



134 East Second Street • Wabasha, MN 55981 • phone (651) 565-2638 • www.semmchra.org

REQUEST FOR SEMMCHRA BOARD ACTION

September 17, 2025

Agenda Item Number: 12A

Agenda Item Description: Approval of Goodhue County Rural Rehab Loan Program from Housing Trust Fund

Resolution Number: N/A

Department: Community Development

Action Requested/Recommendation:

Request for Approval of Goodhue County Rural Rehab Loan Program from Housing Trust Fund via motion.

Introduction/Background/Justification/Key/Legal Issues:

The Proposed 2025 Grant Agreement between SEMMCHRA and Goodhue County Habitat for Humanity provides a \$30,000 grant to support the nonprofit's Home Revitalization Program, specifically for critical home repairs and accessibility improvements in Greater Goodhue County (excluding Red Wing).

The funds must be deposited into a restricted revolving account and used exclusively for work performed by licensed contractors. Habitat is required to submit annual financial and project reports detailing expenditures and improvements made, and any debt write-offs beyond expected recapture levels must be approved by the Housing Subcommittee and potentially the County Board.

The agreement outlines SEMMCHRA's fiduciary responsibility to ensure ethical and strategic use of public funds, and includes provisions for reimbursement, recordkeeping, and compliance with Minnesota law. Habitat must maintain detailed records for six years and follow generally accepted accounting principles. The grant is effective through December 31, 2026, and may be terminated by either party with 30 days' notice. SEMMCHRA retains final authority over reimbursement eligibility and project acceptance, and the agreement includes standard indemnification, amendment, and force majeure clauses.

Budgetary/Financial Impact:

The funds will be utilized from the Goodhue County Housing Trust Fund if approved by the Goodhue County Housing Subcommittee and Goodhue County Board.

Prepared By: Andrew Londre, CD Administrator

Reviewed By: Buffy J. Beranek, CEO/CFO

Attachments: Proposed Grant Agreement
B. Hawley Provided Materials

Grant Agreement: GHC Habitat for Humanity Home Revitalization Loan Program 2025

draft version

This is a Grant Agreement (“Agreement”), dated as of August 29, 2025, by and between Goodhue County Habitat for Humanity Inc. a 501(c)(3) nonprofit (“Grantee”), and Southeastern Minnesota Multi-County Housing and Redevelopment Authority, a public body, corporate and politic, under the laws of the State of Minnesota (“SEMMCHRA”).

BACKGROUND

A. Grant funds are made available through the Goodhue County Housing Trust Fund and are administered by SEMMCHRA on behalf of Goodhue County and its taxpayers. As the designated administrator, SEMMCHRA carries a vital fiduciary responsibility and is deeply committed to the highest standards of public fund stewardship. Every effort is made by SEMMCHRA to ensure that funds are managed with the highest standards of ethics, accountability, and strategic impact in service to the community.

B. Grantee is a 501(c)(3) nonprofit. Grantee represents that it is in good standing with the applicable laws of the State of Minnesota, and of the respective county and city in which it is located, and that it is current on all state, federal and local taxes.

C. SEMMCHRA desires to support Grantee’s mission by making a grant (“Grant”) on the basis set out in this Agreement and in the grant application (“Grant Plan”) attached as **Exhibit A**.

D. The Grant must support affordable housing in Goodhue County, apart from the City of Red Wing. Income guidelines for eligible affordable housing are set forth in **Exhibit B**.

E. This is an equal housing opportunity program.

Grantee and SEMMCHRA agree as follows:

1. CORE TERMS

1.1 Grant

A. SEMMCHRA will make the Grant to Grantee in the amount and in accordance with the schedule set out in the Grant Plan. The proceeds of this Grant are to be used solely for the Grant Plan, which is described in Exhibit A, attached hereto. A detailed description of the nature and scope of the Grant Plan is described in Exhibit A, and as subsequently amended or revised, which is incorporated herein as reference.

B. The grant must be used for rural home rehabilitation in the Greater Goodhue County, apart from the city of Red Wing, in the spirit of Grantee’s “Home Revitalization Program” – *as described in Exhibits B and C* – in fiscal years 2025 or 2026.

