



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

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May 27, 2015

Council File: 12-0194 & 12-0777  
Council District: Citywide  
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Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**EXECUTIVE DIRECTIVE NO. 3 TRANSMITTAL: REQUEST FOR APPROVAL TO EXECUTE THE SECOND AMENDMENTS TO: 1) INTERNATIONAL REALTY AND INVESTMENTS, INC. AND OVERLAND PACIFIC AND CUTLER, INC. FOR PROPERTY MANAGEMENT SERVICES; AND, 2) AMERINATIONAL COMMUNITY SERVICES, INC. FOR LOAN SERVICING**

**SUMMARY**

In accordance with the Mayor's Executive Directive No. 3, the General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests authority to execute second amendments with International Realty and Investments, Inc. (C-123730) and Overland, Pacific and Cutler, Inc. (C-122917) to provide property management services for HCIDLA's Real Estate Owned (REO) properties. The two contracts each commenced on April 1, 2013 for a one-year period with an option to renew for two additional one-year periods. In April 2014, HCIDLA opted to renew the two contracts and executed the first amendments to extend the term of the contracts to March 31, 2015. The proposed second amendments will allow for HCIDLA to exercise the final renewal option for both contracts, which would result in extending the terms of both contracts to March 31, 2016 (Attachments A and B).

HCIDLA also requests authority to execute a second amendment with AmeriNational Community Services, Inc. (AmeriNational) to provide loan servicing for HCIDLA. The initial contract (C-121127) commenced May 1, 2012 for a three-year period with the option to renew for two additional one-year periods. The contract expired on April 30, 2015. The proposed second amendment will allow the City to exercise the renewal option to extend the term of the contract to April 30, 2016 (Attachment C).

## **RECOMMENDATIONS**

The General Manager of HCIDLA respectfully requests that the Mayor:

1. AUTHORIZE the General Manager, HCIDLA, or designee, to execute a second amendment to extend contract (C-123730) with International Realty and Investments, Inc. for one year through March 31, 2016, to continue to provide property management services for HCIDLA's Real Estate Owned properties, subject to review and approval by the City Attorney as to form;
2. AUTHORIZE the General Manager, HCIDLA, or designee, to execute a second amendment to extend contract (C-122917) with Overland, Pacific and Cutler, Inc. for one year through March 31, 2016, to continue to provide property management services for HCIDLA's Real Estate Owned properties, subject to review and approval by the City Attorney as to form; and
3. AUTHORIZE the General Manager, HCIDLA, or designee, to execute a second amendment to extend contract (C-121127) with AmeriNational Community Services, Inc. for one year through April 30, 2016, to continue to provide loan servicing for HCIDLA, subject to review and approval by the City Attorney as to form.

## **BACKGROUND**

### **Property Management Services**

The two current property management contractors will be responsible for managing the HCIDLA portfolio of ten REO properties. The properties range from single family homes and small apartment buildings to vacant lots acquired for the purpose of creating and sustaining affordable housing.

The contractors, International Realty and Investments, Inc. and Overland Pacific and Cutler, Inc., were selected through a Request For Proposal (RFP) conducted in October 2012 to manage the occupied REO properties (C.F. 12-0194). These contracts are funded only through rental revenues generated from the portfolio of the HCIDLA-owned, occupied properties. HCIDLA requests a contract extension for additional time and does not seek funding for the two property management contracts.

### **Loan Servicing**

HCIDLA currently has a contract with AmeriNational to service HCIDLA's portfolio of amortizing loans. The total amount of this contract is \$450,000 for a three-year period beginning May 1, 2012 through April 30, 2015 with two one-year renewal options. AmeriNational was chosen through a RFP released in December 2011 (C.F. 12-0777). This contract was funded exclusively with Municipal Housing Finance Funds. The contract was subsequently amended to increase the contract amount by an additional \$50,000 from the Low and Moderate Income Housing Fund. The scope of work was also

amended to include the servicing of the recently acquired portfolio of the former Community Redevelopment Agency of the City of Los Angeles loans. The AmeriNational contract has sufficient remaining unspent funds from the initial three-year contract period to continue to provide services anticipated during the additional one-year period. Therefore, HCIDLA does not seek additional funds for this contract.

