



**Cloquet Economic Development Authority**  
**MEETING AGENDA**  
**Wednesday December 3, 2025**  
**8:00AM**  
**101 14<sup>th</sup> Street Cloquet, MN 55720**

1. **Call Meeting to Order** \_\_\_\_\_
2. **Announcements, Adjustments, Correspondence, and Other Comments** \_\_\_\_\_
  - The January Annual and Regular Meeting of the Cloquet EDA will be held off-site at the Cloquet Forestry Center
3. **Public Comments?** \_\_\_\_\_
4. **Approval EDA meeting minutes** \_\_\_\_\_
  - a. November 5, 2025
5. **Monthly Financials** \_\_\_\_\_
  - a. October 2025
6. **Public Hearing:** \_\_\_\_\_
  - a. There will be a public hearing to consider the sale of land for new construction housing redevelopment owned by the Cloquet Economic Development Authority. The property is zoned R-2 One and Two Family Residential and is located at 106 7<sup>th</sup> Street.
  - b. Motion to approve RESOLUTION NO. 25-01, Approving the Transfer of a parcel of land at 106 7<sup>th</sup> ST from the Economic Development Authority of the City of Cloquet to 3W Properties, Inc. for Affordable Housing Redevelopment
7. **Action Items:**  
8:10-8:15am
  - a. **EDA Commissioner Reappointments** \_\_\_\_\_
    - i. EDA Commissioners Ryan and Manderfeld request reappointment of EDA terms in January 2026 at the Annual EDA Meeting and recommendation to Council
  - b. **2026 Program and Service Renewals:**
    - i. Loan Underwriting Services with MCCU 2026 \_\_\_\_\_
    - ii. MCPP 2026 \_\_\_\_\_  
8:15-8:30am
  - c. **Review the Draft Cloquet Marketing Video for EDA Feedback** \_\_\_\_\_
    - Shelly Peterson, Promoting Me, LLC
    - Bo Allen, Bo Allen Productions  
8:30-9:15am
  - d. **Cloquet Childcare Community Action Planning – Project Overview & Reality on the street in the Cloquet Area / Carlton County / Region** \_\_\_\_\_
    - Zane Bail, Senior VP of Programming & Development, Northland Foundation
    - Ali Bilden Camps & Amber Lewis, Senior Consultant Northspan Group
    - Courtney Greiner Kids Count on Use Advocate; Director/Owner Esko Minis Early Education Center
8. **EDA Informational Updates** \_\_\_\_\_
9. **Adjourn by 9:30am** \_\_\_\_\_



**CLOQUET ECONOMIC DEVELOPMENT  
AUTHORITY**

101 14<sup>th</sup> St., Cloquet, MN 55720  
November 5, 2025

**MINUTES OF THE CLOQUET EDA MEETING**

**EDA Commissioners Present:** Dave Manderfeld, Lyz Jaakola, Aaron Peterson, Sue Ryan, Jenny Blatchford

**Ex-Officio Staff/Staff Members/Others Present:** Holly Hansen (City of Cloquet); Kelly Zink (Chamber), David Schafroth (County); Darren Weets (3W Properties)

**EDA Commissioners / Ex-Officio / Staff Absent:**

Mark Lanigan, Lara Wilkinson (EDA Commissioners), Tim Peterson, Katie Bloom (City of Cloquet), Ryan Pervanenze (Carlton County)

**1. CALL TO ORDER**

The meeting was conducted at Cloquet City Hall and the meeting was called to order at 8:01 a.m.

**2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER**

Ms. Hansen reported that the January Annual and Regular meeting will be held at the Cloquet Forestry Center and facilitated by Northspan. She also shared that it is time to consider a future Small Cities Development Program request to DEED with the volume of local commercial and residential requests.

**3. PUBLIC COMMENTS**

None.

**4. APPROVAL EDA MEETING MINUTES**

President Manderfeld asked for any corrections, additions, or deletions to the October 1, 2025, Cloquet EDA Meeting Minutes. Hearing none, he asked for a motion.

**Motion: Commissioner Blatchford moved, and Commissioner Ryan seconded, that the EDA approve the October 1, 2025, Cloquet EDA Meeting Minutes. (Motion passed 5-0).**

**5. APPROVAL OF MONTHLY FINANCIALS: SEPTEMBER 2025**

Ms. Hansen reviewed the September financials with the board. President Manderfeld asked for motions to approve.

**Motion: Commissioner Peterson moved, and Commissioner Jaakola seconded, that the EDA approve the September Financials. (Motion passed 5-0).**

**6. ACTION ITEMS:**

**A) Review Contractor Responses and Set a Public Hearing related to the sale of Cloquet EDA Property at 106 7<sup>th</sup> Street**

Darren Weets provided some examples of the home he would like to construct on this property. He further shared that the Cloquet EDA request for a rear located garage is not



**CLOQUET ECONOMIC DEVELOPMENT  
AUTHORITY**

101 14<sup>th</sup> St., Cloquet, MN 55720

November 5, 2025

feasible and the two trees are also difficult to work with and he was unsure if both could be saved. The Cloquet EDA requested he prepare a site plan for the December meeting and examine the specific home location to investigate the garage placement and tree impacts planned to the lot. Beyond these details, the Cloquet EDA was comfortable working with 3W Properties to construct a home at 106 7<sup>th</sup> Street for ownership sale to income restricted buyers at 115% of statewide median income (for 2025 currently total family income less than \$134,435).

Cloquet EDA members were asked to set a public hearing on the sale of Cloquet EDA owned property at 106 7<sup>th</sup> Street to be held at the December meeting. President Manderfeld asked for a motion.

**Motion: Commissioner Jaakola moved, and Commissioner Blatchford seconded, that the EDA set a Public Hearing for December 3, 2025 related to the sale of EDA owned property at 106 7<sup>th</sup> Street for single-family ownership housing redevelopment (Motion passed 5-0).**

**B) Release Request for Proposals (RFP) to Develop a 2.88-acre Site into Ownership Housing or Rental Housing in Cloquet, MN (Port Property)**

Ms. Hansen provided an overview of request for a private-public partnership to yield a proposal in the interests of the city / EDA needs for the community of Cloquet. Ms. Hansen reviewed the attached Request for Proposals for Housing Development summarizing the property dynamics of the site along 14<sup>th</sup> Street, zoning, utilities, land use plan, and needs that could be addressed with the property. She reminded the EDA that these types of creative efforts are being done at their recommendation to further projects in the community.

**Motion: Commissioner Peterson moved, and Commissioner Jaakola seconded, that the EDA approve and release the RFP for Housing Development along 14<sup>th</sup> Street (Motion passed 5-0).**

**7. INFORMATIONAL UPDATES:**

Kelly Zink of the Cloquet Area Chamber of Commerce provided updates, David Schafroth from Carlton County EDA provided updates, and Ms. Hansen provided EDA updates.

**Adjourn**

President Manderfeld adjourned the meeting at 9:05 a.m.

Respectfully submitted,

---

Holly Hansen, Community Development Director



Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

---

To: City of Cloquet Economic Development Authority (EDA)  
From: Holly Hansen, Community Development Director  
Date: November 21, 2025

---

---

**ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (October 2025)**

---

**EDA Requested Action**

The EDA is asked to approve the October 2025 EDA financials.

**Monthly Review**

Attached the EDA members will find the October 2025 cash balances and loans for economic development.

**CASH BALANCES**

The summary of October 2025 financials **which currently total \$762,881.85** are:

- **Fund 201 (LDO-Loan)/ Fund 201 (LDO-Project/Loan)** there is a slight increase in the fund balance due to loan repayments. There is one loan deferral in this fund: C&C Holdings (first loan payment due December 24, 2025) and one short term housing loan with interest only payments for 18 months for Boss Builders (through January 1, 2026).
- **Fund 202 (Fed CDBG)** there is a decrease in the fund balance due to project eligible legal fees and striping the 10<sup>th</sup> Street Parking Lot to support the Solem Lofts project.
- **Fund 203 (ED)** there is a slight increase in fund balance due to loan repayments. FB&T offered a construction deferral to JBB Group (Collins Roofing), as a loan participation, payments will be dispersed by FB&T once construction is complete.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there no change in fund balance. Project funds are allocated to CCHS and Holy Smokes closed in October.
- **Fund 207 (Housing Trust Fund)** there is no change in fund balance.

**LOAN STATUS**

The total outstanding loan balance for City funds is \$1,528,617.73 (7 business loans) with monthly repayments of \$9,001.85 with two loan deferrals (Solem Lofts and Collins Roofing) and one interest only short term housing loan. The building formerly owned by the City and sold to a developer in 2012 located at 1111 Cloquet Avenue has sold, however the City's loan payment



Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

will continue under original ownership until the term is complete in 2027 per the original terms of that deal.

### **Policy Objectives**

As a standalone EDA, the monthly financial statements must be reviewed and approved by the EDA.

### **Financial Impacts**

None at this time.

### **Staff Recommendation**

Staff recommends that the EDA move to approve the October 2025 EDA financial statements.

### **Supporting Documentation**

- October 2025 Cash Balances; October 2025 Loan Balances

**City of Cloquet**  
**Cash Balances**  
**October 2025**

		<u>Current Month</u>	<u>Previous Month</u>
201	LDO Loan (EDA) - Loan	\$84,708.70 1	\$82,576.91
201	LDO Loan (EDA) - Project/Loan	\$2,000.00	\$2,000.00
202	Federal CDBG Loan (EDA)	\$314,801.90 2 & 3	\$315,033.40
203	Economic Development Loan (City)	\$210,479.75 1	\$209,880.96
206	Revolving SCDP (EDA)	\$23,485.00 4	\$21,777.59
207	Housing Trust Fund (City)	<u>\$127,406.50</u>	<u>\$127,406.50</u>
		<u>\$762,881.85</u>	<u>\$758,675.36</u>

206 Commercial Grant Awards:

3 - \$10,000 plus project escrow held for Historical Society (416 Cloquet Ave)  
\$7,365.59 for Holy Smokes (1101 - 1103 Avenue B)

Monthly change explanations:

- 1 - Loan repayments
- 2 - Legal fees, Pavement work on City parking lot
- 3 - Q3 interest earnings
- 4 - Ave B Rentals project & Holy Smokes Escrow

**Community Development  
Loan Balances  
October 2025**

Loan	Loan Date	%	Loan Amount	Monthly Payment	Maturity Date	Balance	*Exp. UCC or FF
<b>Fund 201 (EDA LDO Fund)</b>							
Boss Builders LLC	7/1/2024	4.00%	\$ 155,000.00	\$ 516.67	1/1/2026	\$ 155,000.00	***
C&C Holdings LLC	7/24/2024	2.00%	\$ 924,500.00	\$ 6,250.00	7/24/2044	\$ 924,500.00	**
Lagom Restoration LLC	12/21/2023	4.00%	\$ 56,000.00	\$ 186.67	6/25/2025	\$ -	Paid off 2/3/25
<b>Fund 201</b>				<b>\$ 6,953.34</b>		<b>\$ 1,079,500.00</b>	
<b>Fund 202 (EDA CDBG Fund, all loans are repaid into Fund 201 LDO to revolve restrictions once loaned, interest accrues into 202)</b>							
C&C Holdings LLC	7/24/2024	2.00%	\$ 211,500.00	\$ -	7/24/2044	\$ 211,500.00	**
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 58,240.00	
North Country Dental LLC	8/3/2020	2.00%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ -	Paid off 7/30/25
WebMed, LLC	12/11/2020	2.00%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 1,170.45	12/8/2025
Hieb Properties LLC	8/19/2024	4.00%	\$ 20,434.00	\$ 279.31	8/19/2031	\$ 17,341.20	
<b>Fund 202 into 201</b>				<b>\$ 1,450.02</b>		<b>\$ 288,251.65</b>	
<b>Fund 203 (City)</b>							
CMW Retail Properties	7/1/2012	1.00%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 11,866.08	*****
JBB Group LLC	4/25/2025	4.00%	\$ 149,000.00	TBD	4/25/2045	\$ 149,000.00	****
<b>Fund 203</b>				<b>\$ 598.49</b>		<b>\$ 160,866.08</b>	
<b>Fund 206 (EDA SCDP Fund no current funds from 208 City SCDP)</b>							
<b>Fund 208</b>				<b>\$ -</b>		<b>\$ -</b>	
<b>Total Community Development Loans Outstanding</b>				<b>\$ 9,001.85</b>		<b>\$ 1,528,617.73</b>	

**Notes:**

\* Can re-file continuation within 6 months of expiration.

