligations hereunder, and
- b. appoints CEE as Client’s lawful attorney in fact to sign in the name of Client such documents as are necessary or appropriate for CEE to perform its obligations as contemplated under this Agreement, including without limitation checks and other documents necessary to process payments, proof of claims, and such other documents as Client may approve in writing, which approval shall not be unreasonably withheld or delayed. For the avoidance of doubt, such power-of-attorney shall be revocable, in whole or in part, at the sole discretion of Client; provided that, upon any such revocation, CEE shall not be liable for failure to perform any obligations under this Agreement for which

such power-of-attorney is necessary, and such failure may be considered by CEE in its sole discretion as a basis on which to terminate this Agreement.

24. Transfers.

Client shall provide CEE with all reasonable and necessary authorizations and information as Client determines in its sole discretion and shall take all such further steps as may be reasonable and necessary, in order to authorize and enable CEE to initiate the movement of funds by automated clearing house (“ACH”) or other electronic funds transfer.

25. Notices

All notices and communications as part of this Agreement must be in writing and, except as otherwise agreed in writing, must be delivered, mailed, faxed, or emailed, to the following addresses:

If to CEE:

Center for Energy and Environment
212 3rd Avenue North, Suite 560
Minneapolis, MN 55401
Attn: Ryan Ellis
Phone: 612.335.5862
Email: rellis@mncee.org

If to Client:

Carver County Community Development Agency
705 North Walnut Street
Chaska, Minnesota 55318
Attn: Melodie Bridgeman
Telephone: (952) 556-2778
Email: melodieb@carvercda.org

26. Governing Law

This Agreement and each transaction consummated hereunder shall be deemed to be made under the internal laws of the State of Minnesota and shall be construed in accordance with and governed by the laws of the State of Minnesota, without regard to the choice of law rules of that state, except to the extent that any such laws may now or hereafter be preempted by Federal law.

27. Counterparts

This Agreement may be executed in several counterparts, each which shall be deemed an original, and all of which shall together constitute one and the same instrument.

28. Force Majeure

CEE and Client shall be excused from performing in accordance with the agreement in the event of an occurrence of "Force Majeure". Force Majeure is defined as fire, floods, earthquake, tornado, explosion, catastrophe, accident, war or war-like operations (whether or not a state of war is declared), riot, Acts of God, acts of terrorism, insurrection, order of a Governmental Body and Applicable Laws that prevent performance, to the extent (i) such event of Force Majeure is beyond the reasonable control of the Party claiming Force Majeure, and (ii) the Party claiming Force Majeure gives prompt written notice of the same to the other Party. In the event of any such delay, the sole remedy shall be a time extension for the completion dates required by the Agreement, which extension shall be the time period lost by reason of the Force Majeure.

29. Entire Agreement

This Agreement (including the Exhibits to this Agreement), the Company Disclosure Letter and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter of this Agreement and supersede all other prior agreements and understandings, both written and oral, among the parties to this Agreement with respect to the subject matter of this Agreement. In the event of any inconsistency between the statements in the body of this Agreement, the Confidentiality Agreement and the Company Disclosure Letter (other than an exception expressly set forth as such in the Company Disclosure Letter), the statements in the body of this Agreement will control.

30. Authorized Persons

CEE will provide a single login user name and password (together with any Client created user name and/or password, the "Credentials") to Client for purposes of accessing CEE's system ("Portal") to obtain reporting regarding Client Loans. Client shall be solely responsible for the use and protection of the Credentials. Client agrees to maintain the confidentiality of the Credentials.

Client further agrees that any person using the Credentials to access the Portal with Client's express written consent shall be deemed to be duly authorized by Client and such person using the Credentials shall be deemed to have full authority to act on behalf of Client. Client agrees to maintain a proper and complete log of individuals to whom it has provided access to Client portal and receipt of reports with respect to Client Loans or Client reports. Client shall promptly modify the Credentials in the event that any person to whom it has given the Credentials is no longer employed by or otherwise affiliated with Client.

Client shall appoint one or more officers or employees who are authorized to act on behalf of Client regarding this Agreement and the services provided by CEE hereunder ("Authorized Users"). CEE shall not be responsible for any correspondence with or access provided to any

Authorized User. Client may add or remove Authorized Users by written notice to CEE. CEE may reasonably rely on any action taken by an Authorized User until an Authorized User's authorization has been revoked by Client by written notice to CEE. CEE shall have a reasonable time to process any revocation received pursuant to this section.

Client's agrees that the failure to protect Credentials may allow an unauthorized party to (i) use the services provided by CEE, (ii) access Client's electronic communications and financial data, and (iii) send or receive information and communications on behalf of the Client. Unencrypted electronic transmissions are not secure, and Client assumes the entire risk for unauthorized use of Credentials and any unencrypted electronic transmissions which Client causes due to its actions. Client undertakes no obligation to monitor transactions initiated by valid Credentials to determine that they are made on behalf of or authorized by Client.

31. *Records*

Except to the extent otherwise required by Applicable Law, CEE shall retain all records relating to a Client Loan in accordance with Minnesota law, but, at a minimum, for at least one (1) year following termination of this Agreement or one (1) year from maturity or payoff of a Client Loan unless such documentation is requested by and delivered to Client at an earlier date. The records will be maintained in either hard copy or machine-readable (electronic) format. In the event CEE is no longer in existence, its successor shall continue to retain such records as provided above or deliver the records to Client.