### **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund. The recommendations in this report are for the time extension of three contracts related to property management and loan servicing. The proposed contract amendments will be funded by the initial funding allocations from the Municipal Housing Finance Fund, Low and Moderate Income Housing Fund and rental revenues.

Prepared by:

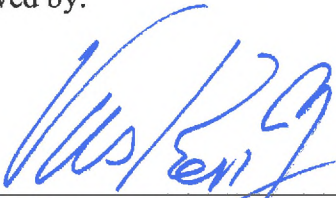


THANH DOAN  
Management Analyst II  
Loan Portfolio



MARK GANDARA  
Financial Development Officer II  
Loan Portfolio

Reviewed by:



VASKEN DJANSEZIAN  
Manager, Loan Portfolio

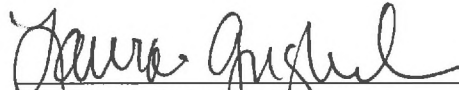


DOUGLAS SWOGER  
Director of Asset Management

Approved by:



HELMI HISSERICH  
Assistant General Manager



LAURA GUGLIELMO  
Executive Officer

Approved by:



RUSHMORE D. CERVANTES  
General Manager

- Attachment A: Draft Amendment - International Realty and Investments, Inc.
- Attachment B: Draft Amendment - Overland, Pacific and Cutler, Inc.
- Attachment C: Draft Amendment - AmeriNational Community Services, Inc.

SECOND AMENDMENT  
 TO AGREEMENT NUMBER **C-123730** OF CITY OF LOS ANGELES CONTRACT  
 BETWEEN  
 THE CITY OF LOS ANGELES  
 AND  
**INTERNATIONAL REALTY AND INVESTMENTS, INC.**  
 PROPERTY MANAGEMENT SERVICES

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THIS SECOND AMENDMENT to Agreement Number **C-123730** of City of Los Angeles Contract is made and entered into, by and between the City of Los Angeles, hereinafter referred to as the City, and **INTERNATIONAL REALTY AND INVESTMENTS, INC.**, hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective April 1, 2013 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section **§505** of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the Office of the Mayor, Executive Directive Number Three, dated May XX, 2015 which authorizes the General Manager of the Los Angeles Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding an additional twelve (12) months for a new ending date of March 31, 2016 and (b) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective April 1, 2015, as follows:

SECOND AMENDMENT

§1. Amend Section **§201 Time of Performance**, by deleting the current ending date of March 31, 2015, and replacing with the new ending date of March 31, 2016.

This amendment adds an additional twelve (12) months for a total term of thirty-six (36) months.

§2. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

§3. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes two (2) pages which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

MICHAEL N. FEUER, City Attorney

For: THE CITY OF LOS ANGELES  
RUSHMORE D. CERVANTES  
General Manager

Los Angeles Housing Community +  
Investment Department

By: \_\_\_\_\_  
Deputy / Assistant City Attorney

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

HOLLY L. WOLCOTT, City Clerk

For: **INTERNATIONAL REALTY AND  
INVESTMENTS, INC.**

By: \_\_\_\_\_  
Deputy City Clerk

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Contractor's Corporate Seal or Notary)

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

CAO/Council File Number	Contract/Amendments	Dates
Executive Directive No. 3	2nd Amendment	
C.F. 13-1395	1st Amendment	04/08/2014
C.F. 12-0194	Original Contract	06/12/2013

Said Agreement is Number C- 123730 of City Contracts, Amendment 2

City Business License Number: 691265-0001-7

Internal Revenue Service Number: 95-4260229

SECOND AMENDMENT  
 TO AGREEMENT NUMBER C-122917 OF CITY OF LOS ANGELES CONTRACT  
 BETWEEN  
 THE CITY OF LOS ANGELES  
 AND  
OVERLAND, PACIFIC & CUTLER, INC.  
 PROPERTY MANAGEMENT SERVICES