\*\* 16-month loan deferral through Nov 2025

\*\*\*Housing rehab/development short term loans making interest only payments with a balloon at the end of the term

\*\*\*\*Interest only payments for 12 months through April 2026

\*\*\*\*\*Building sold but loan repayments will continue under terms with the developer through 2027



Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

## REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY (EDA) ACTION

---

To: Cloquet Economic Development Authority Commissioners  
From: Holly Hansen, Community Development Director  
Date: November 25, 2025

---

**ITEM DESCRIPTION: Public Hearing on the Proposed sale of land for New Construction Housing Redevelopment owned by the Cloquet Economic Development Authority zoned R-2 One and Two Family Residential and is located at 106 7<sup>th</sup> Street**

---

### **Proposed Action**

Staff recommends EDA hold a public hearing to consider the sale of land owned by the Cloquet Economic Development Authority for new affordable construction housing redevelopment. At the conclusion of the public hearing Commissioners should ask any clarifying questions to the developer. Then staff recommends EDA Commissioners move to approve **RESOLUTION NO. 25-01 APPROVING THE TRANSFER OF A PARCEL OF LAND AT 106 7<sup>th</sup> STREET FROM THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CLOQUET TO 3W PROPERTIES, INC. FOR AFFORDABLE HOUSING REDEVELOPMENT.**

### **Background / Overview**

This year the Cloquet EDA successfully acquired one property for the purpose of housing redevelopment. Both the Cloquet EDA and Cloquet City Council have authorized funding investments to cure 106 7<sup>th</sup> Street of its deficiencies. Since Cloquet's Statewide Affordable Housing Aide (SAHA) funds were used towards site demolition and preparation, this single-family ownership housing project will have the requirement that its first-time home buyers be income restricted to 115% of statewide median income (SMI) which is set annually (currently 2025 SMI is \$134,435). Resolution No. 25-01 will serve as the development agreement for the project noting its requirements and ensuring project completion otherwise the city's right to repurchase exists if the project does not occur.

This fall the Cloquet EDA released a Request for Contractor proposals for single-family ownership housing redevelopment and received one response. Attached the Cloquet EDA will find housing redevelopment concepts prepared for 106 7<sup>th</sup> Street by 3W Properties Inc. for quality workforce housing. After closing the public hearing, EDA Commissioners should ask any outstanding questions to the developer. In the future, the developer will need to prepare a site plan for review by the Zoning Administrator for property setback requirements prior to pulling a building permit for the project. The contractor will be required to ensure all building code inspections are completed by the City's Building Official and a certificate of occupancy issued for the home.

### **Policy Objectives**

Affordable housing is a public benefit and by providing the home sale to income restricted buyers at a maximum total family income of 115% of SMI, this project will serve workforce housing for buyers by





Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

allowing them the opportunity to make an offer under qualifying income terms rather than competing in the general marketplace and often being knocked out of the opportunity to buy due to competing offers and frequent cash offers.

Annual goal setting of the Cloquet EDA lists housing development as priority work:

**HOUSING / REDEVELOPMENT OBJECTIVES:**

The EDA is collaborating with private property owners to support and guide development goals in the city and attract a development project to this site. This work is supported by the 2025 Cloquet EDA policy objectives as follows:

**Goal #1 - HOUSING**

Facilitate the development of ownership and rental housing projects marketing re/development site opportunities and promote programs that help maintain existing ownership and rental housing stock.

**Financial/Budget/Grant Considerations**

As noted in the attached resolution as well as past staff reports on this project, the property sale price was set at \$1,000 plus closing costs and the city has agreed to waive the building permit fee (but is required to charge the state surcharge fees). The completed home will be for ownership sale and occupancy as an income restricted sale at 115% of statewide median income (which is annually adjusted) and tax returns of the buyers must be provided to the city for review to ensure the sale meets requirements due to funding used on this project.

**106 7<sup>th</sup> Street Site Investments with EDA / City Funds:**

<i>Property Acquisition Costs</i>	<i>\$16,284.88</i>	<i>EDA Fund 202</i>
<i>Property boundary survey</i>	<i>\$900</i>	<i>CITY Fund 202</i>
<i>Project legal costs/negotiations</i>	<i>TBD</i>	<i>EDA Fund 202</i>
<b><i>TOTAL</i></b>	<b><i>\$17,184.88+</i></b>	
<b><i>CITY FUNDS - SITE PREP FOR REDEVELOPMENT SAHA</i></b>		
<i>Interior home &amp; yard trash out</i>	<i>\$8,500</i>	<i>CITY Fund 207 SAHA</i>
<i>Garage demo &amp; trash out</i>	<i>\$7,950</i>	<i>CITY Fund 207 SAHA</i>
<i>Tree trimming</i>	<i>\$2,100</i>	<i>CITY Fund 207 SAHA</i>
<i>Remove old w/s lines &amp; stub New infra w/s</i>	<i>\$14,200</i>	<i>CITY Fund 207 SAHA</i>
<i>Home demo</i>	<i>\$24,300</i>	<i>CITY Fund 207 SAHA</i>
<b><i>TOTAL</i></b>	<b><i>\$57,050</i></b>	
<i>EDA</i>	<i>\$17,184.88</i>	<i>EDA Fund 202</i>
<i>CITY SAHA</i>	<i>\$57,950</i>	<i>CITY Fund 207 SAHA</i>
<b><i>CITY INVESTMENT PLANNED</i></b>	<b><i>\$74,234.88</i></b>	<b><i>SITE INVESTMENT FOR REDEVELOPMENT</i></b>

**Staff Recommendations**

After closing the public hearing, staff recommends the EDA ask the developer any outstanding clarifying questions and move to approve Resolution No. 25-01.

**Supporting Documentation**

- Resolution No. 25-01; Housing Redevelopment Concepts submitted by 3W Properties, Inc.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF CLOQUET  
COUNTY OF CARLTON  
STATE OF MINNESOTA**

**RESOLUTION NO. 25-01**

**A RESOLUTION APPROVING THE TRANSFER OF A PARCEL OF LAND AT  
106 7<sup>th</sup> STREET FROM THE ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF CLOQUET TO 3W PROPERTIES, INC. FOR  
AFFORDABLE HOUSING REDEVELOPMENT**

**WHEREAS**, the Economic Development Authority of the City of Cloquet (“Cloquet EDA”) proactively acquired blighted property at 106 7<sup>th</sup> Street, in the City of Cloquet, under its authority to acquire property for development and redevelopment, to provide more opportunities for homeownership in the City; and

**WHEREAS**, following acquisition the Cloquet EDA had the former home at 106 7<sup>th</sup> Street demolished in compliance with the City’s Order posting the property as unfit for human habitation on September 3, 2024, and reposted on October 3, 2024; and

**WHEREAS**, the legal description for 106 7<sup>th</sup> Street is as follows:

Lot 2, Block 1, LYND'S SUBDIVISION OF OUTLOT NUMBER 37, to the Village, now City of Cloquet, Carlton County, Minnesota, AND that part of Lot 3, Block 1, LYND'S SUBDIVISION OF OUTLOT NUMBER 37, to the Village, now City of Cloquet, Carlton County, Minnesota, described as follows: BEGINNING at the Northwest corner of said Lot 3; thence Southerly along the West line of said Lot 3 a distance of 6.5 feet; thence Easterly, parallel with the North line of said Lot 3, a distance of 46.0 feet; thence Northeasterly a distance of 24.5 feet, more or less, to a point on the North line of said Lot 3, said point being a distance of 69.0 feet Easterly of the Northwest corner of said Lot 3; thence Westerly a distance of 69.0 feet to the POINT OF BEGINNING.

*Parcel ID No. 06-245-0040; herein “the Property.”*

**WHEREAS**, the Cloquet EDA purchased the property for \$12,000.00, minus the payment of unpaid taxes of \$6,694.73, based upon an appraisal dated April 16, 2025, which was accepted by the property owners who subsequently signed a Quit Claim Deed to the Cloquet EDA; and

**WHEREAS**, the Cloquet EDA’s investment in the Property including appraisal fees, closing costs and legal fees is in excess of \$16,284.88, and the City of Cloquet’s investment in cleanup of the property and demolition of the home located thereon is in the amount of \$57,950.00 for a total investment in the Property by the City of Cloquet and the Cloquet EDA of more than \$74,234.88 with the requirement that the Property be sold for owner/occupancy of the home, of which the first-time buyers must be income restricted to 115% of the annual statewide median

income (SMI) at the point of sale; and

**WHEREAS**, the Cloquet EDA posted a request for proposals on October 2, 2025, which closed on October 29, 2025, for sale of the Property for \$1,000.00 for development of ownership housing purchase to which 3W Properties, Inc. responded with a proposal for redevelopment of the Property with construction beginning in spring 2026 with completion by May of 2027; and

**WHEREAS**, the Cloquet EDA wishes to sell the Property to 3W Properties, Inc. for \$1,000 to build a quality stick-built (non-modular preferred) single-family 3 bedroom, 2 bathroom home (as feasible with lot size) in the form of a slab, story and a half, two story, or one story all without a basement to avoid additional costs for removal of structural fill from the prior demolition, while maintaining and preserving the two onsite mature trees (as feasible), for owner/occupancy of the home, of which the first-time buyers must be income restricted to 115% of the annual statewide median income at the point of sale (in 2025 115% of SMI is \$134,435 total family income); and

**WHEREAS**, to keep costs down, demolition and cleanup of the Property by the City of Cloquet included removal of old water and sewer lines and installation of new water and sewer lines, and the City further agreed to waive the developer's building permit fee; and

**WHEREAS**, the purchase of a residential property by the EDA with a conveyance to a contractor for residential redevelopment has no effect on or conflict with the comprehensive plan and does not require planning commission review.

**NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CLOQUET, MINNESOTA**, as follows:

1. The recitals above are incorporated into this resolution.
2. The Cloquet EDA is authorized to sell the Property to 3W Properties, Inc. for \$1,000.
3. The Cloquet EDA is authorized to confirm the bid of 3W Properties, Inc. to develop the Property into a quality stick-built (non-modular preferred) single-family 3 bedroom, 2 bathroom home (as feasible with lot size) within the City of Cloquet, for resale for owner/occupancy, of which the first-time buyers must be income restricted to 115% of the annual statewide median income (SMI) at the point of sale (in 2025 115% of SMI is \$134,435 total family income).
4. The deed must include a provision that substantial project improvements to the Property must be made within one year of the date thereof or the Cloquet EDA shall have the right to repurchase the Property for the \$1,000 sale price.
5. That the City Attorney is authorized to proceed with the preparation of all documents and the taking of all necessary and appropriate actions required to record a deed from the Cloquet EDA to 3W Properties, Inc.