32. *Deconversion*

In the event of termination of this Agreement, and ff Client desires to transfer the duties under this Agreement to a new servicer, CEE agrees to provide Client with electronic copies of the Client Loan records within two (2) business days in CEE's standard format at the current rate being charge on a per loan charge by CEE, as well as any additional time charged on a per hour basis.

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

**CENTER FOR ENERGY AND
ENVIRONMENT**

CLIENT (FULL NAME)

By _____
[Insert Name]
Its: _____

By _____
[Insert Name]
Its: _____

LOAN SERVICING AGREEMENT

Exhibit A: Duties of Servicer

NEW LOAN SET UP

Loan Boarding

CEE will board the loan upon origination into CEE's servicing system. For any unsecured loan, CEE will board the new loan within three (3) Business days of origination. For any secured loan, CEE will board the new loan within three (3) Business days after the expiration of the right of rescission. CEE will confirm the funding pool and assure that the new loan draws off the correct pool.

For purposes of this Agreement, "business days" means calendar days other than weekends, official federal holidays, and non-banking holidays.

Reporting

CEE will report all amortizing loans to at least one of the three major credit agencies upon inception as it may designate in its sole discretion.

Quality Control Review

The loan and ACH entry instruction will be reviewed prior to activation to verify the servicing system matches the terms of the promissory note and any other programmatic requirements per the documents submitted.

Welcome Letter

A welcome letter will be sent to borrowers within five (5) business days after boarding. This letter shall include the toll-free customer service number as well as an email address that is available for borrowers to use should they have a question regarding their loan. Customer service is available from 8:00 AM to 4:30 PM Central Time, on "business days". An automatic ACH enrollment form is included in the letter for borrowers to complete and return to CEE if they would like recurring payments to be initiated automatically by CEE. The letter will also contain instructions for borrowers to receive access to the online loan portal where they have access to all their loan information and ability to make payments.

STANDARD SERVICING –AMORTIZING/DEFERRED

Billing

Borrowers with loans that have regularly scheduled payments will receive billing statements on a monthly basis or other appropriate frequency based on terms of the promissory note.

Collection of Loan payments

CEE shall collect payments of principal, interest and any appropriate fees. CEE shall confirm the application of payments to be consistent with the loan documents as part of ongoing due diligence.

Customer Service

CEE shall provide customer service to borrowers from 8:00AM – 4:30 PM Central Time on “business days”. The customer service team is available through the toll free phone number or email at loanservicing@mncee.org. Borrowers will receive a response within five (5) business days following a question submitted to CEE. Borrowers are able to view loan information on the loan portal as well as schedule payments.

Past Due Collections

CEE will make reasonable efforts to maintain loans in a current status and will deal promptly with those which are delinquent in accordance with the Collection Activity section below. CEE will process loan defaults as directed by Client.

Reporting

CEE will provide standard monthly reporting for the prior month’s activities to Client no later than the 10th business day of each month. The standard reports are as listed:

- Loan Trial Balance
- Aged Delinquency
- Principal and Interest Collections
- New Loan
- Paid Loan
- Fee Scheduled
- Fee Earned

Special reports may be added at an additional cost for programming. (See Exhibit B for pricing)

IRS Reporting

CEE shall provide borrowers with the required IRS annual tax reporting.

Funds Remittance

CEE shall remit collected funds less servicing and other applicable fees and any late charges assessed to borrower by the 10th business day of the month. Late charges will be retained by CEE. Funds will be remitted via ACH. An invoice will be distributed detailing the servicing fees. CEE shall remit such funds by means of ACH or other electronic funds transfer to an account designated by Client.

COLLECTION ACTIVITY

Early Delinquency

CEE will make reasonable efforts to maintain loans in a current status and will make reasonable periodic efforts to contact borrowers who are delinquent, in order to encourage payment. Such efforts will be limited to those loans that are no more than 90 days past due.

- CEE will follow customary, usual and prudent business practices in servicing delinquent loans.
- CEE will send delinquency letters for loans 31- 60 days past due.
- CEE will continue sending letters and begin phone calls for loans 61-90 days past due.

Late Delinquency

CEE will make reasonable efforts to contact Borrowers, solicit payments, and return loans to a current status, where the loan has reached 90 or more days past due, in order to encourage payment.

- CEE will follow customary, usual and prudent business practices in servicing delinquent loans.
- CEE will send formal default letters for loans reaching 120 or more days past due.
- CEE shall continue phone calls to borrower at 90 days past due.
- After 120 days past due, Client shall determine next steps and CEE shall have no obligation to take further action regarding delinquent loans until directed by Client.

DEFAULT MANAGEMENT

CEE shall notify Client in writing within one (1) business days of the date which it becomes aware that any borrower has defaulted under any Client Loans; however, Client shall be solely responsible for declaring a loan to be in default, and determining whether a loan is to be charged-off.

Loan Modifications

CEE shall respond to Client or Borrower requests for modifications to their loan terms, including Repayment Plans, Forbearance Agreements, Deferments, Extensions, Short Sales (Pre-Foreclosure Sales), or Negotiated Releases of collateral, obligors or guarantors (each a "Loan Modification").

CEE shall make no decisions independent of the Client. Client shall have final approval of any Loan Modifications, unless Client has instructed CEE in writing that it may approve Loan Modifications pursuant to criteria established by Client.

CEE will follow customary, usual and prudent business practices in its review and processing of Loan Modifications, and keep Client informed of the status of such requests.

Both Client and CEE recognize that time is of the essence in responding to and approving or declining Loan Modification requests.

