

  
**ECONOMIC DEVELOPMENT AUTHORITY**

Date: July 18, 2022  
Item No.: 5a

Department Approval

Executive Director Approval

*Janeé Gundlach*

*Paul J. Trueman*

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Item Description: Authorize Amendments to Center for Energy and Environment (CEE) Loan Servicing Agreement

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2 The Roseville Economic Development Authority entered into a loan servicing agreement with CEE on July  
3 15, 2019 (Attachment A). The service agreement was a three year agreement. At the May 16, 2022  
4 Roseville Economic Development Authority (REDA) meeting, the board was provided information that  
5 CEE was going to increase the monthly loan servicing fee from \$6 a month to \$10 a month. The other fees  
6 associated with this contract, including a per loan setup fee of \$20 and a per loan satisfaction fee of \$30,  
7 would not be changing (Attachment B). These costs are paid for via the monthly loan payment and are  
8 covered by the interest rate. As a reminder, and per EDA direction from the May 16, 2022 meeting, the  
9 interest rate for the Roseville Revolving Loan was lowered to 3% to make for a more competitive  
10 borrowing environment. At that same meeting, and per staff recommendation, the REDA agreed to move  
11 the \$750 loan origination fee off the loan and onto the EDA levy to afford the reduced interest rate. These  
12 costs will be absorbed from the REDA's existing annual operating budget for professional services. This  
13 origination fee is not part of the loan servicing agreement. Instead, it is addressed in the professional  
14 services agreement for administration of loan programs, which isn't up for renewal until the end of 2022.  
15 Staff would note that CEE is proposing a \$2,500 increase to the professional services agreement given the  
16 four new loan programs created this year. This increase has been factored into the preliminary 2023 EDA  
17 budget.

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19 Staff is recommending the REDA amend the loan servicing agreement for another three and half years.  
20 This timeframe ensures its next renewal date will align with the renewal date for the professional services  
21 agreement, assuming a three year renewal is approved later this year. Staff is unaware of another qualified  
22 organization, at least one who is local, who would be able to administer the EDA's loan programs. And  
23 even if staff were aware of another loan servicer, given the loan serving and professional service agreements  
24 are not yet synced, staff would not recommend going out for RFP until both agreements are synced. CEE  
25 continues to be the preferred loan servicer for various City and EDA loan programs throughout the metro  
26 area. Using CEE also provides a benefit to our residents given they administer other statewide loans, which  
27 provides a one-stop shop for borrowers.

28 **BUDGET IMPLICATIONS**

29 Loan servicing agreement fees are paid for via monthly loan repayments.

30 **STAFF RECOMMENDATION**

31 Adopt a resolution authorizing the REDA President and Executive Director to enter into the amendment for  
32 loan servicing.

33 **REQUESTED EDA ACTION**

34 By motion, adopt a resolution authorizing the REDA President and Executive Director to enter into the  
35 amendment for loan servicing.

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37 Prepared by: Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086  
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39 Attachments A: Loan Servicing Agreement with CEE July 15, 2019  
40 B: Amendment to Loan Servicing Agreement  
41 C: Resolution authorizing amendment to Loan Servicing Agreement with CEE