**PASSED AND ADOPTED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF**

**THE CITY OF CLOQUET THIS 3<sup>rd</sup> DAY OF DECEMBER, 2025**

---

Dave Manderfeld, President

ATTEST:

---

Holly Hansen, Secretary

## HOME REDEVELOPMENT CONCEPTS FOR 106 7<sup>TH</sup> ST BY 3W PROPERTIES, INC.

**From:** Darren Weets

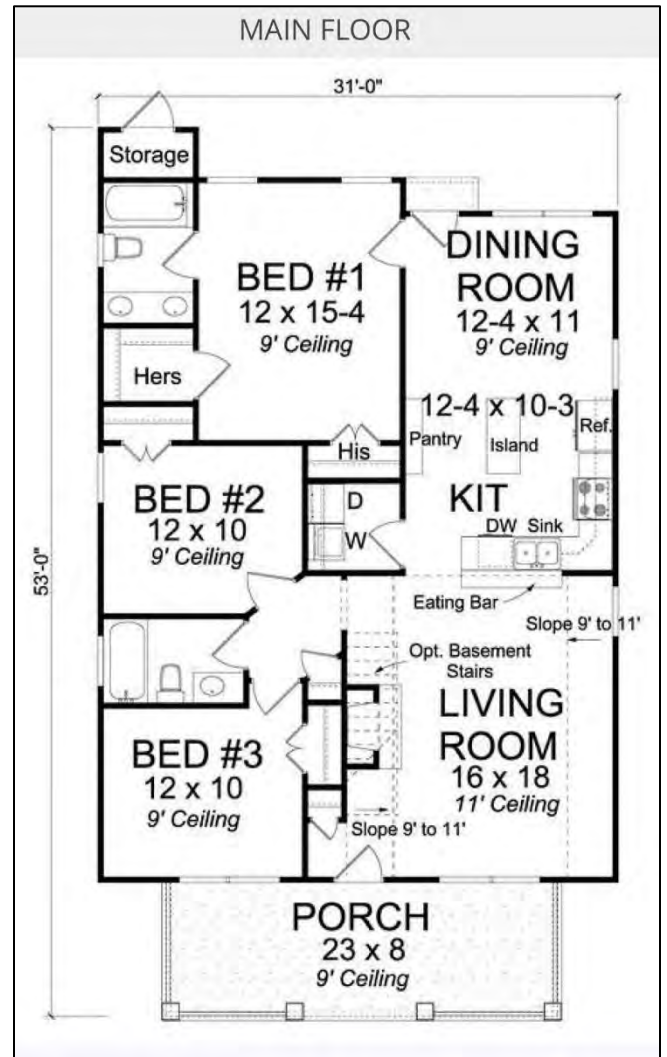
**Sent:** Wednesday, October 29, 2025 6:18 AM

**To:** Holly Hansen

**Subject:** 106 7th st

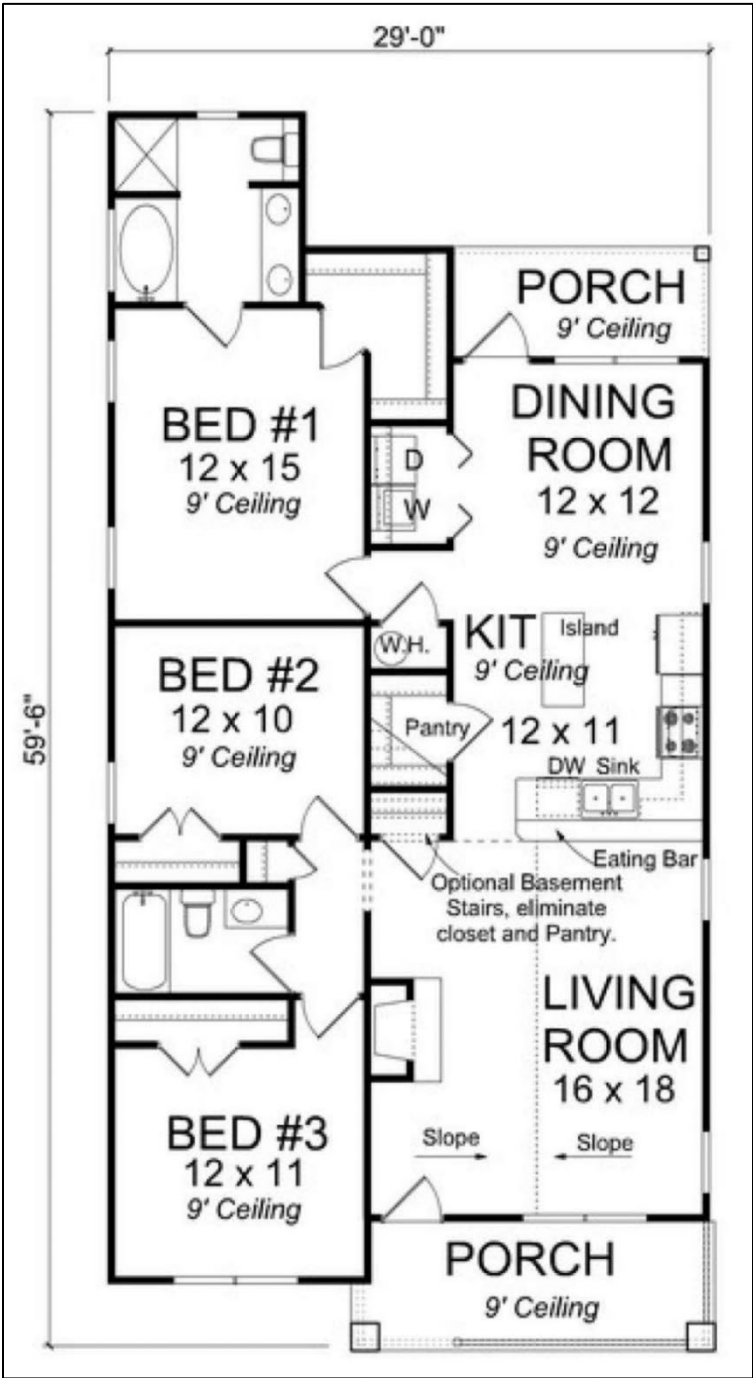
Holly, this is similar to what we would build with a detached garage 22x26 or 24x24.

### HOUSE PLAN CONCEPT A



HOME REDEVELOPMENT CONCEPTS FOR 106 7<sup>TH</sup> ST BY 3W PROPERTIES, INC.

HOUSE PLAN CONCEPT B





**CITY OF CLOQUET**  
**Community Development Department**  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

## **REQUEST FOR CLOQUET EDA ACTION (EDA)**

---

To: Cloquet City Economic Development Commissioners  
From: Holly Hansen, Community Development Director  
Date: November 21, 2025

---

### **ITEM DESCRIPTION: Loan Review Underwriting Services Contract Renewal**

---

#### **Proposed Action**

The EDA is asked to recommend to Council renewal of the contract for loan underwriting services between the City of Cloquet and Members Cooperative Credit Union (MCCU) for 2026.

#### **Background**

Last year the Cloquet EDA requested bids for underwriting services and received several responses. The most competitive bid received was from Members Cooperative Credit Union (MCCU) and last year the Council authorized their services for 2025. MCCU has performed several loan reviews for the Cloquet EDA/City assisting both business and housing projects within the city with responsive effective support.

#### **Policy Objectives**

The Cloquet EDA and city staff have been extremely satisfied with performance from the MCCU underwriting team in assisting the city to ensure viable loans are issued ensuring their repayment by applicants. Being at the end of the service term, it is time to renew this contract.

#### **Financial Impacts**

During 2025 the Cloquet EDA and City utilized the underwriting services of MCCU and have been satisfied with their work and competitive fee rates. They charge the city a base fee of \$400 per loan review, extra charges may apply based on the circumstances of each review. Not included in this rate would be any other third-party fees such as credit reports, UCC searches, appraisals, etc. The Cloquet EDA currently charges \$800 to ensure fees charged are covered.

#### **Supporting Documentation Attached**

- Contract for Services 2026

## Master Business Services Agreement

This Master Business Services Agreement ("Agreement") dated \_\_\_\_\_, 2026 (the "Effective Date"), is between Members Cooperative Credit Union, a Minnesota state chartered credit union ("Members") and the City of Cloquet, a municipal corporation and subdivision of the State of Minnesota, located in Carlton County, Minnesota ("City"). This Agreement shall govern any existing or future services provided by Members to the City related to any grant or loan programs the City may offer.

### RECITALS:

- A. City intends to engage in lending from time to time in accordance with its policies.
- B. City has adopted a business lending policy(ies) and intends to engage in lending from time to time in accordance with its lending policy(ies) and other applicable eligibility requirements.
- C. City desires to have Members provide underwriting analyses for the City's new loans. Any loan or contemplated loan for which the City engages or contemplates engaging Members is hereinafter referred to as a "Loan".
- D. Members and the City desire to enter into an agreement that defines the rights and responsibilities of each party.

NOW, THEREFORE, in consideration of the above recitals and the mutual promises contained herein, and for other good and valuable consideration, the parties mutually agree as follows:

- I. **Compliance.** Members shall perform underwriting analyses in compliance with all applicable state and federal laws and rules and regulations Members is subject to during its regular course of business.
- II. **Members' Responsibilities.** Members shall provide underwriting analyses as requested by the City from time to time in accordance with Members' standard practices and guidelines.
  - a. **Underwriting.** Members will review and consider potential Loans by applying sound commercial lending underwriting standards customary in its industry. Members will provide the City in writing in a timely fashion with the underwriting analysis or notify the City the need for further information to complete the analysis. Underwriting analyses by Members may take into consideration any relevant information provided by the City, the borrower or a third party (e.g. credit reporting agency, references,



appraiser, other creditors, etc.). Members shall follow its underwriting guidelines, which have been reviewed and accepted by the City. Information generally needed to conduct an analysis may include, but is not limited to Loan to Value, required documents for loan applications, etc. The City understands and agrees that Members provides only a general analysis based on its guidelines, and it is the City's sole responsibility to make all final loan approval and funding decisions. The City assumes all credit risk associated with any loan approved and funded by the City and the City will hold the credit union harmless in the event of any claim, dispute, complaint or other similar such action related to any underwriting analysis completed and/or any Loan denied, approved or funded, except where Members has failed to meet its obligations under this Agreement through its own negligent acts or omissions.

b. **Members Warranties.** Members represents and warrants that:

- i. It will utilize only its personnel in the performance of the services set forth herein, and further agrees that it will neither assign, transfer, or subcontract any rights or obligations under this Agreement without prior written consent of the City.
- ii. It will abide by and assures that no person in the United States shall on the grounds of sex, age, race, or religion be excluded from participating in, be denied the benefits of, or be otherwise subject to discrimination when providing the analyses contemplated herein.
- iii. It will establish and keep for a period of six (6) years following the receipt of payment from the final invoice for services performed hereunder copies of all books, records, documents, and accounting procedures and practices that are relevant to the Agreement or transactions made pursuant to the Agreement.
- iv. To the extent required by law, Members shall comply with any requests made by the City, the State Auditor, or the Legislative auditor to review its corporate information, including books, records, documents, and accounting procedures and practices that are relevant to the Agreement or transactions made pursuant to the Agreement. This duty shall survive 6 years beyond the termination or expiration of this Agreement pursuant to the Audit Provisions under Minnesota Statutes § 16C.05, subd. 5.