CEE shall monitor Borrowers for compliance with the terms of the loan modification and make such changes to the loan record as required by the modification terms.

Special Servicing

CEE shall perform special servicing actions and steps at the direction of the Client for loans subject to formal legal proceedings, including Bankruptcy, Foreclosure, Deed-in-lieu of Foreclosure, Collections suits, Repossession, and Charge-offs involving either an obligor(s) or guarantor(s).

CEE shall make no decisions or take actions independent of the Client, who shall have final say in approval of any Special Servicing actions (other than routine steps taken to protect or preserve Clients interests), unless Client has instructed CEE in writing that it may approve and take such actions.

CEE must employ staff with expertise in the above areas and maintain compliance with all applicable regulations.

CEE will follow customary, usual and prudent business practices in its review, processing, and management of Special Servicing of Client loans, and keep Client informed of the status of loans subject to Special Servicing.

Both Client and CEE recognize that time is of the essence in responding to and approving or declining Special Servicing Actions.

CEE shall monitor Borrowers who are subject to Special Servicing, consistent with the governing legal proceedings or requirements, and make such changes to the loan record as required to reflect the Special Servicing requirements. With respect to Bankruptcy, the Special Servicing shall include Filings, Proof of Claim, Repayment Plan setup and monitoring, and discharge/completion processing. (See Exhibit B for pricing)

Other Servicing

CEE shall perform the following additional servicing actions and steps for loans as requested by Client. CEE will follow customary, usual and prudent business practices in providing these services. The Client shall bear all of CEE's out of pocket costs for third parties related to these items. CEE will notify Client of the potential out of pocket costs prior to performing any of the additional actions.

- REO Marketing
- Insurance Inspections
- Default Inspections
- Property Valuation or Appraisal
- Property Preservation and security

SUBORDINATION PREPARATION

CEE will review subordination requests in accordance with the Client's subordination program requirements. Subordinations will be forwarded to the Client for signature if request meets the program requirements. Fees related to the subordination are paid by borrowers.

MORTGAGE SATISFACTION PREPARATION

Loan Payoffs

CEE will process loan payoffs, issue payoff statements as requested by authorized individuals within 30 calendar days and remit funds to Client. CEE shall draft mortgage satisfactions ("Satisfaction") within 30 calendar days after loan is paid in full to ensure funds received are cleared. The Satisfaction is then sent to client for signature. CEE shall provide instructions to borrowers as to how to properly record the Satisfaction. In the event that \$5 (five dollars) or less of principle balance remains, CEE and Client will not attempt to collect the remaining fee and will consider the loan as satisfied.

FINAL/SPECIAL PROCESSING TRANSACTIONS

CEE shall charge additional fees in special circumstances such as a charge-off, foreclosure, servicing release, or any other transaction that is processed on a loan that is not paid in full but is no longer an active loan on the servicing system. This does NOT include processing a paid in full transaction. Fees specified in this section shall be paid by borrowers.

AFFIRMATIVE COVENANTS OF SERVICER. At all times from the date hereof to the termination date, unless Client shall otherwise consent in writing:

- (a) Credit and Collection Policies. CEE will comply in all material respects with credit and collection policies approved by Client in regard to each receivable and the related Client Loan.
- (b) Collections Received. CEE shall set aside and deposit as soon as reasonably practicable (but in any event no later than two (2) business day following the date of receipt thereof) into the collection account all collections received from time to time by CEE related to a Client Loan.
- (c) Notice CEE Defaults. Immediately, and in any event within one (1) business day after CEE obtains knowledge or receives notice of the occurrence of each Servicer or borrower default, CEE will furnish to Client a statement of CEE, setting forth to the extent actually known by CEE, details of such CEE or borrower default, and the action, if any, which CEE proposes to take with respect thereto.
- (d) Conduct of Business. CEE will do all things necessary to remain duly incorporated or organized, validly existing and in good standing in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted to the extent that the failure to maintain such would have a material adverse effect.

(e) Compliance with Laws. CEE will comply in all respects with all laws with respect to the receivables to the extent that any non-compliance would have a material adverse effect.

(f) Further Information. CEE shall furnish or cause to be furnished to Client such other information relating to the receivables and readily available public information regarding the financial condition of CEE, as soon as reasonably practicable, and in such form and detail, as Client may reasonably request.

(g) Furnishing of Information and Inspection of Records. CEE will furnish to Client from time to time such information in its possession with respect to the Client Loans as Client may reasonably request, including, without limitation, listings identifying the outstanding receivables balance for each Client Loan, together with an aging of receivables. CEE will, at any time and from time to time during regular business hours and, upon reasonable notice, permit Client or its agents or representatives, (i) to examine and make copies of and abstracts from all records relating to the Client Loans and (ii) to visit the offices and properties of CEE for the purpose of examining such records, and to discuss matters relating to receivables or CEE's performance hereunder with any servicing officer of CEE having knowledge of such matters. Upon a Servicer default, Client may have, without notice, reasonable access to all records and the offices and properties of CEE.

NEGATIVE COVENANTS OF CEE. At all times from the date hereof to the termination date, unless Client shall otherwise consent in writing:

(h) Modifications of Receivables or Client Loans. CEE shall not extend, amend, forgive, discharge, compromise, waive, cancel or otherwise modify the terms of any receivable or amend, modify or waive any term or condition of any Client Loan related thereto except in accordance with the Agreement.