C. Granted funds must be placed in a segregated account and revolved into future eligible projects as funds are paid back to Grantee by Home Revitalization Program participants.

1.2 Administration And Supervision

The Grantee shall be responsible for the administration, supervision, management and project oversight that may be required for the work performed under this Grant.

1.3 Grant Period

The grant period (“Grant Period”) is set out in the Grant Plan.

2. COMMUNICATION; REPORTS; RECORDS

2.1 Contact Persons

Grantee and SEMMCHRA will each appoint one individual to act as principal contact person for notices and other communications under this Agreement as found below. Grantee and SEMMCHRA may change its contact person at any time by written notice to the other party.

2.2 Reporting

Grantee will provide SEMMCHRA with report templates to complete reporting requirements as set out in the Grant Plan.

2.3 Recordkeeping

The Grantee shall maintain books, records, documents, and other evidence pertaining to the costs and expenses of implementing this Grant to the extent and in such detail that will accurately reflect the total cost of the Grant Plan. The Grantee shall use generally accepted accounting principles. All records shall be retained for a minimum of six (6) years after completion of the Grant. SEMMCHRA, its representative, or SEMMCHRA of Minnesota or the legislative auditor shall have the right to examine books, records, documents, and other evidence and accounting procedures and practices relevant to the Grant.

3. GRANT ADMINISTRATION

3.1 Funds Management

Grantee will manage the Grant funds in accordance with applicable law, the provisions of this Agreement, and Grantee policies. Grantee may combine the Grant funds with Grantee's other assets for investment purposes.

3.2 Changed Circumstances

If the Grant is restricted to a particular program or purpose, Grantee will notify SEMMCHRA if Grantee determines in good faith that, because of factual or other changes in circumstances, it is no longer possible for the Grant to serve its original purpose. In that case, and in cases where a portion of the Grant remains unspent or unallocated upon completion of the applicable purpose, Grantee will return the remaining Grant funds to SEMMCHRA.

4. PAYMENT OF GRANT MONIES

4.1 Deliverables

Grantee is to complete a project to create or preserve greater availability of affordable housing opportunities from monies appropriated through the Goodhue County Housing Trust Fund. Costs incurred will be reimbursed in accordance with the payment schedule in the Grant Plan.

5. CONTACT PERSONS

SEMMCHRA's authorized agent for the purpose of administration of this Grant is:

Andrew Londre, Community Development Administrator
SEMMCHRA
134 East Second St
Wabasha, MN 55981
651-565-2638 ext. 213

The Grantee's authorized agent for the purpose of administration of this Grant is:

6. LIABILITY

The Grantee agrees to indemnify, save, and hold SEMMCHRA, its agents, and employees harmless from any claims or causes of action, arising from the performance of this Grant by the Grantee, its agents, contractors or employees. This clause shall not be construed to bar any legal remedies the Grantee may have for SEMMCHRA's failure to fulfill its obligations under this Grant.

7. GENERAL PROVISIONS

7.1 Entire Agreement

This Agreement, together with the Grant Plan, expresses the final, complete, and exclusive agreement between Grantee and SEMMCHRA, and supersedes any and all prior or contemporaneous written and oral agreements, communications, or course of dealing between Grantee and SEMMCHRA relating to its subject matter. If there are any inconsistencies between the Grant Plan and this Agreement, this Agreement will control.

7.2 Effective Date

This Grant shall become legally effective upon such date as it is executed by SEMMCHRA and shall remain in effect until December 31, 2026, or until all obligations set forth in this Grant have been satisfactorily fulfilled, whichever occurs first.

7.3 Termination

This Grant may be terminated by SEMMCHRA or the Grantee at any time with or without cause upon thirty (30) days' written notice to the other party. In the event of such a cancellation, the Grantee shall be entitled to payment determined on a pro rata basis for work or services satisfactorily performed.

7.4 Amendment

This Agreement may be amended only as stated in writing and signed by both Grantee and SEMMCHRA which recites that it is an amendment to this Agreement.