III. **City's Responsibilities.** City shall undertake the following responsibilities and services:

- a. **Provide Necessary Documentation.** City agrees that it will make available all pertinent information, including but not limited to reports, maps, data, commentaries, or other documentation, and records under its control for Members to use in the performance of this Agreement. This includes all documents related to the Loan, such as the loan application, history and description of the business, the project and related marketing plan, detailed source and use of proceeds, list of collateral, commitment letters, impact on community/jobs/revenue, financial statements, schedule of business debts, projections, resumes, personal financial statements, affiliates, appraisals, proposed leases or purchase agreements, corporate documents, tax returns and any other required items. No reports, maps, data, commentaries, or other documentation produced in whole or in part under this Agreement will be the subject of an application for copyright by or on behalf of Members or its agents or employees.
- b. **Approval and Funding.** City understands and agrees that Members provides only observations and information on each particular Loan. Whether the Loan should or should not be approved or funded by the City is strictly within the discretion of the City and the City will hold the credit union harmless in the event of any claim, dispute, complaint or other similar such action related to any underwriting analysis completed and/or any Loan denied, approved or funded.
- c. **Authorization.** City shall provide Members with a list of employees authorized to engage in activities related to Loans and performance of this Agreement. The City shall be solely responsible for advising Members of any changes to the list of authorized employees. Until such notification, Members may reasonably rely in good faith on the accuracy of this list and may communicate with authorized employees without restriction.
- d. **Compliance.** City agrees at all times to comply with all applicable state and federal laws, its policy(ies), and all rules and regulations

promulgated thereunder as well as any other similar such restrictions, limitations or requirements applicable to the City and/or its Loan program.

e. **City's Warranties.** City represents and warrants that:

- i. All actions taken by the City pursuant to this Agreement have been properly approved by the City, and that the City has the authority to enter into this Agreement and take all actions necessary and required under this Agreement, as evidenced by the attached Resolution No. \_\_\_\_ of the City Council of the City of Cloquet approved on \_\_\_\_\_ and attached hereto (*this Agreement is not valid unless a certified copy of the approving City Resolution is attached*).
- ii. All information provided to Members is true and correct to the best of the City's knowledge. Members is not liable for its use or dissemination of false or erroneous information, data or other materials provided by the City.
- iii. The City has no knowledge of, has not and will not conceal any information which would adversely affect Members' underwriting analyses.
- iv. To the best of the City's knowledge and belief, no misleading or fraudulent information has or will be submitted to Members in connection with any Loan or relationship.

- IV. **Indemnification.** Each party is responsible for its own acts, omissions, and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of others and the results thereof, related to any underwriting analysis completed and/or any Loan denied, approved or funded, and any losses, damages or expenses which may result from the provision of underwriting analyses or performance of this Agreement. Each party agrees to indemnify and hold harmless the other party to this Agreement for any claims arising out of their own performance under this Agreement, subject to the limitations of the Municipal Tort Claims Act (M.S. Chapter 466). No party may agree to any settlement or agreement that imposes any obligation on the other, or which requires the other to make any admission of fault or wrongdoing, or which requires the other to pay any amounts in connection with such settlement or agreement without the written consent of such other party. Notwithstanding the above, the City will indemnify Members for any claim or dispute against

Members related to a Loan or the services provided under this Agreement where Members met its obligations as outlined in this Agreement. This indemnification will include, but not be limited to, reasonable attorney's fees necessary for Members' defense.

- V. **Compensation and Terms of Payment.** The City will pay Members a flat fee of \$400 for each loan review underwriting service. That fee would specifically cover the review of the application and supporting documentation, an analysis of the information provided, follow-up as needed and a write-up. Not included would be any other third party fees such as credit reports, UCC searches, appraisals, etc.

- VI. **Authorized Representative.** Each party's Authorized Representatives are responsible for administering this Agreement and are authorized to give and receive any notice or demand required or permitted by this Agreement.

- a. Members' Authorized Representative will be:

Name/Title: Neil Sample, Vice President of Business Services  
Address: Members Cooperative Credit Union  
Address-2: 215 N. 40<sup>th</sup> Ave, Duluth, MN 55807  
Telephone: 218-625-8853  
E-mail: [neil.sample@membersccu.com](mailto:neil.sample@membersccu.com)

- b. City's Authorized Representative will be:

Name/Title: Holly Hansen, Community Development Director  
Address: City of Cloquet  
Address-2: 101 14th Street  
Telephone: 218-879-2507 x4  
E-mail: [hhansen@cloquetmn.gov](mailto:hhansen@cloquetmn.gov)

- VII. **Termination.** The term of this agreement shall commence January 1, 2026, and shall continue through December 31, 2026, and shall auto renew for consecutive one-year terms until terminated. Either party may terminate this Agreement at any time with thirty (30) calendar days written notice to the other party's authorized representative. Termination will not relieve either party from any obligation arising prior to the effective date of the termination. The mutual confidentiality and nondisclosure provisions of this Agreement shall survive termination of this Agreement.

In the event of the termination of this Agreement, all finished or unfinished documents, data, studies, surveys, drawings, maps, photographs, and reports prepared by Members in carrying out the analyses shall become the property of the City. Members shall be entitled to receive from the City the reasonable value of such materials. In addition, The City shall pay Members for the analyses actually and satisfactorily performed by Members up to the time of termination.

- VIII. **Confidential Information.** All information regarding the City and its borrowers' Loans, including without limitation nonpublic personal information ("NPI") as defined by the Gramm, Leach, Bliley Act ("the GLB Act") and any other applicable regulations and guidelines issued pursuant to such Act and other applicable laws and regulations (collectively "Confidential Information") and provided to the City shall remain confidential property of the City. Members shall hold all Confidential Information in strict confidence and shall use it only in performing its obligations under this Agreement and shall not share it with any third party without the City's written consent. Members shall maintain adequate administrative, technical, procedural, logical, and physical safeguards to ensure the ongoing security of Confidential Information. Members shall use the same level of care in ensuring the security of Confidential Information that it uses to ensure the security of its own confidential or proprietary information. City expressly authorizes Members to obtain credit reports and other necessary information for underwriting and credit analysis on its behalf, and Members shall maintain such information as Confidential Information. This provision shall survive the termination of this Agreement. Each party may disclose Confidential Information it receives if required by any federal, state or local law, ordinance, regulation or directive of any governmental or law enforcement agency, or any subpoenas, warrants, court orders or other legal processes; in such event, the disclosing party shall give the other party reasonable advance written notice prior to any such disclosure, if permitted under the law, and shall cooperate with the other party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of such disclosure and/or use of the Confidential Information, at the expense of the party seeking protection against disclosing.

- IX. **Data Practices compliance under M.S. 13.05, subd. 11.** Notwithstanding the provisions of Section VIII. above, regarding Confidential Information, the Parties hereto acknowledge that this Agreement is subject to the Minnesota

Governmental Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Parties under this Agreement. The civil remedies of Minnesota Statutes § 13.08 apply to the release of nonpublic data referred to in this clause or the failure to release public data referred to in this clause, by either of the Parties.

X. **Miscellaneous.**

- a. **Notices.** Any notices related to this Agreement should be sent to the other party's authorized representative via certified mail return receipt requested. A notice is considered to be served upon mailing when sent as indicated herein.
- b. **Choice of Law.** The validity, construction and enforcement of this Contract Agreement shall be determined in accordance with the laws of the State of Minnesota. Both parties consent to the personal jurisdiction of the state and federal courts located in Minnesota. Proper venue shall be in the Carlton County District Court or the United States District Court, District of Minnesota, at Duluth, MN.
- c. **Entire Agreement.** This Agreement constitutes the complete agreement between the parties. The parties to this Agreement have not relied on any promise, representation, statement, or inducement that is not expressly stated in this Agreement. No changes or amendments to this Agreement are valid unless they are in writing and signed by the parties.
- d. **Severability.** If any provision of this Agreement is found to be unenforceable by a court of law, the remaining portions of this Agreement will remain in full force and effect.
- e. **Retention of Immunity.** Nothing in this Agreement shall be construed as waiving any governmental immunity vested in the City of Cloquet under existing law.

**MCCU Position Contacts:**

Primary Contact: Neil Sample, MCCU Vice President of Business Services

Underwriting Specific: Grace Novotny, MCCU Commercial Operations Manager

Commercial Lending Specific: Justin Riemer, MCCU Commercial Lending Manager

In witness whereof, the parties have hereunto set their hand and each warrant that he/she/they is empowered and authorized to execute this Agreement.

**CITY OF CLOQUET**

\_\_\_\_\_  
Roger Maki, Mayor

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Tim Peterson, City Administrator

\_\_\_\_\_  
DATE

**MEMBERS COOPERATIVE CREDIT UNION**

\_\_\_\_\_  
Neil Sample, Vice President of Business Services

\_\_\_\_\_  
DATE



Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

## REQUEST FOR CLOQUET EDA ACTION

---

To: Cloquet Economic Development Authority Commissioners  
From: Holly Hansen, Community Development Director  
Date: November 21, 2025

---

**ITEM DESCRIPTION: Cloquet Minnesota City Participation Program (MCP)  
2026 Application**

---

### **Requested Action**

The EDA is asked to recommend to Council the approval of the application for the 2026 Minnesota City Participation Program (MCP).

### **Background/Overview**

MCP is a program which provides designated funding for first time homebuyer loans (Start-up and Step-up), and rehab loans (Fix-up), along with other programs for down payment and closing cost loans. Eligible MCP loans must be located within Cloquet City limits and the borrower's income must be at or below 80% of area median income (Carlton County's income is part of the Duluth-Superior Metropolitan Statistical Area), see attached program slides. If approved, this will mark the tenth year of Cloquet's involvement in this program which has been instrumental in providing local first-time homebuyer and down payment/closing cost loan programs which the City does not have designated funding for to administer.

The provided funding by MHFA/MnHousing is on a per capita basis (population), with each applicant allocated a minimum of \$100,000. **This year in 2025 Cloquet was allocated \$238,654 in designated program bonding funds and as of the end of October 2025 used \$2,631,442 (then using the statewide pool of funding), translating into 13 loans (first-time homebuyers, Start Up Loan, or Step Up Loan) and \$179,622 in downpayment and closing cost loans for homes in Cloquet.**

MHFA/MnHousing manages the Minnesota City Participation Program (MCP), which uses the Tax-Exempt Bond Housing Pool Allocation authorized by the Office of Minnesota Management and Budget (MMB) to enable cities to provide first-time homebuyer loans in their communities. Under the MCP Program, Minnesota Housing can sell bonds on behalf of local governments to assist them in meeting local housing goals pursuant to Minnesota Statutes 474A.061 Subd. 2a. Minnesota's statute 474A.061, Manufacturing, Housing and Public Facilities Pools (aka the "Housing Pool"), allows Minnesota Housing to access additional bonding authority through an





Community Development Department  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

application process administered by Minnesota Housing annually. In accordance with that statute, cities apply to Minnesota Housing annually for such authority.

If approved, staff will submit the application to the state between the required timeframe of January 2<sup>nd</sup> and 15<sup>th</sup> via DocuSign.