(i) Merger or Consolidation of, or Assumption of the Obligations of, CEE. CEE shall not consolidate with or merge into any other corporation or convey or transfer its assets substantially as an entirety to any entity, trust, governmental agency, or individual, unless the entity formed by such consolidation or into which CEE is merged or the entity, trust, governmental agency, or individual which acquires by conveyance or transfer the properties and assets of CEE substantially as an entirety shall be an entity organized and existing under the laws of the United States of America or any state or the District of Columbia and, if CEE is not the surviving entity, such entity shall expressly assume, by an agreement supplemental hereto executed and delivered to Client, in a form reasonably satisfactory to Client, the performance of every covenant and obligation of CEE hereunder.

(j) No Change in Business or the Credit and Collection Policies. Subject to requirements of law, CEE will not make any change in the character of its business or in the credit and collection policies, which change would, in either case, impair the collectability of any receivable or otherwise have a material adverse effect.



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10C

DEPARTMENT: Community Development

FILE TYPE: Regular Agenda

TITLE: Approval of LAHA Agreement with Carver County

PURPOSE/ ACTION REQUESTED: Approve LAHA Agreement with Carver County

SUMMARY: In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations with the goal to fund affordable housing projects and help organizations provide affordable and supportive housing. The funding source is the Local Affordable Housing Aid (MN §477A.35) (LAHA) which is from a 0.25% metro sales tax.

On August 20, 2024, the Carver County Board of Commissioners approved contracting with the CDA to administer LAHA funds with 70% of the annual funding to be deposited into the CDA's Local Housing Trust Fund. The CDA Board approved the acceptance of these funds at its meeting on September 19, 2024. In order to move forward with receiving the funds from the County, the County and the CDA must enter into an agreement.

RECOMMENDATION: Approval of LAHA Agreement with Carver County

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, the State of Minnesota enacted the Local Affordable Housing Aid (LAHA), Minnesota Statutes, Section 477A.35, as may be amended, which established distributions to Metropolitan area counties for qualifying projects as defined in Section 477A.35, subdivision 4; and

WHEREAS, Carver County (the “County”) is a direct recipient of LAHA funding; and

WHEREAS, the County desires to engage the Carver County Community Development Agency (the “CDA”), with its experience and expertise in housing assistance and development, as a subrecipient and agent of the County to receive and administer the funds on behalf of the County; and

WHEREAS, the County and the CDA have developed a LAHA Agreement to formalize the terms and roles; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY as follows:

The Carver County CDA approves entering into an agreement with Carver County in substantially the same form. The Executive Director is hereby authorized to sign and execute all necessary documents related to the transaction.

PREVIOUS BOARD ACTION

24-66 Approval of Acceptance of LAHA (Local Affordable Housing Aid) Funding from Carver County

ATTACHMENTS

Draft County-CDA LAHA Agreement

BOARD GOALS

☒ Focused Housing Programs ☒ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Allison Streich, Executive Director

Author: Allison Streich, Executive Director

LOCAL AFFORDABLE HOUSING AID (LAHA)
PROFESSIONAL SERVICE AGREEMENT

Between

**COUNTY OF CARVER, STATE OF MINNESOTA and
CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (CDA)**

THIS LOCAL AFFORDABLE HOUSING AID (LAHA) AGREEMENT (this “Agreement” or “Contract”) made and entered into by and between the County of Carver, State of Minnesota, hereinafter referred to as the “COUNTY,” 600 East Fourth Street, Chaska, MN 55318 on behalf of the Carver County (**HEALTH AND HUMAN SERVICES DIVISION**), hereinafter referred to as the “DIVISION” and (**CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY**), 705 North Walnut Street, Chaska, Minnesota, 55318, hereinafter referred to as the “CONTRACTOR” or “CDA.”

RECITALS

WHEREAS, the State of Minnesota enacted the Local Affordable Housing Aid, Minnesota Statutes, Section §477A.35, which established distributions to metropolitan area counties for qualifying projects as defined in Minnesota Statutes Section §477A.35, subd. 4.

WHEREAS, County desires to engage the Carver County Community Development Agency (CDA), with its experience and expertise in affordable housing development and rehabilitation, as a subrecipient and agent of the County to receive and administer funds under the State LAHA Statutes on behalf of the County, and in partnership with the Carver County Health and Human Services division, and the CDA desires to serve in this role.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the County and the Contractor agree as follows:

1. TERM AND COST OF THE AGREEMENT

This contract shall be in effect from the date of execution by all parties, and shall continue in effect until **December 31, 2026**, unless earlier terminated as provided herein.

The County and the Contractor agree, and as approved by the Carver County Board of Commissioners (the “COUNTY BOARD”) (RBA 10,014) on August 20, 2024, that annually seventy percent (70%) of LAHA funds being distributed by the Minnesota Department of Labor will be allocated and disbursed to the Contractor after receipt by the County.