7.5 Third Party Beneficiaries

This Agreement is for the exclusive benefit of Grantee and SEMMCHRA, and not for the benefit of any third party, including, without limitation, any partner, employee, or volunteer of Grantee.

7.6 Data Disclosure

Under Minnesota Statutes, Section 270.66, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies, and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

7.7 Governing Law

This Agreement will be governed by Minnesota law.

7.8 Force Majeure

Grantee will not be required to perform or be held liable for failure to perform if nonperformance is caused by labor strikes, work stoppages, war, hostilities, a national emergency, acts of God, epidemics, quarantines, natural disasters, power failures, or any other causes beyond Grantee's control. Grantee will notify and consult with SEMMCHRA regarding the event and how to minimize its impact, and in all cases will make commercially reasonable efforts to address the problem and carry out its obligations.

7.9 Counterparts

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument. Transmission by fax or PDF of executed counterparts constitutes effective delivery.

Exhibit A Grant Plan

Terms of Grant

Grant amount	USD \$30,000
Payment schedule	SEMMCHRA will make the Grant in a single lump-sum within 10 days after signing this Agreement and agreeing to the following terms: 1. Grant agreement shall be fully executed. 2. Upon receipt of Grant, Grantee shall deposit \$30,000 into a restricted revolving fund to support immediate and continued development of affordable housing. 3. These funds shall be designated <i>exclusively for construction costs and work performed by licensed contractors to complete "Critical Home Repairs" and "Improving Accessibility"</i> (as described in Exhibit B and Exhibit C) in Goodhue County MN, apart from the City of Red Wing. 4. Proof of contractor license shall be provided to and accepted by SEMMCHRA prior to commencement of work supported by this Grant. 5. Any write-offs of debt financed by this Grant over and above the expected "Recapture" levels described in Exhibit B – Page 4 shall require approval by the Goodhue County Housing Subcommittee and the Goodhue County Board if necessary. 6. Grantee shall submit an annual financial report to SEMMCHRA detailing all expenditures on licensed contractors or construction materials related to granted funds. 7. Grantee shall submit an annual project report to SEMMCHRA listing addresses of projects and improvements made thereto.
Payment account	Bank name: Bank address: Account Number: ABA number: ACH number:

Use of Grant

Grant purpose	Grantee will use the Grant to support Grantee's Home Revitalization Assistance program – specifically for "Critical Home Repairs" and "Improving Accessibility" as described in Exhibit B and Exhibit C – for income qualified households in Goodhue County MN, apart from the City of Red Wing.
Grant period	<u>6/15/2025</u> to <u>12/31/2026</u>

Reporting

Timing	Grantee shall submit the following reports to SEMMCHRA on an annual basis: 1. A financial report detailing all expenditures of granted funds on licensed contractors or construction materials. 2. A project report listing the addresses of all properties that received grant-funded improvements and describing the nature of those improvements.
Content	The financial report shall include a breakdown of actual versus budgeted expenditures related to licensed contractors and construction materials. The project report shall include a narrative summary of progress toward achieving the purpose of the Grant, along with a detailed list of project locations and the improvements made at each site. Grantee will submit reports using SEMMCHRA's reporting template(s).

Other Terms

Income Verification	Proof of income for the final household occupants may be required for auditing purposes and may be requested at any time from SEMMCHRA staff.
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SEMMCHRA Contact Information

SEMMCHRA address	134 East Second St Wabasha, MN 55981 651-565-2638
SEMMCHRA contact person	Name: Andrew Londre Title: Community Development Administrator E-mail: cdadministrator@semmchra.org Telephone: 651-565-2638 x 213

Grantee Contact Information

Grantee address	
Grantee contact person	Name: Title: E-mail: Telephone:

* * * * *

This Agreement was signed by Grantee and SEMMCHRA as of the date stated in its first paragraph:

Grantee

SEMMCHRA

By: _____

By: _____

Name: _____

Name: Buffy J. Beranek

Title: _____

Title: Executive Director

EXHIBIT B - Goodhue County Habitat for Humanity “Home Revitalization Program” Outline



Goodhue County
Habitat for Humanity, Inc.
614 Plum St. Red Wing, MN 55066
Email: info@gchabitat.org
Tel: 651-327-2195

Home Revitalization Program

Purpose

Goodhue County Habitat for Humanity's purpose is to help lower income; existing homeowners live safely and securely in their homes for as long as possible.