### **Policy Objectives**

Housing is a key goal of the Cloquet EDA; this program benefits borrowers whose income is at or below 80% of area median income for single-family home purchases for first time home buyers and by partnering with MHFA, eligible first-time home buyers in Cloquet will have access to affordable Start Up Loan Program, Step Up Loan program, Fix-up, and Down payment and Closing Cost Loans from approved participating Cloquet banks.

### **Financial/Budget/Grant Considerations**

For 2026 there will be three MnHousing approved Cloquet financial institutions to use the program including: **Frandsen, US Bank and North Shore Bank of Commerce / North Shore Mortgage** (*not to mention several in Duluth*). For more information visit <https://www.mnhousing.gov/sites/np/findalender>.

There are no other costs to the City, however MnHousing does require at least 50% of the allocation be used in order to participate the following year. There are no administrative fees to MHFA/MnHousing. **Cloquet has surpassed their allocation amount for nine straight years, heavily utilizing this program, a big thank you to our local banking partners for connecting eligible homebuyers.**

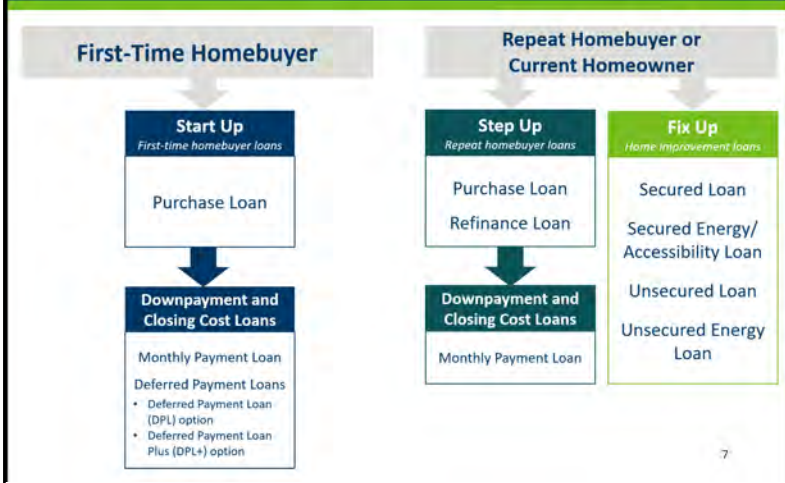
### **Supporting Documentation Attached**

- Selected MCPP program slides
- 2026 Cloquet MCPP Agreement

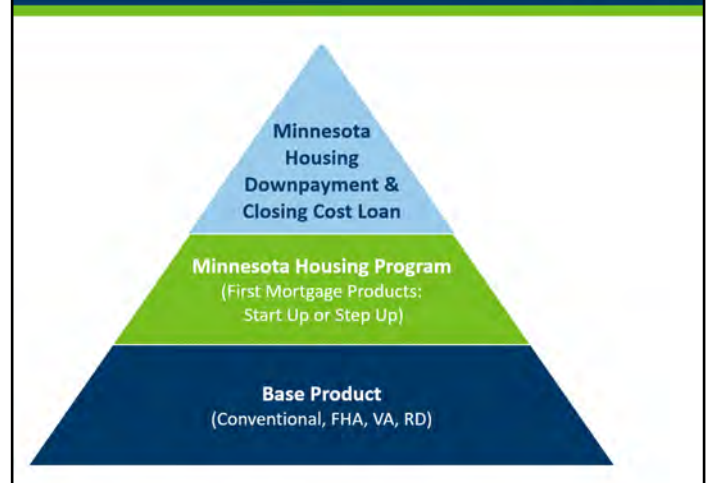


Community Development Department  
 101 14<sup>th</sup> ST • Cloquet MN 55720  
 Phone: 218-879-2507 • Fax: 218-879-6555

## Minnesota Housing Loans



## How it Works



## Start Up Loan Eligibility

### Minnesota Housing sets Eligibility Requirements:

- Borrower Income Limits – on website
- House Price Limits
  - \$515,200 in 11-County Metro
  - \$472,030 in Balance of State
- Credit Requirements per loan product guidelines
  - Minimum credit score (640)
  - Maximum Debt-to-income
  - Downpayment and closing cost loan eligibility
- Homebuyer education



## Start Up Income Limits

Household Size	11-County Metro Area	Dodge & Olmsted Counties	All Other Counties
1-2	\$132,400	\$125,600	\$116,900
3+	\$152,200	\$144,400	\$134,400

Note: MCPP Loans need to be at or below 80% AMI

## Purchase Price Limits

\* Effective for loans locked on or after January 2, 2024.

### Start Up Purchase Price Limits

- Acquisition cost must fall under the following limits:

	One Unit	Two Unit
11-County Metro	\$515,200	\$659,550
All Other Counties	\$472,030	\$604,400

## How it works



**MINNESOTA HOUSING FINANCE AGENCY  
MINNESOTA CITY PARTICIPATION PROGRAM**

**PROGRAM APPLICATION  
COMMITMENT AGREEMENT**

**THIS APPLICATION AND AGREEMENT** (this “Agreement”) is between City of Cloquet (the “City”), with its office at 101 14<sup>th</sup> Street, Cloquet, MN 55720 and Minnesota Housing Finance Agency (“Minnesota Housing”), with its office at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102.

**RECITALS:**

A. Minnesota Housing, under the provisions of Minn. Stat. §474A.061, Subd. 2a is authorized to issue qualified mortgage bonds, as that term is used in the Internal Revenue Code of 1986, as amended (the “Code”), on behalf of the City, and it will issue bonds for that purpose (the “Bonds”).

B. The City applying to participate is a Minnesota city, county, city or county housing and redevelopment authority, economic development authority, port authority or a consortium of local government units, as defined by Minn. Stat. §474A.061, Subd. 2a(c) and Minn. Stat. §462C.02, subd. 6.

C. Minnesota Housing has implemented Minnesota Housing Finance Agency Minnesota City Participation Program (the “Program”) and will use a portion of the proceeds from the issuance of the Bonds to fund the Program.

D. The City has requested and received a set-aside of funds from the Program.

E. The City wishes to obtain a commitment by Minnesota Housing to direct Minnesota Housing’s designated Master Servicer (the “Master Servicer”) to purchase mortgage notes (“Mortgages”) that will be originated by a lender or lenders that meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds (collectively, the “Lender”).

F. Mortgages that the Master Servicer purchases pursuant to the commitment requested by the City must only be for residences located within a geographic area to be established and designated by the City.

G. Minnesota Housing is willing to issue a commitment agreeing to purchase Mortgage-Backed Securities backed by Mortgages that are: (i) originated by the Lender; (ii) purchased by the Master Servicer; (iii) in accordance with the terms and conditions of this Agreement, the Program, and the Start Up Procedural Manual to be supplied by Minnesota Housing (the “Procedural Manual”), the provisions of which are hereby incorporated by reference into this Agreement as if set forth in full herein; and (iv) made to borrowers with adjusted incomes not exceeding the greater of 80 percent of statewide or area median income as calculated by Minnesota Housing.

**NOW, THEREFORE**, in consideration of the covenants contained in this Agreement, Minnesota Housing and the City agree as follows:

1. **City Requirements.** All Mortgages submitted to Minnesota Housing for purchase under the Program must comply with all of the requirements of the Program, the Procedural Manual and this Agreement.

2. **Commitment and Commitment Amount.** The City, which applied in January 2026 for a commitment, hereby requests that Minnesota Housing cause its Master Servicer to purchase Mortgages that have been originated by the Lender and meet the requirements of, and are made in accordance with the provisions of, this Agreement, the Program, and the Procedural Manual. Minnesota Housing, by accepting this Agreement, commits to the purchase of those Mortgages in the aggregate principal amount (the “Commitment Amount”) to be determined and allocated

by Minnesota Housing in accordance with Minnesota Statutes §474A.061, Subd. 2a(d), and provided to the City.

The Master Servicer will only purchase Mortgages pursuant to this Agreement securing property that, and borrowers who, satisfy the requirements and provisions of this Agreement, the Program, and the Procedural Manual. The City acknowledges that the commitment is effective upon the approval thereof by Minnesota Housing and the delivery of a copy of this Agreement by Minnesota Housing to the City.

3. **Lender Qualifications.** Lenders must meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds.

4. **Commitment Term.** The term of this Agreement and the City's participation in the Program (the "Commitment Term") will commence on January 16, 2026 and shall continue through November 30, 2026. This Agreement, and the City's participation in the Program, will automatically terminate, without the need for any action by either party hereto, at the end of the Commitment Term.

5. **Set-Aside Term.** The Commitment Amount will be set-aside and held by Minnesota Housing for the sole use by the City for a period of time to be established by Minnesota Housing, in its sole option and discretion, provided, however, that time period will not be less than six months (the "Set-Aside Term") commencing on a date to be selected and specified by Minnesota Housing. Minnesota Housing will notify the City in writing of the date on which the Set-Aside Term commences.

Any portion of the Commitment Amount not reserved for the purchase of qualifying Mortgages as of the end of the Set-Aside Term shall be canceled and returned to Minnesota Housing for redistribution under the Program. In addition, any portion of the Commitment Amount reserved for Mortgages that are not delivered to the Master Servicer for purchase within the time period delineated in the Procedural Manual for that purchase, will be canceled and Minnesota Housing will redistribute that amount under the Program. Minnesota Housing may make any funds available to the Program at the end of the Commitment Term for mortgage loans that are eligible to be financed with proceeds of the Bonds.

6. **Commitment Fees.** There is no commitment fee payable by the City for the commitment by Minnesota Housing to the purchase by the Master Servicer of qualifying Mortgages.

7. **Purchase Price.** The purchase price of each Mortgage to be purchased by the Master Servicer pursuant to this Agreement will be as set forth in the requirements of the Procedural Manual and posted on Minnesota Housing's website.

8. **Mortgage Terms.** The terms and conditions for all Mortgages, including but not limited to the interest rate, will be set from time to time by Minnesota Housing, at its sole option and discretion, and communicated to the Lender in accordance with the procedures set forth in the Procedural Manual.

9. **Area Limitation.** Minnesota Housing, pursuant to this Agreement, is required to purchase only those Mortgages that are for residences located within a geographic area to be established and designated by the City.

10. **Servicing.** The servicing of Mortgages shall be the sole responsibility of the Master Servicer or one or more other entities that Minnesota Housing may designate in its sole discretion.

11. **Contract Documents.** The purchase by the Master Servicer of each Mortgage pursuant to Minnesota Housing's commitment is a contract consisting of this Agreement and the provisions and requirements contained in the Procedural Manual, with all amendments and supplements thereto in effect as of the date of Minnesota Housing's acceptance of this Agreement.

12. **Paragraph Captions and Program Headings.** The captions and headings of the paragraphs of this Agreement are for convenience only and will not be used to interpret or define the provisions thereof.

13. **Applicable Law.** This Agreement is made and entered into in the State of Minnesota, and all questions relating to the validity, construction, performance and enforcement hereof will be governed by the laws of the State of Minnesota.

14. **Agreement Conditional Upon Minnesota Housing Approval.** This Agreement will be a binding obligation of Minnesota Housing upon its execution by Minnesota Housing and delivery of a copy of the same to the City; provided, however, Minnesota Housing may, in its sole option and discretion, any time on or after January 16, 2026 revoke such obligation and terminate this Agreement if the City has not fully executed and returned a fully executed original hereof to Minnesota Housing. That revocation and termination will be accomplished and evidenced by Minnesota Housing notifying the City thereof by way of a “Certified Letter - Return Receipt Requested” addressed and delivered to the City. Upon revocation and termination this Agreement will be null and void and of no force or effect.