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THIS SECOND AMENDMENT to Agreement Number C-122917 of City of Los Angeles Contract is made and entered into, by and between the City of Los Angeles, hereinafter referred to as the City, and OVERLAND, PACIFIC & CUTLER, INC., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective April 1, 2013 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section **§505** of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the Office of the Mayor Executive Directive Number Three, dated May XX, 2013 which authorizes the General Manager of the Los Angeles Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding an additional twelve (12) months for a new ending date of March 31, 2016 and (b) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective April 1, 2015, as follows:

SECOND AMENDMENT

- §1. Amend Section **§201 Time of Performance**, by deleting the current ending date of March 31, 2015, and replacing with the new ending date of March 31, 2016.

This amendment adds an additional twelve (12) months for a total term of thirty-six (36) months.

- §2. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

- §3. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes two (2) pages which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

MICHAEL N. FEUER, City Attorney

For: THE CITY OF LOS ANGELES  
RUSHMORE D. CERVANTES  
General Manager

Los Angeles Housing Community +  
Investment Department

By: \_\_\_\_\_  
Deputy / Assistant City Attorney

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

HOLLY L. WOLCOTT, City Clerk

For: **OVERLAND, PACIFIC & CUTLER, INC.**

By: \_\_\_\_\_  
Deputy City Clerk

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Contractor's Corporate Seal or Notary)

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

CAO/Council File Number	Contract/Amendments	Dates
Executive Directive No. 3	2nd Amendment	TBD
C.F. 13-1395	1st Amendment	04/08/2014
C.F. 12-0194	Original Contract	06/12/2013

Said Agreement is Number C- 122917 of City Contracts, Amendment 2

City Business License Number: 0000957553-0001-3

Internal Revenue Service Number: 95-3559948



SECOND AMENDMENT  
TO AGREEMENT NUMBER C-121127 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
AMERINATIONAL COMMUNITY SERVICES, INC.  
LOAN SERVICING

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THIS SECOND AMENDMENT to Agreement Number C-121127 of City of Los Angeles Contract is made and entered into, by and between the City of Los Angeles, hereinafter referred to as the City, and AMERINATIONAL COMMUNITY SERVICES, INC. hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective May 1, 2012 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section **§505** of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the Office of the Mayor, Executive Directive Number Three, dated May XX, 2015 which authorizes the General Manager of the Los Angeles Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding an additional twelve (12) months for a new ending date of April 30, 2016 and (b) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective May 1, 2015, as follows:

SECOND AMENDMENT

- §1. Amend Section **§201 Time of Performance**, by deleting the current ending date of April 30, 2015, and replacing with the new ending date of April 30, 2016.

This amendment adds an additional twelve (12) months for a total term of forty-eight (48) months.

- §2. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

- §3. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes two (2) pages which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

MICHAEL N. FEUER, City Attorney

For: THE CITY OF LOS ANGELES  
RUSHMORE D. CERVANTES  
General Manager

By: \_\_\_\_\_  
Deputy / Assistant City Attorney

Los Angeles Housing Community +  
Investment Department

Date: \_\_\_\_\_

By: \_\_\_\_\_

ATTEST:

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015

HOLLY L. WOLCOTT, City Clerk

For: **AMERINATIONAL COMMUNITY SERVICES, INC.**

By: \_\_\_\_\_  
Deputy City Clerk

By: \_\_\_\_\_  
Print name: ADRIENNE THORSON  
Title: Chief Executive Officer

Date: \_\_\_\_\_

(Contractor's Corporate Seal or Notary)

By: \_\_\_\_\_  
Print name: MICHAEL TORRES  
Title: President & Chief Operation Officer

CAO/Council File Number	Contract/Amendments	Dates
Executive Directive No. 3	2nd Amendment	TBD
C.F. 12-0049	1st Amendment	12/18/2013
C.F. 08-0486	Original Contract	10/29/2008

Said Agreement is Number C- 121127 of City Contracts, Amendment 2

City Business License Number: 067771-1-3

Internal Revenue Service Number: 41-1951655