Selection criteria

The selection of homeowners who will participate in the Goodhue County Habitat for Humanity Home Revitalization Program is done using established criteria in a way that does not discriminate on the basis of race, gender, color, age (provided the applicant is old enough to enter into a contract), handicap, religion, marital or familial status, gender identity, sexual orientation, political ideology, creed, heritage, ancestry, national origin, source of income, including because all or part of the applicant's income is derived from public assistance programs, or because the applicant has in good faith exercised any right under the federal consumer credit laws.

Selection criteria for all repair projects are the same; however, the assessment of the potential project will determine which, if any, of the categories the project is. The category of the project will determine what the scope of the project may be. Homes are eligible to have multiple types of repair projects performed; however, work on one home only counts as one project on the Affiliate Statistical Report.

Repair projects are divided into the following categories, to ensure a manageable scope of work for each project. The categories are as follows:

ABWK (A Brush with Kindness)

This program is designed to help lower income homeowners maintain the exterior of their homes. Projects may include painting, minor repairs, and landscaping. You may qualify for exterior aesthetic improvements to your home if you:

1. Own and occupy your home.
2. Meet income guidelines.
3. Have a project that qualifies
4. Are willing and able to assist other volunteers with the work if capable.
5. Are willing to support Goodhue County Habitat for Humanity in other ways if unable to assist with the work.

CHR (Critical Home Repair)

This program is designed to help lower income homeowners maintain a safe and secure place to live. Projects include such things as repairing or replacement of roofs, windows, doors, and siding. Additions or expansions are not included. You may qualify for critical repairs if you:

1. Own and occupy your home.
2. Meet income guidelines
3. Have repair projects within the scope of Goodhue County Habitat for Humanity's capabilities.
4. Are willing and able to assist volunteers with the work if capable.

Description:

Page 1: Goodhue County Habitat for Humanity “Home Revitalization Program” Outline

AIP (Aging in Place)

This program is designed to help lower income homeowners safely and securely reside in their homes longer. Projects include installing an access ramp into the home, reducing trip hazards in the home, installing walk-in showers and more. You may qualify for necessary and important changes to your home if you:

1. Own and occupy your home.
2. Meet income guidelines.
3. Demonstrate that the project(s) will allow you to stay in your home more safely and longer, and the project(s) is within the scope of Goodhue County Habitat for Humanity's capabilities.

Home Revitalization Program applications will be reviewed first by the Home Revitalization Administrator to determine if they meet all established criteria and prequalification guidelines. Applications must be completed in full of the Homeowner(s) submitted financial documents, proof of homeowner insurance, and proof of residence. See the Ability to pay section for some of the accepted forms of financial documentation. In the event additional documentation is required, Homeowner(s) will receive a formal written letter with a request for additional documentation. It will be the Homeowner(s) responsibility to provide that information within 10 business days. If documentation is not received within those 10 business days, the application will be denied.

Once an application is reviewed for eligibility, a Home Assessment will be scheduled. The proposed project will be reviewed by the Construction Manager to determine the scope of the project and total budget for the repairs acceptable to GCHF. Input from the Executive Director and the Construction Manager will determine final eligibility for projects and comply with the number of repair projects outlined in the strategic plan/budget.

After the project has been approved and the Memorandum of Understanding signed, the project will be initiated. The Executive Director will receive updates throughout the project process. The Home Revitalization Program team will make recommendations to the Executive Director with the Executive Director having discretionary authority. Summaries/project reports will be submitted to the Executive Director at project completion.

Home Assessment – The Home Revitalization Administrator and the Construction Manager or one of GCHF construction staff will visit the home of the proposed project and perform a complete Home Repair Evaluation and a Housing Plus holistic assessment which includes Activities of Daily Living and Instrumental Activities of Daily Living. This evaluation and the assessments indicated above allow GCHF to assess problem areas of the home and any potential deficits in daily activities that could interfere with the homeowner's ability to remain safe and independent in their home.