15. **Issuance of Bonds.** The City hereby authorizes Minnesota Housing to issue, on behalf of the City, qualified mortgage bonds, as that term is used in the Code, in an amount equal to the Commitment Amount, and Minnesota Housing agrees to issue those bonds if and when federal law authorizes and Minnesota Housing deems it is economically feasible to do so.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

**IN WITNESS WHEREOF**, the City has executed this Agreement this \_\_\_\_\_ day of  
(Day)

\_\_\_\_\_, \_\_\_\_\_.  
(Month) (Year)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Authorized Officer)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Authorized Officer)

**Minnesota Housing APPROVAL**

Minnesota Housing hereby accepts the above Program Application-Commitment Agreement and approves and grants participation in the program.

**MINNESOTA HOUSING FINANCE AGENCY**

By: \_\_\_\_\_  
Kayla Schuchman

Its: Assistant Commissioner, Single-Family Division

Signed this \_\_\_\_ day of \_\_\_\_\_, 2026.

.

# Minnesota Housing 2026 Minnesota City Participation Program (MCP) Application

Minnesota Housing must receive your application by email between January 2-15, 2026 at 5:00

Please provide all the information below.

## Agency Contact Information

Agency Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Physical Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Website: \_\_\_\_\_

Phone #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

## Administrative Information

1. Check agency type: ☐ City ☐ City HRA/CDA/EDA ☐ County HRA/ ☐ Port Authority  
☐ Multi-County HRA: Receive single allocation for all counties within your jurisdiction  
☐ Consortium of local government units applying jointly by agreement (please submit evidence of agreement with this application, even if you provided one in previous years).

2. List the legal name(s) of all cities and counties where the funds will be utilized. For county and multicounty applications, only list the counties.

\_\_\_\_\_

3. Check the box below to confirm this statement:

☐ MCPP helps the community meet an identified housing need and the program is economically viable.

4. Does your City (or County) offer a down payment program or other homeownership assistance?

☐ Yes ☐ No

If yes, list program names (For informational purposes only; does not impact your application status):

\_\_\_\_\_

## Signature

Provide authorized signature(s) from the organization submitting this application, including printed or typewritten name, title and phone number. Scan original and email application to [mn.housing@state.mn.us](mailto:mn.housing@state.mn.us) (Original not needed).

Signature \_\_\_\_\_

Name (Print) \_\_\_\_\_

Title \_\_\_\_\_

Phone number or check here if same as above. ☐

E-mail or check here if same as above. ☐

## Program and Contact Information

Minnesota Statute sets Borrower Income Limits and House Purchase Price Limits. Minnesota Housing makes final determinations of the total amount of program funds available and individual allotments (in compliance with a per capita distribution method specified in statute).

Questions about MCP or this application? Contact Greg Krenz at (651)297-3623 or [greg.krenz@state.mn.us](mailto:greg.krenz@state.mn.us)



**CITY OF CLOQUET**  
**Community Development Department**  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

## **REQUEST FOR CLOQUET EDA ACTION (EDA)**

---

To: Cloquet City Economic Development Commissioners  
From: Holly Hansen, Community Development Director  
Date: November 26, 2025

---

### **ITEM DESCRIPTION: Cloquet Economic Development Video Campaign**

---

#### **Background**

At the August meeting of the Cloquet EDA, a proposal was reviewed from Promoting Me, LLC in partnership with Bo Allen Productions, to capture positive business and economic development stories and happenings in Cloquet for use in marketing messaging. At the December meeting, the draft video will be unveiled for feedback from the Cloquet EDA and then any necessary adjustments made for the final version for community marketing use at the beginning of 2026.

#### **Financial Impacts**

The project is a value of \$7,000 and was credited with partner discounts supplemented with revenue from the Cloquet Area Chamber (\$500) for their use as well as part of this effort (budget \$3,500).

#### **Supporting Documentation Attached**

- Draft Video to be shared at the December Cloquet EDA meeting





## REQUEST FOR CLOQUET EDA ACTION (EDA)

---

To: Cloquet City Economic Development Commissioners  
From: Holly Hansen, Community Development Director  
Date: November 25, 2025

---

### ITEM DESCRIPTION: Cloquet Community-Led Childcare Solutions

---

#### **Background**

At the March 2025 Cloquet EDA meeting after listening to ongoing concerns from employers on lacking regional child care, staff outreached to Northland Foundation for direction. At the March EDA meeting, Zane Bail, Chief Operating Officer of the Northland Foundation offered a grant to the Cloquet EDA to assist a process to help the community discuss ways to address the problems at hand.

Thus far, the group held a forum in August and a workshop in September **with one of the most critical findings that providers must share the realities with communities that the operational costs can't sustain the business model for childcare centers in particular and on the family childcare front, there are less and less families operating out of their homes. As a result, childcare providers are on the brink of closure and the topic has been referred to as a "crisis."** Businesses and communities can't operate without access to quality care.

As part of our work in increasing awareness within Cloquet, December speakers on this topic during the EDA meeting will be:

- Courtney Greiner, Esko Minis and Kids Count on Us
- Zane Bail, Northland Foundation project grant funder
- Ali Bilden-Camps and Amber Lewis, Northspan project facilitators

#### **Policy Objectives**

Annually, the Cloquet EDA crafts a Work Plan placing policy goals and directing key work.

##### ***Goal #3 – INCREASE CHILD CARE SLOTS***

*Ensure local families and businesses are supported by and have access to quality child care in the City of Cloquet by maintaining and creating new additional child care slots.*

##### **Implementation Strategies:**

1. *Create stronger local awareness for child care providers of county licensing staff support services and state resources.*



**CITY OF CLOQUET**  
**Community Development Department**  
101 14<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

2. *Be a resource to connect home-based Family child care and child care centers (private and non-profit) to regional and statewide resources to retain / expand child care slots e.g. Northland Foundation, First Children's Finance, Business of Child care etc.*
3. *Collaborate with businesses and government to leverage local opportunities to use regional and state programs, loans, and grant opportunities to expand child care in Cloquet.*
4. *Support partnership to expand programming for older children in the community, increasing communication, interaction, and participation with the Cloquet Community Education Foundation on unique opportunities.*
5. *Connect inquiries for daycare center facilities to buildings and sites for sale within Cloquet.*

### **Financial Impacts**

Northland Foundation offered the Cloquet EDA a not to exceed \$29,000 grant investment to assist Cloquet with a facilitation process for Cloquet Child Care Community-Led Solutions in an effort to learn and share findings across the region from the process. Facilitation has been conducted this year by Northspan who has also been utilized to assist the City of Duluth and Silver Bay through child care challenges in an effort to identify creative solutions.

### **Supporting Documentation Attached**

- Cracks in Care, Courtney Greiner Esko Minis and Kids Count on Us
- **Duluth ups support for child care, in light of need for more workers – the city's 1200 Fund** has recognized the need for a more robust support network for working families.
- **Dealing with the crushing costs of child care By Tracy Smith CBS News**



## **Cracks in Care: The Broken Economics of Childcare, [Courtney Greiner](#)**

People often say things like, “just raise wages,” “lower tuition,” “run it more like a business,” or “find efficiencies.”

**If only it were that simple.**

When you actually sit down with the numbers, you realize pretty quickly that the economics of childcare don’t add up — not because we’re doing it wrong, but because the system was never built to make sense in the first place.

**Quality care costs money.**

Caring for infants and toddlers means more staff, smaller ratios, longer hours, and tighter regulations. Those things are important — they keep kids safe and help them thrive — but they’re also expensive.

**Parent tuition covers almost everything.**

In most programs, tuition is the only real source of income. There aren’t hidden profits or big margins — every single dollar gets stretched between payroll, food, supplies, insurance, and the basic cost of keeping the doors open.

**The math simply doesn’t work.**

When you lay it all out, there are only two ways to make a childcare budget balance:

- Increase tuition (which families can’t afford), or
- Decrease compensation or quality (which children and staff don’t deserve).

**That’s the impossible equation we’re all trying to solve every day.**

And yet, programs are still expected to stay open, pay teachers fairly, offer benefits, and maintain high standards — all while being told to “find efficiencies.”

**Here’s what’s missing from the conversation:**

We treat K–12 education as a public good — something society invests in because we know it benefits everyone. But early care and education, which shapes a child’s entire foundation, is treated like a private luxury that families must somehow afford on their own, often during the years when they’re least financially stable.

Childcare is early education. It deserves to be publicly supported and valued as such. But that doesn’t mean it should all look the same or be absorbed into the public school system. Families need options — care that fits their children, their values, and their lives.



## Cracks in Care: The Broken Economics of Childcare, [Courtney Greiner](#)

That might mean nature-based programs that nurture curiosity and connection.  
Family-based programs that feel like home.

Centers that build community and consistency.

Montessori, Reggio, or play-based models that let children learn through exploration.

Or family, friend, and neighbor care that provides flexibility and trust.

**Every one of these approaches matters. Every one deserves recognition, respect, and support.**

Families deserve affordable care.

Children deserve quality care.

Educators deserve fair compensation.

We can't have all three without shared public investment.

**This isn't a management problem — it's a systemic one.**

## **NEWS LOCAL**

### **Duluth ups support for child care, in light of need for more workers**

The city's 1200 Fund has recognized the need for a more robust support network for working families.



Supporters of a 1200 Fund donation to child care providers prepare to speak in front of the new Divine Konnections facility in West Duluth on Wednesday. Peter Passi / Duluth Media Group

**By Peter Passi**

9-18-25 at 10:28 AM

**DULUTH —** City officials celebrated the opening of 70 new child care slots Wednesday during a ceremony at Divine Konnections' soon-to-open day care facility in a West Duluth building formerly occupied by the YWCA.

Laura Mullen, chairwoman of the 1200 Fund, explained that the "Tiny Steps Child Care Grant Program" will offer more than \$150,000 in support for 21 local child care providers.

"This represents a broad mix of child-based and family-based providers all across the city, ensuring equitable access to child care services," she said.

About a year ago, four child care facilities announced plans to close their doors, and 4th District Duluth City Councilor Tara Swenson recalls the groundswell of concern as young families scrambled for support.

Swenson noted that a needs analysis the same year indicated Duluth already was 1,631 slots short of the child care resources families sought.

"We've made a tiny dent in that with our work here," she said. "But really, that is why this grant program was created for our community."

Swenson, who identifies as a working mother with children ages 8 and 5, said she has a first-hand appreciation of the importance of quality care in enabling parents to pursue gainful employment.

Deyona Kirk, executive director of Divine Konnections, said she feels honored that her organization has been the recipient of 1200 Fund support, as well as the beneficiary of a generous property donation from the YWCA.

She said Divine Konnections expects to bring 32 new child care slots to the community this fall.

“I was a young single mom myself, and it was because of great child care that I was able to finish school,” Kirk said. “So, I understand the importance of it.”

“We’re excited to offer child care and housing to families,” she said. “We feel really grateful to our community.”

Angie Stier, an economic developer for the city, views the influx of funding from the 1200 Fund as helpful, but acknowledged more must be done on the local, state and federal levels to help working families find quality child care.

“There is a lot more work to do to support these small business owners and all the parents who need child care to be in the work force here in Duluth,” Stier said.

“In order for businesses to thrive, we need a safe place for children to go every day,” she said. “If my kids didn’t have care, I wouldn’t be working.”