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2. SERVICES TO BE PROVIDED

Services shall be provided in accordance with the criteria set forth as follows:

The CDA shall act as the agent for the County to receive and administer up to 70% of total funds received by the County from the Minnesota Department of Revenue according to Minnesota LAHA Statutes and the County Board approved distribution plan. The CDA shall assume all commercially reasonable duties and obligations that would otherwise be imposed upon the County under the Minnesota Statutes listed in this Agreement, specifically:

- A. Spending the funds received under this Agreement on Qualifying Projects as defined in Minnesota Statutes, Section §477A.35, subd. 4., including disbursements to the CDA, as well as subrecipients, contractors, and vendors on a reimbursement basis after reasonably determining that the request for disbursement meets all requirements of Qualifying Projects and has been reviewed by Carver County Health and Human Services division on behalf of the County.
- B. In determining the Qualifying Projects, the CDA shall propose a budget based on seventy percent (70%) of the projections and estimates of LAHA funds provided by the Minnesota Department of Revenue for aid to counties and listing of projects/programs for consideration and approval by the Carver County Board of Commissioners for expenditures the following year. The proposed budget and listing of projects/programs shall be submitted to the Carver County Health and Human Services Director who will in turn make the recommendation to the County Board.
- C. Maintaining complete and accurate records of LAHA funds received by the CDA and all disbursements received by the CDA. The CDA shall provide the County reasonable access to all records upon written request.
- D. Ensuring timely expenditure of LAHA funds by December 31 in the third (3rd) year following the disbursement. If LAHA funds cannot be spent on Qualifying Projects in the CDA's discretion by the deadline as defined in Minnesota Statutes due to factors outside of the control of the CDA, the CDA will work with the County to transfer funds to the Local Housing Trust Fund that was approved by the Carver County Board of Commissioners through Ordinance No.104-2023 (RBA 9480 – 12/19/2023). The CDA must notify the Carver County Health and Human Services Director at least six (6) months before any LAHA funds expire to ensure that funds can be properly transferred.

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- E. Preparing an annual report, as required, to the Minnesota Housing Finance Agency (MHFA) (required starting December 1, 2025, under Minnesota Statutes, Section §477A.35, subd. 6(b)).
- F. Preparing a quarterly update to the County, sent specifically to the Director of Carver County Health and Human Services, concerning progress under the Agreement.
- G. Repayment of funds if required under Minnesota Statutes, Section §477A.35, subd. 6(b-c) as determined by the CDA's interpretation of such statutes in its reasonable discretion.
- H. Regularly consulting with cities in Carver County (Chaska, Waconia, Chanhassen, and Victoria) where Qualifying Projects are planned or located (all as frequently as determined by the CDA in its reasonable discretion).
- I. Regularly collaborating and meeting with Carver County Health and Human Services as part of the planning and implementation of Qualifying Projects, as well as collaborating on the annual report to MHFA (all as frequently as determined by the CDA in its reasonable discretion).
- J. The CDA shall not intentionally be out of compliance with any requirements of Minnesota Statutes related to Local Affordable Housing Aid (LAHA).

The Contractor will endeavor to ensure that all data, services and material supplied will materially conform to the County's reasonable specifications and against inferiority as to specification.

3. PAYMENT FOR SERVICES/TRANSFER OF FUNDS

Carver County agrees to transfer seventy percent (70%) of the County's received LAHA funds to the CDA. The County and the Contractor shall reasonably cooperate and mutually agree upon the timing and transfer of LAHA funds to the CDA.

The CDA shall deposit and maintain LAHA funds received under this Agreement in a separate internal account. The CDA shall maintain appropriate records of LAHA funds. The CDA shall administer and disburse all LAHA funds in accordance with applicable Minnesota Statutes and this Agreement.

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The CDA's obligations under this Agreement are specifically contingent upon the disbursements of funds by the State per the applicable Minnesota Statutes, and the County's transfer of LAHA funds to the CDA. Since payment under this Agreement is dependent upon the availability of State or other funds and such funds are reduced or terminated, this Agreement may be renegotiated or terminated by the mutual written agreement of the CDA and County.

In the event of termination, Contractor shall be entitled to payment, determined on a pro rata basis, for services satisfactorily performed if LAHA funds are available; any unspent LAHA funds already paid to the Contractor by the County must be returned to the County within thirty (30) days of contract termination.

In consideration for the performance of the duties and obligations of the CDA under this Agreement, the County hereby authorizes the CDA to reimburse itself for the actual administrative and Qualifying Project-related costs for performing such duties and obligations out of the LAHA funds provided by the County hereunder. The CDA shall provide to the County an annual accounting report that outlines administrative/project-related costs for the calendar year. Such costs include the following:

- A. Salary costs actually incurred by the CDA for time expended by its employees to carry out its duties and obligations pursuant to this Agreement; and
- B. Reasonable and necessary out-of-pocket expenses including, by way of example, Contractor and vendor costs, mileage, supplies, and publication costs; and
- C. Training costs incurred through attendance at workshops and conferences the purposes of which are to provide information about regulations and program implementation relating to applicable Minnesota Statutes as listed in this Agreement.

Contractor certifies that payment for purchased services will be in accordance with rates of payment that do not exceed amounts reasonable and necessary to assure quality of services and, if the services are being purchased from another public agency, the cost reasonably assignable to such services.

4. INDEPENDENT CONTRACTOR

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- A. Contractor is to be and shall remain an independent contractor with respect to any and all work performed under this Agreement. Nothing contained in this Agreement is intended or should be construed as creating the relationship of co-partners or joint ventures with the County. No tenure or any rights including worker's compensation, unemployment insurance, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to County employees, including indemnification for third party personal injury/property damage claims, shall accrue to the Contractor or employees of the Contractor performing services under this Agreement.
- B. Contractor shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified in this Agreement.
- C. Contractor is responsible for hiring sufficient workers to perform the services required by this Agreement and withholding taxes and paying all other employment tax obligation on its behalf.

