



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022

Item No.: 6.e

Department Approval

Executive Director Approval

Item Description: Adopt a Resolution ratifying approval of loan programs administered by CEE and authorizing execution of loan documents in connect with said programs

1 **BACKGROUND**

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3 On July 19<sup>th</sup>, 2021 the Roseville Economic Development Authority (REDA) approved an  
4 amended and restated Standard Agreement for Professional Services with Center for  
5 Energy and Environment (CEE) to administer the Housing Loan Programs described below  
6 (Attachment A). This action was necessary following the REDA’s decision to expand the  
7 residential loan program offerings beyond the Revolving Loan already in place.  
8

9 *Residential Revolving Loan Program*

10 This program provides up to \$40,000 for home improvements at an interest rate of  
11 4% over a 10 year amortization. Currently, the program is not being utilized as the  
12 interest rate is not competitive.  
13

14 *Last Resort – Emergency Deferred Program*

15 This program is designed to fund an emergency, which is defined as a condition  
16 that makes the house uninhabitable, extremely dangerous to the occupants, or is  
17 capable of causing severe health problems. The loan is deferred, but not forgiven,  
18 at an interest rate of 0%. The maximum loan amount is \$10,000. There is no debt-  
19 to-income ratio requirement and the loan is due upon sale of the home, or  
20 refinancing when taking cash out.  
21

22 *Manufactured Home Improvement Program*

23 This program is designed to fund interior or exterior improvements to manufactured  
24 homes. The loan is amortized over a maximum term of 10 years at a 4% interest  
25 rate. The maximum loan amount is \$10,000. The loan has debt-to-income and  
26 loan-to-value requirements.  
27

28 *Senior Deferred Loan Program*

29 This program is designed to fund interior and exterior improvements. Because it is  
30 targeted to seniors, the loan is deferred, but not forgiven, at an interest rate of 0%.  
31 The maximum loan amount is \$25,000. There is no debt-to-income ratio  
32 requirement, but a loan-to-value of 110% applies. The loan is due upon sale of the

33 home. CEE conducts an inspection to prioritize improvements that should be done  
34 to the home.

35  
36 *Down Payment Assistance Program*

37 The program is designed to help underserved communities who seek to be first  
38 generation home owners with a \$25,000 deferred loan. One of two qualifiers is  
39 either the parents have never owned a home or if the parent lost a home to  
40 foreclosure. In order to meet this criteria, the applicant must sign an affidavit  
41 representing their parent's status and if it is found to be a false statement, the  
42 charges could result in a felony conviction, imprisonment for up to two years, and  
43 a monetary fine of up to \$20,000.

44  
45 In order to finalize individual loan approvals, and to close on the loans, the REDA must  
46 adopt a resolution ratifying the housing loan programs and authorizing the REDA  
47 Executive Director to sign all documents as it relates to the housing improvement loans  
48 (Attachment B).

49 **BUDGET IMPLICATIONS**

50 The REDA already approved the use of the existing fund balance from the Revolving Loan  
51 Program, which has a current balance of \$784,125.

52 **STAFF RECOMMENDATION**

53 Adopt the resolution ratifying the housing loan programs and authorize the REDA  
54 Executive Director to sign all documents as it relates to the housing loans.

55 **REQUESTED EDA ACTION**

56 Adopt the resolution ratifying the housing loan programs and authorize the REDA  
57 Executive Director to sign all documents as it relates to the housing loans.

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Attachment A: Amended and Restated Contract for Professional Services with CEE adopted July 19,  
2021  
B: Resolution ratifying the housing loan programs and authorizing the REDA Executive  
Director to sign all documents as it relates to the housing loans