Laura Mullen noted that the 1200 Fund was established in 1985 during a period of economic upheaval in Duluth, and initially was focused on bringing new employment opportunities to the community.

But in recent years, Mullen observed that the lack of child care has emerged as “a major pinch point” for employers.

To date, Stier said the 1200 Fund, which was ostensibly created to bring 1,200 jobs back to Duluth, already has led to the creation of about 1,900 positions.

But Mayor Roger Reinert said the fund’s objectives have evolved with time.

“Unlike 1985, when we were desperately trying to do job creation. That’s not the challenge that we as a city or a region face right now,” he said. “The jobs are there. It is about workforce participation.

“So, the ability for especially our female workers in this community and our moms in this community to meaningfully engage in the workforce and continue their own careers is really dependent on affordable and easy-to-access child care.”



## Sunday Morning

### **Dealing with the crushing costs of child care By Tracy Smith**

**November 2, 2025 / 9:46 AM EST / CBS News**

<https://www.cbsnews.com/news/dealing-with-the-crushing-costs-of-childcare/>

As parents to a one- and three-year-olds, Dr. Yeni Abraham and husband Dele could use a good night's sleep. But one thing in particular keeps them up at night: The cost of child care. According to Yeni, it costs them \$100 more than their mortgage. "It's just insane," she said.

Dr. Yeni Abraham and her husband, Dele, and their children. Family photo



The couple lives in Texas. She's a physical therapist, he's an IT engineer. They say the cost of child care is crushing. But that's not the only problem: their friends were signing up for daycare as soon as they found out they were pregnant. "The demand is there," Yeni said. "And it just never occurred to me that the supply would be so low."

Yeni would sometimes have to bring her baby to work with her. "I'm taking my son to the clinic. He was on my hip while I was treating my patient. Real life, true story," she said.

In the United States, [child care for two kids](#) costs on average more than rents and mortgages, and even in-state college tuition. It's pushed parents into debt, and pulled thousands of women out of the workforce this year alone.

Reshma Sujani, CEO and founder of the group Moms First, said that of the choices some families are being forced to make, "none of them are good. And because two-thirds of the caregiving work is often done by women, it's moms who are having to make this choice. So, they're downshifting their jobs. They're dropping out of the workforce entirely.



## Sunday Morning

### **Dealing with the crushing costs of child care By Tracy Smith**

**November 2, 2025 / 9:46 AM EST / CBS News**

<https://www.cbsnews.com/news/dealing-with-the-crushing-costs-of-childcare/>

"We have lots of conversations about the cost of housing, about the cost of gas, about the cost of eggs," Sujani said. "But when you look at a family's budget and you say, 'What is the most expensive line item?' the answer is child care."

And it's not just families who are struggling: "Part of the reason why we have a shortage is because we don't have enough child care workers," said Sujani. "And we don't have enough child care workers because we've never paid them adequately."

Dozens of countries consistently outrank the United States when it comes to child care, most offering free or highly-subsidized programs – ideas that aren't as foreign to America as you might think. Back in the 1940s, child care was paid for by Uncle Sam. "We knew the men were going off to war and somebody needed to work," said Sujani. "This was funded by the federal government during World War II. But when the men came back, they dismantled it. And ever since then, we've done really nothing to really fix it or solve it."

#### **"This is how you strengthen your community"**

Fast forward to 2025. While millions of families continue to struggle, calls for solutions have intensified. A growing number of red *and* blue states are making changes. But none has gone as far as New Mexico. Starting this month, New Mexico becomes the first state to offer free child care to all residents, paid for largely with tax money from the oil and gas industry.

Since 2022, Kari Ellis and her wife, Amanda Cordova, have participated in an early phase of New Mexico's child care reform. They choose the provider; the state foots the bill.

Kari Ellis and Amanda Cordova participated in an early phase of New Mexico's program that paid for child care for their children. CBS News

"If you want people to work, this is how you do it," said Ellis. "You give them the tools and the resources. This is how you strengthen your community."





## Sunday Morning

### **Dealing with the crushing costs of child care By Tracy Smith**

**November 2, 2025 / 9:46 AM EST / CBS News**

<https://www.cbsnews.com/news/dealing-with-the-crushing-costs-of-childcare/>

Asked if she could you imagine life if she still had to pay for child care, Ellis replied, "We wouldn't be in this house right now. She probably wouldn't have her own business. This opened up doors that I don't know would have been possible before. We were able to find a quality place where they are getting the education and support that they need while we're trying to raise good humans."

The program has its critics, including those who say child care is the responsibility of the family, not the government.

To the suggestion that previous generations had figured out child care, Ellis said, "I think that a lot of grandparents probably are still working themselves, and are not even in a position to be able to watch their grandchildren."

Cordova said, "People used to be able to afford a house, and their full family on one income, right? Like, mom could stay home, or whoever could stay home. But we can't do that anymore."

### **An economic issue**

It's a message that's made its way to Washington, D.C., and across party lines. Republican Senator Katie Britt of Alabama and Democratic Senator Tim Kaine of Virginia disagree on plenty, but not this.

"Our economy loses \$122 billion a year because of affordability or accessibility of child care," said Britt.

I asked, "So, this isn't just a social issue, it's an economic issue?"

"Absolutely," Britt replied. "Studies show that 59% of stay-at-home and/or part-time working parents say that they want to reenter the workforce, but this reliability, affordability, accessibility issue is keeping them out of it."

This year, as part of the "One Big Beautiful Bill," Britt and Kaine updated child care tax credits for the first time in a quarter-century. They also increased tax benefits for businesses providing child care assistance, and larger contributions to dependents care flexible spending accounts.

## Sunday Morning

### **Dealing with the crushing costs of child care By Tracy Smith**

**November 2, 2025 / 9:46 AM EST / CBS News**

<https://www.cbsnews.com/news/dealing-with-the-crushing-costs-of-childcare/>

Kaine said, "Let's spread the word, because again, getting this done in the statute is one thing. But making sure people know to take advantage of it [is another]."

Critics argue the larger bill cuts other key social programs and will ultimately hurt families. [In fact, Kaine himself did not vote for the bill.] But both senators say the child care provisions are a win.

I asked, "So if today, child care is the number one expense that families are facing, when do you think that's gonna change?"

"This is a classic thing where there's no one, you know, part of government that's got the whole answer to this," said Kaine. "You do see states doing some cool things. And that's to be encouraged. I have a feeling this work will always be before us. But we've taken a really good step together on this."

"So, what would you say to the parent who's watching now, sitting at their kitchen table, trying to figure out how to pay these bills?"

Britt said, "We're fighting for you. And so, we're gonna keep working and keep making sure that we deliver solutions."

To the Abraham family, solutions can't come soon enough.

*Story produced by Sara Kugel. Editor: George Pozderec.*



## AGENDA INFORMATIONAL UPDATES 11-23-25

### CHAMBER

- Holiday on the Hill @ Kolar Chevrolet Buick GMC Cadillac on Friday, December 12. Cloquet, Duluth & Hermantown Chambers are all invited from 5:30-10. See attached flier.
- Leadership Program – Our first session begins on December 10. Community Memorial Hospital is our Major Sponsor and hosts all of our sessions in their facility. Ted Schick is our first presenter.
- Chamber Chat Luncheon with the CHS Madrigals at Hanks!

### CITY

- **Santa's Home for the Holidays** is coming up soon– Event Overview attached.
- Cloquet's Small Business Saturday (SBS) had 27 businesses sign up this year and staff delivered American Express merch, marketed the event online and in the newspapers, as well as on the radio with also sitting down at WKLK with the hosts to talk about it prior. SBS events efforts work to drive consumer spending at small independent businesses to give them more visibility during the holiday season, when they often struggle to compete with larger retailers. Shop Small has grown to be a year-round movement that supports small businesses across the globe. Small Business Saturday is an annual shopping day on the Saturday after Thanksgiving, to encourage consumers to shop at local, small businesses. The event is part of the Shop Small Movement and is intended to boost local economies during the busy holiday shopping season to keep money circulating within local communities, situating it between Black Friday and Cyber Monday. **The City of Cloquet and Cloquet Economic Development Authority are proud to be a designated Neighborhood Champion since 2014.**
- Staff and Promoting Me, LLC conducted 9 business visits on November 18<sup>th</sup> as part of the **Hidden Gems of Cloquet** project.
- MnHousing articles attached on home ownership and the **lack of affordable home ownership opportunities.**

### COUNTY

- None provided

*Join us!*  
**CHAMBER  
CHAT**

**11:30-12:30**

**HOLIDAY  
Entertainment**

**HANKS  
SPORTS BAR  
& GRILL -  
BACK ROOM**

**1306 MN 45,  
CLOQUET**



**CHS  
MADRIGALS!**



**DECEMBER 11**

**BRING A FRIEND - ENJOY LUNCH FROM THE MENU  
- AND GET READY TO MEET YOUR NEW BEST  
CUSTOMER AND MAKE SOME VALUABLE  
CONNECTIONS!**



# PLEASE JOIN US!

**TRAVIS  
LEDOYT**

**FRIDAY, DEC. 12, 2025  
5:30-10PM**



**Holiday  
on the Hill**

**FRIDAY, DECEMBER 12, 2025 • 5:30-10PM**

**KOLAR CHEVROLET BUICK GMC • 4770 West Arrowhead Road, Hermantown, MN 55811**

**ENJOY THE SEASON AND HELP THE BOYS AND GIRLS CLUB**

**EAT & DRINK**

Beverages and appetizer samplings from area restaurants will be available.

**COST TO ATTEND**

FREE with a gift donation or suggested \$10 cash donation to the Boys and Girls Club of the Northland.



An evening generously hosted by Kolar Chevrolet Buick GMC, *Holiday on the Hill* is a casual yet festive holiday celebration. In Kolar's partnership with Hermantown, Duluth and Cloquet Chambers, they are able to make local kids smiles a little brighter this holiday season.



# **Santa's** *Home* **FOR THE** *Holidays*

## ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ **Calendar of Events** ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

### *December 4-6, 2025*

#### **THURSDAY, DECEMBER 4**

##### **4:30-6:30 pm Chili Feed**

Enjoy a free chili feed 4:30-6:30 pm at Our Redeemer Lutheran Church, 515 Skyline Blvd., sponsored by the Cloquet and Fond du Lac police departments. Bring non-perishable food items for the food shelf.

##### **4-6 pm Storytime with Santa**

Cloquet Public Library, 320 14th St., will have a free open house 4-6 pm, featuring storytime with Santa at 4:30 pm plus cookie decorating and holiday crafts.

#### **FRIDAY, DECEMBER 5**

##### **3-5 pm Elf-Approved Open House**

Step into Santa's workshop for a jolly good time at Members Cooperative Credit Union! Snap a pic at the Elfie Station, write your letter to Santa before he heads back to the North Pole and enjoy merry games, prizes, and tasty elf-approved snacks. Join us for a sprinkle of holiday cheer at MCCU, 1299 Highway 33 South.

##### **4-7 pm Art on display**

Check out a FREE local art exhibit by the Arrowhead Art Club and enjoy refreshments 4-6 p.m. at the Pine Knot News office and The Knot art gallery, 122 Ave. C. Free. Want more art? Head to Encore Performing Arts Center and Gallery for another art reception featuring Sue Brown Chapin (and 25 other local artists) from 6-7 pm followed by a performance of "It's a Wonderful Life: A Live Radio Play." The play runs Dec. 5-7 and 10-14. Admission is \$22 for adults and \$20 for children and seniors.