5. INDEMNIFICATION AND INSURANCE

Except for gross negligence, willful misconduct or fraud committed by the County, any and all claims that arise or may arise against the Contractor, its agents, servants or employees as a consequence of any act or omission on the part of the Contractor or its agents, servants or employees while engaged in the performance of the Agreement shall in no way be the obligation or responsibility of the County. Each party agrees it will defend, indemnify and hold harmless the other party, its officers and employees against any and all liability, loss, costs, damages, consequential damages, expenses, claims or action including attorney fees which the County, its officers or employees may hereafter sustain, incur, or be required to pay arising out of the Contractor's gross negligence, willful misconduct, or fraud.

It is understood and agreed that the County's liability shall be limited by the provisions of Minnesota Statute §466 and/or other applicable law.

Contractor further agrees that in order to protect itself as well as the County under the indemnity provision set forth above, it will at all times during the term of this Agreement keep in force:

- A. Commercial General Liability Insurance Policy with the following minimum limits:
\$3,000,000 Aggregate

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\$3,000,000 Products and Completed Operations Aggregate
\$1,500,000 Personal Injury and Advertising Injury
\$1,500,000 Each Occurrence
\$ 100,000 Fire Damage Limit
\$ 5,000 Medical Expense

The policy should be written on an “occurrence” basis and not a “claims-made” basis.

- B. Automobile Liability Insurance including owned, non-owned, and hired vehicles in an amount not less than \$1,500,000 combined single limit (CSL) for total bodily injuries and/or damages arising from any one accident. If automobiles are not used, we must receive a letter from you stating this.
- C. Professional Liability Insurance (when required) the following minimum limits apply:
- \$3,000,000 Aggregate
\$1,500,000 per Wrongful Act or Occurrence
- D. Cyber Liability (when required) the following minimum limits apply:
- \$4,000,000 Aggregate
\$2,000,000 Each Occurrence
- E. Excess Umbrella Liability Policy will be additionally required if any of the above policies have lower limits than stated.
- F. Worker’s Compensation Insurance.
- G. Prior to the effective date of this Agreement, and as a condition precedent, the Contractor will furnish the County with an original Certificate of Insurance listing the County as an “Additional Insured” in all coverage areas except Worker’s Compensation and Professional Liability.

6. DATA PRIVACY/DATA OWNERSHIP

- A. Data Practices.
All data collected, created, received, maintained, or disseminated in any form, for any purposes by the activities of Contractor because of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules promulgated pursuant to Chapter 13. The person responsible for release of

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all data under this Agreement shall be the Division Director of the County employee identified in provision 10.

- B. Health Insurance Portability and Accountability Act (HIPAA – 45 C.F.R. §160,162,164).

If under this Agreement the exchange of Protected Health Information in any form is anticipated the Contractor and County shall comply with all regulatory obligations including signing any required agreements (e.g., Business Associate Agreement). Such Agreements shall be attached to and incorporated into this Agreement.

- C. Release.

No data may be released by the Contractor to a third party without the express consent of the County's representative as indicated below – this includes any media relations.

- D. Ownership.

Ownership of all data prepared for or by the County in connection with this Agreement whether having commercial value or not shall remain with the County. Any reports, studies, photographs, negatives or other documents or any other form of data prepared by the Contractor in the performance of its obligations under this Contract shall be the exclusive property of the County, and all such material or data shall be remitted to the County by the Contractor upon completion, termination or cancellation of this Contract. The Contractor shall not intentionally use, allow, or cause to have such materials used for any purpose other than performance of the Contractor's obligations under this Contract without the prior written consent of the County.

7. RECORDS: AVAILABILITY AND RETENTION

The CDA shall maintain complete and accurate records of LAHA funds received and all disbursements.

Pursuant to Minnesota Statute §16C.05, subd. 5, the Contractor agrees that the County, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have reasonable access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, et., which are pertinent to the accounting practices and procedures of the Contractor and involve transactions relating to this Agreement. Contractor agrees to maintain these records to confirm with the requirements of Minnesota Statutes.

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8. MERGER AND MODIFICATION

- A. It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter. All items referred to in this Agreement are presumed to be incorporated or attached and are deemed to be part of this Agreement. Where the incorporated terms differ with the terms of this Agreement, the terms of this Agreement shall control.
- B. Any material alteration, modification, or variation shall be reduced to writing as an amendment and signed by the parties.

9. DEFAULT AND CANCELLATION

- A. If the either party fails to materially perform any of the provisions, covenants, or obligation of such party of this Agreement or so fails to administer the work as to endanger the performance of the Agreement, such failure shall constitute default. Unless the default is excused by the non-defaulting party, the non-defaulting party may, upon written notice to the defaulting party's representative listed herein, terminate this Agreement in its entirety as indicated in (10 B.) below.
- B. This Agreement may be cancelled with or without cause by either party upon thirty (30) days written notice.
- C. Unless the defaulting party's default is excused under the terms of this Contract the non-defaulting party may recover from defaulting party such damages as it actually sustained by reason of additional administrative costs, expenses of re-awarding the contract and other damages sustained by the non-defaulting party by reason of delay, price changes, loss of other contracts, loss of income, inability of the non-defaulting party to fulfill other contracts, loss of other benefits of this Contract and any other damages directly or consequently arising out of this Contract or failure to perform the same by Contractor.
- D. To assist the Parties in the day-to-day performance of this Agreement, representatives for each of the parties to this Agreement, at the time of the execution of this Agreement, are as listed below. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight

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courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses:

Contractor

Allison Streich
CDA Executive Director
705 N. Walnut Street
Chaska, MN 55318
P: (952) 556-2803
E: AllisonS@carvercda.org

County/Division

Heather A. Goodwin
CCHHS Director
602 E. 4th Street
Chaska, MN 55318
P: (612) 269-6247
E: hgoodwin@carvercountymn.gov

- E. The Representative shall keep each other continually informed as reasonably necessary. The County and the Contractor agree to attempt to resolve all matters in a commercially reasonable timeframe related to uncontrollable circumstances and use all reasonable efforts to mitigate their effects.

