



LOAN ORIGINATION SERVICES PROPOSAL

Developed by Center for Energy and Environment

In response to the Blaine Economic Development Authority's
Request for Proposals

November, 2021

Completed for:
Blaine Economic Development Authority

Completed by:
Center for Energy and Environment
212 3rd Ave N
Minneapolis, MN 55401

INTRODUCTION

Center for Energy and Environment is a 501(c)(3) clean energy nonprofit with special expertise in energy efficiency that stretches back 40 years. Complementary areas of focus include independent technical research, program development and implementation, community engagement, policy advocacy, and project financing. Working across homes, businesses, and communities, CEE discovers and deploys the most effective energy solutions to strengthen our economy and improve our environment. Online at mncee.org.

BACKGROUND

Center for Energy and Environment (CEE) has been administering home improvement and down-payment assistance programs in the State of Minnesota for over 35 years and has financed over \$255M in Minnesota. The Lending Center has 12 full time staff and administers programs for 17 cities (Anoka, Blaine, Brooklyn Center, Brooklyn Park, Coon Rapids, Crystal, Edina, Elk River, Fridley, Minnetonka, Minneapolis, Mounds View, New Hope, Richfield, Roseville, St. Louis Park and St. Paul), 26 Minneapolis Neighborhoods, Minnesota Housing Finance Agency, MN Department of Commerce, Ramsey County and multiple utilities.

CEE has administered the Blaine Economic Development Authority Home Improvement Loan Program since 2020. CEE has financed \$5M of improvements using this program since inception. Over the last 5 years CEE has financed 36 city loans for over \$800,000 as well as 49 loans using MHFA and CEE programs for just under \$1M. CEE has been able to leverage other program funds to complement the city programs that are available.

CEE has offices located at 212 3rd Ave N, Ste 560, Minneapolis and 1754 University Ave W, St. Paul.

SCOPE OF WORK

- A. CEE shall, in conjunction with the Authority, develop and deliver the Blaine Home Improvement Loan Program for the City of Blaine. All activities delivered under the Program shall be coordinated with the Authority's program manager. CEE has worked with Authority staff over the years to modify the existing programs to meet the needs of the community.
- B. CEE shall assist the Authority staff in marketing the Program on a time and materials basis. CEE has a full marketing team to work with the Authority staff to help promote and make sure the program is a success. CEE will create a direct link on its website for the program and applicants can apply online. CEE will also help write articles to be placed in newsletters and create a information sheet to be used for marketing purposes. CEE will also attend any events to help promote the program.
- C. CEE shall provide Remodeling Advisor Services that offers residents a visit to their property by an experienced housing professional to provide information regarding proposed projects, required building permits, set-backs, easements and the collection and analysis of bids from reputable contractors. CEE has provided 275 Remodeling Advisor Visits since the beginning of the existing program.
- D. CEE shall originate and close all Program loans. Applicants can apply online or CEE will supply a paper application as requested. CEE has the ability to close loans in person at our Minneapolis or St. Paul office, as well as by mail.
- E. CEE shall develop a personalized financial package for each eligible borrower that coordinates financing from the Program.
- F. CEE shall complete an Post Installation Inspection (PII) whenever a building permit is not required to verify that all improvement are complete and were used for eligible purposes. CEE has performed 239 PII's for the existing program.
- G. CEE shall obtain and maintain insurance in the amounts listed below:

General Liability	\$2,000,000 Aggregate Limit
Automobile	\$1,000,000 Combined Single
Excess Liability	\$1,000,000 Aggregate Limit
Errors and	\$1,000,000
Workers	Statutory Limit

H. CEE shall indemnify, defend and hold harmless the Authority and the City and their officers, directors, employees and agents from and against any and all claims, damages, losses, injuries and expenses (including attorney's fees and damages from death, personal injury and property damage) which the Authority or the City may incur as a result of any act or omission by the service provider in providing services under this agreement.

ADMINISTRATION COST

1. Annual Administration Fee: \$2,500 per calendar year. This includes monthly reporting, attending housing events, meetings, contract amendments and technology updates and maintenance.
2. One Time Program Set-Up Fee: \$1,500
3. Loan Origination
 - a. Home Improvement Loans: \$750 per loan closed (Borrowers pay a 1% Origination Fee, Document Preparation Fee, Credit Report, Title Work, Mortgage filing and any other applicable closing fees)
 - b. Manufactured Home Improvement Loan: \$750 per loan closed (Borrowers pay a 1% Origination Fee, Document Preparation Fee, Credit Report, Title Work, Mortgage filing and any other applicable closing fees)
 - c. Deferred Loans: \$750 per loan closed (Borrowers pay a 1% Origination Fee, Document Preparation Fee, Credit Report, Title Work, Mortgage filing and any other applicable closing fees)
 - d. Down Payment Assistance Deferred Loans: \$950 per loan closed (Borrowers pay Mortgage filing fees)
 - e. Rental Property Improvement Loans: \$750 per loan closed (Borrowers pay a 1% Origination Fee, Document Preparation Fee, Credit Report, Title Work, Mortgage filing and any other applicable closing fees)

- f. Application Fee: \$50 per loan application received and withdrawn, cancelled, denied or approved and not accepted
- 4. Remodeling Advisor Visit: \$250 per visit
- 5. Post Installation Inspection: \$125 per inspection
- 6. Program Development and Marketing: The \$1,500 One Time Program Set-Up Fee includes the Program Development and creating the website link and information sheet. Marketing cost is billed at the current hourly CEE Market Rate and material/postage cost. This would be for direct mailings, design of marketing materials and any other marketing efforts (social media, streaming media, radio, etc.)

References

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For questions regarding the RFP please contact:

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