Need for adequate housing

1. The functional areas of the home are in disrepair or unsafe and Goodhue County Habitat for Humanity's scope of work can significantly benefit the owner.
2. Homeowner(s) is unable to physically and or financially complete the work themselves.
3. Refer to the 'Need' section.

Ability to repay a loan

1. Homeowner's repayment, including existing mortgage, taxes and insurance, shall not exceed 30% of the household income.
2. Homeowner(s) total gross income does not exceed 80% of the county median income based on family size.
3. Refer to the 'Ability to Pay' section of this policy

Description:

Page 2: Goodhue County Habitat for Humanity "Home Revitalization Program" Outline

Willingness to partner with GCHF

1. Homeowner is asked to contribute sweat equity hours (if physically capable).
2. Homeowner partners must agree to a right of entry on the property and into the interior of the home for volunteers and contractors.
3. Homeowner partners must understand that the monthly payments agreed upon must be made without default.
4. Homeowner partners must acknowledge the implications of a highly publicized program. (Note: In extenuating circumstances when safety and privacy are a top concern, GCHF will work with the family partner to determine what is appropriate to be made public).
5. Home maintenance education will be provided to the homeowner based on the work performed.

Residency

Applicants must have been a resident of Goodhue County for at least one year and plan to stay in the same home for the next three years before their applications are accepted.

***Exceptions** to the above criteria may be warranted if the home is occupied by a senior or disabled person(s). People under 65 may be served if their needs for repairs and individual medical and mobility situations, combined with a lack of other options, strongly necessitate our services.

Disqualification and Reapplication

Any application can be disqualified if any of the above criteria are not met. Once the criteria are met, the homeowner(s) is welcome to reapply and proceed with the application process. There is no time limit for reapplying.

NEED

To be eligible for repair and preservation services, the home must meet Habitat's criteria for selection and the homeowner is unable to afford the materials and/or labor. To be selected, the home must be:

- In the focus area
- A single family, owner-occupied property that is subject to property taxes
- Needing repair to improve health and safety of family and general preservation of home
- Of sound structure and worth the investment
- Able to preserve the repairs
- Not in danger of a foreclosure process
- Intending to remain as the owner's primary residence for at least 3 years.
- Covered by current Liability Homeowners Insurance

ABILITY TO PAY

Loan Terms & Repayment

All repair projects require repayment. The amount of the loan will be calculated based on the total costs of the project including up to 10% in administrative costs.

All GCHF Home Revitalization Program loans have the following terms:

1. No-interest dependent upon qualifications/partnerships.
2. Length of loan is determined by affordability and shall not exceed three years.
 - The family's monthly housing payment, including their existing housing cost (mortgage, taxes, insurance) plus the amount of the proposed Habitat loan payment should not exceed 30% of their gross monthly income. *Exceptions may be made to homeowners who demonstrate an ability to afford a higher percentage of*

Description:

Page 3: Goodhue County Habitat for Humanity "Home Revitalization Program" Outline

housing. The income of all adults (ages 18 years or older who occupy the home) must be included in the household income with an exception applied to people who rent a room in the home.

3. A Memorandum of Understanding (MOU) must be signed that states the work to be done and the permission to share household information with partner organizations.
4. If the home is sold prior to full repayment, the remaining amount of the loan must be repaid at closing.
5. For repair projects \$7500.00 or less, an unsecured repayment agreement or promissory note shall be sufficient.
6. For repair projects that exceed \$7500.00 of the homeowner's repayment portion, a lien will be placed on the home until the repayment obligation is satisfied.
7. The Home Revitalization Program loans shall utilize a sliding scale to determine repayment based on homeowner(s) income.

AMI	%Recapture
60-80%	75%
50-59%	60%
40-49%	45%
30-39%	30%
0-29%	15%

**Sliding fee scale contributions may be waived and/or adjusted for grant-funded projects where the grant covers a percentage of costs. Some funding sources may fully cover project costs based on eligibility criteria. For projects that do not meet these requirements, standard program guidelines, including the sliding fee scale, will apply.*

Examples of financial documentation (for all people living in the home is required for consideration of project)

- Recent pay stubs (last 30–60 days)
- Tax returns (most recent year)
- Bank statements showing regular deposits in checking and or savings
- Social Security, pension, or disability benefit statements
- Self-employment profit and loss statements
- Other formal income verification from relevant agencies or employers (alimony, child support etc.)