10. SUBCONTRACTING AND ASSIGNMENT

- A. Contractor shall not enter into any subcontract for the performance of any services contemplated under this Agreement without the prior written approval of the County, which approval shall not be unreasonably withheld, conditioned, or delayed, and subject to such conditions and provisions as the County may deem reasonably necessary. The Contractor shall be responsible for the performance of all Subcontractors. Any agreement between the Contractor and any subcontractor shall obligate the subcontractor to the general terms of this Contract.
- B. No party may assign or transfer any rights or obligations under this Agreement without the prior consent of the other Parties, which consent shall not be unreasonably withheld, conditioned, or delayed, and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors.

11. NONDISCRIMINATION

During the performance of this Agreement, the Contractor agrees to the following:

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No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, sexual orientation, public assistance status, criminal record, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to, discrimination under any and all applicable Federal and State laws against discrimination.

12. HEALTH AND SAFETY

The Contractor shall be solely responsible for the health and safety of its employees and subcontractor's employees in connection with the services performed in accordance with this Agreement. The Contractor shall ensure that all employees, including those of all subcontractors, have received training required to properly and safely perform services outlined in this Agreement. Such training is to include, but not be limited to, all applicable sections of the State and Federal Occupation, Safety and Health Administration (OSHA) laws, Superfund Amendments and Reauthorization Act (SARA), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Uniform fire Code and/or any other applicable health and safety regulations. Upon the request of the County, the Contractor shall provide copies of any licenses and/or training records for contractor and/or contractor's employees or subcontractor's employees who perform services pursuant to this Agreement.

13. NONWAIVER, SEVERABILITY & APPLICABLE LAWS

A. Nonwaiver.

Nothing in this Agreement shall constitute a waiver by the County or Contractor of any statute of limitations or exceptions on liability. If the County or Contractor does not enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.

B. Severability.

If any part of this Agreement is rendered void, invalid or unenforceable, by a court of competent jurisdiction, such rendering shall not affect the remainder of this Agreement unless it shall substantially impair the value of the entire Agreement with respect to either party. The parties agree to substitute for the invalid provision a valid provision that most closely approximates the intent of the invalid provision.

C. Applicable Laws; Venue.

The Laws of the State of Minnesota shall apply to this Agreement. The County and Contractor shall abide by all Federal, State, or local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Contract or to the facilities, programs and staff for which Contractor or County are responsible, as applicable. Any legal suit, action or proceeding arising out of or based upon this Agreement or

the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Minnesota in each case located in Hennepin County, Minnesota, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

- D. Responsible Contractor.
The Contractor specifically acknowledge and agree to meet all applicable requirements and standards as a Responsible Contractor as defined in Minnesota Statute Section 16C.285 (2014) as amended and any administrative rule promulgated to implement the Minnesota Statute Section 16C.285. All first-tier subcontractors shall verify through a signed statement under oath that they meet the minimum criteria to be a responsible contractor as defined in Minnesota Statute Section 16C.285.

14. SECTION HEADINGS

The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

15. THIRD PARTIES

This Agreement does not create any rights, claims or benefits inuring to any person that is not a party hereto nor create or establish any third party beneficiary.

16. CONFLICT OF INTEREST

Without obtaining waiver from County, Contractor agrees that it will not contract for or accept employment for the performance of any work or services with any individual, business, partnership, corporation, government, governmental unit or any other organization that would create a conflict of interest in the performance of its obligations under this Contract.

17. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

End of Agreement; Signatures Follow

[This section intentionally left blank]

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Contractor, having signed this Agreement, and the Carver County Board of Commissioners having duly approved such on the ____ day of _____, 2025, and pursuant to the proper County and Contractor officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein and attached.

COUNTY OF CARVER
STATE OF MINNESOTA

Carver County Health and Human Services Director

Date

Carver County Administrator

Date

Chair, Carver County Board of Commissioners

Date

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY

CDA Executive Director

Date

Chair, Carver County CDA Board of Commissioners

Date

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Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10D

DEPARTMENT: Housing

FILE TYPE: Regular Agenda

TITLE: Approval of Purchase of 113 Benton St E Cologne

PURPOSE/ ACTION REQUESTED: Approve the purchase of 113 Benton St E Cologne at a not to exceed of \$300,000.

SUMMARY: 113 Benton St E in Cologne is part of a small HOA in Cologne comprised of eight (8) townhomes. The CDA currently owns three units (two are part of our RAD-former public housing portfolio). This would be a great opportunity for the CDA to provide a non-subsidized affordable housing option in the City of Cologne. The CDA would add this property to our Carver Homes portfolio.

Features of the house include:

- 3 bedrooms
- 1 bathroom
- open floor plan with vaulted ceiling, private laundry in the unit, attached 2 car garage + patio looking out into the wooded backyard with a creek
- new wood flooring and newer kitchen cabinets
- 1408 finished square feet

RECOMMENDATION: To approve the purchase of 113 Benton St E Cologne for \$300,000

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, pursuant to the laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.001 through 469.047 (the “Act”), the Carver Community Development Agency (the “Agency”) desires to purchase 113 Benton St E, Cologne, Minnesota.