#### **SATURDAY, DECEMBER 6**

##### **9 am-3 pm Churchill Holiday Expo and Craft Fair**

The massive Holiday Expo and Craft Fair at Churchill Elementary School, 515 Granite St., features over 111 vendors and crafters selling throughout the school from 9 am to 3 pm. \$5 admission for adults. Scouting America Troop 171 will sell breakfast and lunch. Carlton County Animal Rescue is wrapping gifts for donations. A free parking shuttle runs from the school to the CMH Raiter Family Clinic parking lot from 9 am to 4 pm.

##### **9 am-12 pm Pictures with Santa**

Get your photo taken with Santa free at Koinonia Coffeehouse, 103 Ave. C. While you're there, try a gingerbread latte or kids hot cocoa.

##### **10 am-12:30 pm Cookies and Cocoa with Santa**

Enjoy cookies and cocoa with Santa Claus in the Queen of Peace Catholic School gymnasium. Cost is \$5 per person with a \$25 family cap.

##### **9 am-1 pm Spread the Warmth Winter Gear Giveaway**

Community Memorial Hospital and Raiter Clinic will give away coats (youth and adult sizes), hats and gloves FREE from 9 am-1 pm in the Raiter Family Clinic lobby, 417 Skyline Blvd. All are welcome.

##### **1-4 pm Wood City Motors Holiday event**

Head over to Wood City Motors, Washington Avenue and Highway 33, between 1 and 4 pm for free magic shows at 1:30 and 3 pm along with Christmas cookies to decorate and eat.

##### **2-4 pm History, crafts and treats**

The Carlton County Historical Society invites visitors of all ages to tour the museum at 406 Cloquet Avenue from 2-4 pm. Make holiday crafts and enjoy treats for the whole family. Free event.

##### **4-5 pm Fire rings and s'mores**

Before the parade, enjoy free s'mores outside the fire station at 508 Cloquet Ave. from 4-5 pm.

##### **5-6 pm Parade and fireworks**

The Santa's Home for the Holidays parade starts at 5 pm (line up starts at 4 pm on Cloquet Avenue east of 18th St.) and travels down Cloquet Avenue from 18th to 8th streets. Dress for the weather. Hang around and enjoy FIREWORKS over downtown Cloquet and Veterans Park immediately following the parade.

*For more information, email [santashomefortheholidays@gmail.com](mailto:santashomefortheholidays@gmail.com), or check out the Santa's Home for the Holidays page on Facebook*





## **National Mortgage News: U.S. homeownership falls for first time since 2016**

By [Brad Finkelstein](#) September 03, 2025, 5:57 p.m. EDT3 Min Read

For the first time since 2016, the number of American households who are homeowners declined on an annual basis, in another signpost that high home prices and elevated interest rates are taking people out of the market, a Redfin study of U.S. Census data found.

The study estimated about 86.2 million Americans own their home, a drop of 0.1% from the second quarter of 2024. At the same time, the number of households who rent rose by 2.6% to 46.4 million. Redfin termed this one of the largest increases in recent years.

This also follows a first quarter where the year-over-year change in the number of homeowner households was 0%. The peak for annual growth was in the second quarter of 2020 at 4.6%.

The largest annual decline in the number of homeowner households was in the first quarter of 2011, when it fell by 1.1%.

### **What is the current U.S. homeownership rate?**

The homeownership rate for the second quarter was 65%, down from 65.1% in the first quarter and 65.6% one year prior.

The report comes out as Treasury Secretary Scott Bessent said the Trump Administration may [declare a national housing emergency](#) at some point this fall.

Along with affordability concerns, [demographics may also be playing a part](#) in why fewer people are homeowners, Redfin economists said.

"America's homeowner population is no longer growing because rising home prices, high mortgage rates and economic uncertainty have made it increasingly difficult to own a home," Chen Zhao, Redfin's head of economics research, said in a press release. "People are also getting married and starting families later, which means they're buying homes later — another factor that may be at play."

### **Is income keeping up with the cost of buying or renting?**

A separate report from the National Housing Conference found potential buyers in 176 metro areas last year needed a six-figure income to purchase a typically priced home with a 10% down payment; this is up from 30 metros in 2019.

On the other side of the table, 47% of those in occupations that NHC tracked do not earn enough to afford to rent a two-bedroom apartment; in 32 metro areas, renters needed to earn more than \$75,000 annually.

For buyers, 14% earned enough to afford to purchase a home with 10% down in 2024, versus 37% in 2019, the NHC study, "Priced out: when a good job isn't enough," found.

"These findings underscore the depth and breadth of the housing crisis" that affects families regardless of their location or job, said David Dworkin, NHC president and chief executive, in a press release.

Redfin's comments on rates cited last week's [Freddie Mac Primary Mortgage Market Survey, noting that the 30-year fixed at 6.56%](#) is a good sign as this is the lowest level since Oct. 24, 2024.

Many current homeowners locked in 2%–3% mortgage rates during 2020 and 2021, and [holding onto those loans](#) has further tightened the supply of homes for sale.

Redfin noted the median home sales price rose 1.4% year-over-year in July to \$443,867, the most for that month on record.

### **The role of property investor purchases in the shortage**

Tom Hutchens, EVP of production at Angel Oak Mortgage Solutions, said rising investor ownership is adding to the housing supply crunch.

Angel Oak's non-owner occupied debt service coverage ratio product makes up 30% to 40% of its non-qualified mortgage originations.

With the increase in appreciation comes [higher property taxes, he said, along with higher property insurance premiums](#), especially in areas struck by natural disasters.

"We've just had a lot of things working against housing in general where calling it an emergency doesn't seem that far-fetched," Hutchens said. "It's higher cost on top of higher cost."

### **What should mortgage originators do about it**

A big part of the solution for originators, Hutchens said, is to educate consumers of products outside of the agency box, including non-QM. A focus on conforming loans keeps people out of the market, such as self-employed consumers. Educating them about these alternatives can bring them back into the housing market.



If short-term rates do move lower, Hutchens expects a proliferation of adjustable rate mortgages. Those products tend to reflect shorter-term instruments. It differs from how rates for the 30-year fixed rate mortgage are calculated, which is benchmarked to the 10-year Treasury yield.

"The good news is that it's still the American dream to be a homeowner, it's still the best way to build wealth...through home ownership versus being a renter," Hutchens said. "The desire is going to remain, it's just some of these factors need to ease up."

## Housing Wire: The next generation of homebuyers is ‘overloaded’ and confused

Less than half of survey respondents could correctly answer basic questions about interest rates, credit scores and retirement savings

September 9, 2025, 1:47pm by [Sarah Wolak](#)

A new report from **FirstHome IQ** found that while younger generations express confidence in managing their finances, most still lack core financial literacy skills.

The 2025 NextGen Financial Literacy Report, released on Monday, is based on a survey done in partnership between FirstHome IQ and **National MI**. It includes 500 people between the ages 18 and 44, and it found that major gaps in knowledge exist for [Generation Z](#) and [millennials](#) around credit, investing and long-term planning.

Although more than two-thirds of participants said they felt “confident” making financial decisions, fewer than half could correctly answer basic questions about interest rates, credit scores and retirement savings.

Nearly half of [surveyed homebuyers](#) believe they need 20% down to buy a home, while only 8% correctly identified the minimum down payment for a conventional loan. Mortgage insurance is also misunderstood as only 35% recognize its main benefit (enabling smaller [down payments](#)), and just 57% know it can be removed during the loan term.

Of the respondents, 52% said they feel “overloaded” by financial information, and 51% reported having delayed major financial decisions due to their complexity. Roughly 40% of Gen Z trusts influencers for homebuying advice, and 71% use **TikTok** for research. Overall, 40% turn to [social media](#) for homebuyer education.

More than half (61%) of respondents said they would use AI tools like ChatGPT for homebuying information, which is up from 35% in January 2025.

Demographics influence financial literacy and comfort. Women reported significantly lower confidence than men (38% vs. 47%), yet performed equally well on literacy assessments.

The survey also recognized a generational knowledge gap, with quiz scores rising with age as Gen Z respondents averaged 67%, younger millennials 71% and older millennials 74%.

Buyer archetypes, representing 88% of all respondents, emerged as a result of the study.

“Stay secure” buyers, defined as those who view money as primarily for security and stability, represented 53% of the cohort. “Enjoy life” buyers, who view money for enabling experiences and are more vulnerable to [homebuying myths](#), represented 35%.

To combat buyer confusion, the survey recommends “myth-busting” campaigns for buyers to educate them on down payment options and mortgage insurance. Building trust, marketing on channels like TikTok and **Instagram**, and offering AI tools to support the homebuying process, were among the report’s recommendations.

MBA Newslink

## Redfin Shows How U.S. Housing Costs Could Return to 'Normal' by 2030 Under Certain Conditions

September 4, 2025 | By Anneliese Mahoney-[amahoney@mba.org](mailto:amahoney@mba.org)

Redfin, Seattle, released a [new report](#) exploring how housing costs could return to “normal” by 2030 if home-price growth stabilizes and mortgage rates fall to 5.5%.

The report is all based on hypotheticals, but provides a look at what conditions could normalize housing costs—to a July 2018 baseline—over the next half-decade.

“The path back to normal housing costs doesn’t require a crash in home prices—stability may be enough,” said Redfin Senior Economist Asad Khan “Buyers shouldn’t expect affordability to snap back overnight, but the trend lines point to real progress within this decade. If mortgage rates decline modestly, and price and income growth hold steady, the market for homebuyers could feel much different by the late 2020s. We are cautiously optimistic normalcy may not be as far off as many might fear.”

Looking back to July 2018, mortgage rates were in the mid-4% range, home prices were rising at a stable pace, the ratio of buyers to sellers was relatively balanced and the national median mortgage payment-to-income ratio was at 30%

To be clear, Redfin noted, “normal” doesn’t automatically mean “affordable,” particularly given the variance between different areas. Instead, the authors measured how far each market would need to move to return to its own 2018 affordability level.

With those constraints in mind, Redfin looked at a hypothetical scenario where mortgage rates fall to 5.5% and annual household income growth stays at 3.9%.

If home prices grow at current rates (1.4%) year-over-year, Redfin posits U.S. housing costs would return to normal by November 2030. If they were flat, housing costs would normalize by January 2029; if they fell 2% year-over-year, housing costs would normalize by November 2027; and if they grew 2% year-over-year, housing costs would return to normal by July 2032.

Another hypothetical scenario: If the mortgage rates remain at their current 6.7% and annual household income growth stays at 3.9%.

In that situation, if home prices grow at their current rates (1.4%), U.S. housing costs will return to normal by December 2034. If they stay flat year-over-year, housing costs will

normalize by September 2031, if they fall 2% year-over-year, housing costs will return to normal by August 2030, and if they grow 2% year-over-year, housing costs won't normalize anytime over the next decade.

The report cautioned, however, that the hypotheticals do vary widely by different metro areas. But, 16 of the 50 most-populous U.S. metro areas will return to their normal housing costs within five years if prices and household incomes continue to grow at their current pace and mortgage rates fall to 5.5%, with San Francisco already deemed to be back at its definition of normal.

“Tech-driven metros like those in the Bay Area, along with Austin, Seattle and Denver are seeing wages grow considerably faster than the national rate of 3.9%,” Khan said. “At the same time, home price growth in these metros has cooled considerably from pandemic peaks. We have already seen housing costs return to 2018 levels in San Francisco because wages have kept growing at a high rate at the same time that home price growth stabilized.”