Credit Requirements

Any mortgage, auto, and student loan payments and total monthly debt servicing expenses (i.e. credit card payments, collections) combined should not exceed 41% of the monthly gross income. The affiliate may choose to exceed these ratios if an applicant:

- Has a successful history of paying a higher percentage of income for housing obligations
- Has solid prospects for increased future income
- Has demonstrated the ability to accumulate savings

(Except for special situations when the homeowner has an exceptional credit history and has demonstrated a remarkable ability to pay a higher percentage of income for housing, the long-term debt ratio should not exceed 41% of the applicant's gross income. The Executive Director may make an exception to greater than 41% DTI ratio, if warranted.

A homeowner can be disqualified if they have declared bankruptcy within three years of application review.

Description:

Page 4: Goodhue County Habitat for Humanity "Home Revitalization Program" Outline

EXHIBIT C - Goodhue County Habitat for Humanity "Home Revitalization Program" Brochure



Home Revitalization Assistance -

- Critical Home Repairs
- Improving Appearance
- Improving Accessibility

Apply Confidentially at:

Goodhue County Habitat for Humanity

614 Plum Street
Red Wing, MN 55066

651-327-2195
gchfh02@gmail.com
www.gchabitat.org

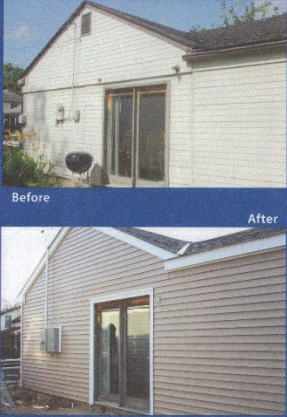
Safe, Decent, Affordable Housing



Home Revitalization Programs



Building Homes, Hope and Community



Before

After

Goodhue County Habitat for Humanity does not discriminate on the basis of race, sex, color, age, handicap, religion, national origin, family status, marital status or because all or part of a family's income is derived from public assistance programs or if the applicant has exercised any Consumer Protection Act Rights.



Home Revitalization Criteria



A Brush With Kindness

You may qualify for exterior aesthetic improvements to your home if you:

1. Own and occupy your home.
2. Meet income guidelines.
3. Have a project that qualifies.
4. Are willing and able to assist other volunteers with the work.
5. Are willing to support Habitat in other ways if unable to assist with the work.

Goodhue County Habitat for Humanity's *A Brush with Kindness (ABWK)* program is designed to help lower income homeowners maintain the exterior of their homes.

Projects include painting, minor repairs, and landscaping.

Critical Home Repair

You may qualify for critical repairs to your home if you:

1. Own and occupy your home.
2. Meet income guidelines.
3. Have repair projects within the scope of Habitat's capabilities.
4. Are willing and able to assist volunteers with the work.

Goodhue County Habitat for Humanity's *Critical Home Repair (CHR)* program is designed to help lower income homeowners maintain a safe and secure place to live.

Projects include repair or replacement of roofs, windows, doors, and siding. Additions or expansions are not included.

Aging in Place

You may qualify for necessary and important changes to your home if you:

1. Own and occupy your home.
2. Meet income guidelines.
3. Demonstrate that the project (s) will allow you to stay in your home more safely and longer, and the project(s) are within the scope of Habitat's capabilities.
4. Support Habitat with prayer and publicity.

Goodhue County Habitat for Humanity's *Aging in Place (AIP)* program is designed to help lower income homeowners safely and securely reside in their homes longer.

Projects include installing an access ramp into the home, reducing trip hazards in the home, and installing walk-in showers.

Projects are completed with little or no cost to the homeowner, depending on the project and other conditions.

Able-bodied homeowners are asked to work alongside Habitat volunteers to perform the work, or to help in other ways.

Goodhue County Habitat for Humanity will confidentially review your eligibility based on information you provide.