WHEREAS, on this 16th day of January, 2025, there has been presented to the meeting of the members of the CDA a proposal for the CDA to purchase 113 Benton St E at a not to exceed amount of \$300,000.

WHEREAS, the Agency has the desire to purchase 113 Benton St E in Cologne as another potential affordable rental option within the community.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

1. That the Executive Director is hereby authorized to execute and deliver a purchase agreement in a not to exceed amount of \$300,000, to purchase said Property on behalf of the Agency.

PREVIOUS BOARD ACTION

None

ATTACHMENTS

none

BOARD GOALS

- ☒ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

- ☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Shanika Bumphurs, Director of Housing

Author: Allison Streich, Executive Director



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10E

DEPARTMENT: Housing

FILE TYPE: Regular Agenda

TITLE: Approval of Purchase of 112 Benton St E Cologne

PURPOSE/ ACTION REQUESTED: Approve the purchase of 112 Benton St E Cologne at a not to exceed of \$245,000.

SUMMARY: 112 Benton St E in Cologne is part of a small HOA in Cologne comprised of eight (8) townhomes. The CDA currently owns three units (two are part of our RAD-former public housing portfolio). This would be a great opportunity for the CDA to provide a non-subsidized affordable housing option in the City of Cologne. The CDA would add this property to our Carver Homes portfolio.

Features of the house include:

- 3 bedrooms
- 1 bathroom
- open floor plan with vaulted ceiling, private laundry in the unit, attached 2 car garage + deck looking out into the wooded backyard with a creek
- 1408 finished square feet

RECOMMENDATION: To approve the purchase of 112 Benton St E Cologne for \$245,000

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, pursuant to the laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.001 through 469.047 (the “Act”), the Carver Community Development Agency (the “Agency”) desires to purchase 112 Benton St E, Cologne, Minnesota.

WHEREAS, on this 16th day of January, 2025, there has been presented to the meeting of the members of the CDA a proposal for the CDA to purchase 112 Benton St E at a not to exceed amount of \$245,000.

WHEREAS, the Agency has the desire to purchase 112 Benton St E in Cologne as another potential affordable rental option within the community.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

1. That the Executive Director is hereby authorized to execute and deliver a purchase agreement in a not to exceed amount of \$245,000, to purchase said Property on behalf of the Agency.

PREVIOUS BOARD ACTION

None

ATTACHMENTS

none

BOARD GOALS

☒ Focused Housing Programs ☐ Collaboration ☐ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Shanika Bumphurs, Director of Housing

Author: Allison Streich, Executive Director



Board of Commissioners

Request for Board Action

Meeting date: January 16, 2025

Agenda number: 10F

DEPARTMENT: Community Development

FILE TYPE: Regular Agenda

TITLE: Approval to Purchase 114205 Hundertmark Road, Chaska

PURPOSE/ ACTION REQUESTED: Approve the purchase of 114205 Hundertmark Road, Chaska at the option price of \$166,200 plus closing costs.

SUMMARY: The Carver County CDA received a Notice of Intent to Sell from the current and original owner of the Carver County Community Land Trust ("CCCLT") property at 114205 Hundertmark Road, Chaska. Constructed in 2005, the home is a 1386 SF three bedroom, two and half bath home with attached two car garage. There are some deferred maintenance items and renovations needed including flooring, painting, and appliance replacement.

Pursuant to the Ground Lease, the CDA has the option to purchase the home upon notice of sale. CDA staff undertook an appraisal to determine market value, then calculated the appreciation and identified the formula price for resale. The determined Purchase Option Price is \$166,200.

This home is an important asset of the CCCLT especially given its location, size and affordability. It is staff's intent to purchase the home from the currently CLT owner, undertake the renovations, then sell it to a new CLT household at 80% of the area median. The purchase option price plus renovations will result in a new sale price of approximately \$205,000.

RECOMMENDATION: To Approve the purchase 114205 Hundertmark Road, Chaska at the option price of \$166,200 plus closing costs.

EXPLANATION OF FISCAL/ FTE IMPACTS:

☐ None ☐ Current budget ☒ Other ☐ Amendment requested ☐ New FTE(s) requested

RESOLUTION:

WHEREAS, pursuant to the laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.001 through 469.047 (the “Act”), the Carver Community Development Agency (the “Agency”) desires to purchase 114205 Hundermark Road, Chaska, MN 55318.

WHEREAS, on this 16th day of January, 2025, there has been presented to the meeting of the members of the CDA a proposal for the CDA to purchase 114205 Hundertmark Road, Chaska at the Purchase Option Price of \$166,200 plus closing costs.

WHEREAS, the Agency has the desire to purchase 114205 Hundertmark Road, Chaska to retain it as an asset of the Carver County Community Land Trust.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

That the Executive Director is hereby authorized to execute and deliver a purchase agreement for 114205 Hundertmark Road, Chaska at the Purchase Option Price of \$166,200 plus closing costs, on behalf of the Agency.

PREVIOUS BOARD ACTION

Actions related to 2005 original purchase and induction into the Carver County Community Land Trust.

ATTACHMENTS

none

BOARD GOALS

☒ Focused Housing Programs ☐ Collaboration ☒ Development/Redevelopment
☐ Financial Sustainability ☐ Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

☐ Inform and Listen ☐ Discuss ☐ Involve ☒ N/A

CONTACT

Department Head: Melodie Bridgeman, Director of Community Development

Author: Melodie Bridgeman, Director of Community Development