

# TRANSMITTAL

To:

**THE COUNCIL**

Date: 06/21/2016

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Ana Guerrero)

**ERIC GARCETTI**  
Mayor



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

Housing Development Bureau  
1200 West 7th Street, Los Angeles, CA 90017  
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May 25, 2016

Council File: 13-0725, 13-0725-S1, 12-077 & 12-0194  
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

**COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL TO EXTEND THE CONTRACT TERM FOR AMERINATIONAL COMMUNITY SERVICES, INC.; COMPREHENSIVE REAL ESTATE SERVICES; AND CAL PACIFIC PROPERTIES, INC. FOR LOAN SERVICING AND REAL ESTATE BROKER SERVICES**

**SUMMARY**

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests authority to execute amendments with three contracts to continue loan servicing and real estate broker services related to the HCIDLA loan portfolio and Real Estate Owned (REO) properties.

HCIDLA is requesting authority for a fifth-year extension with AmeriNational Community Services, Inc. (C-121127) for loan servicing services. The contract commenced on May 1, 2012 for a three-year period with an option to renew for two additional one-year periods. Upon approval of the recommendations, HCIDLA will extend the term of the contract by one year, from May 1, 2016 to April 30, 2017.

HCIDLA is requesting authority for third-year extensions for two contracts with Comprehensive Real Estate Services (C-125187) and Cal Pacific Properties Inc. (C-125255) for real estate broker services, which will extend the term of each respective contract by one year, from October 1, 2016 to September 30, 2017.

## **RECOMMENDATIONS**

The General Manager of HCIDLA respectfully requests:

- I. That your office schedule this transmittal for consideration at the next available meeting(s) of the appropriate Committee(s) of the City Council and forward it to the City Council for review and approval immediately thereafter;
- II. That the City Council, subject to the approval of the Mayor, take the following actions:
  - A. Authorize the HCIDLA General Manager, or designee, to execute the third amendment for a fifth-year extension with AmeriNational Community Services (C-121127) to extend the contract for one year, from May 1, 2016 to April 30, 2017, to continue to provide loan servicing services, subject to review and approval by the City Attorney as to form;
  - B. Authorize the HCIDLA General Manager, or designee, to execute the second amendment for a third-year extension with Comprehensive Real Estate Services (C-125187) to extend the contract for one year, from October 1, 2016 to September 30, 2017, to continue to provide real estate broker services for HCIDLA REO properties, subject to review and approval by the City Attorney as to form;
  - C. Authorize the HCIDLA General Manager, or designee, to execute the second amendment for a third-year extension with Cal Pacific Properties Inc. (C-125255) to extend the contract for one year, from October 1, 2016 to September 30, 2017, to continue to provide real estate broker services for HCIDLA REO properties, subject to review and approval by the City Attorney as to form;

## **BACKGROUND**

HCIDLA currently utilizes contracts for loan servicing and real estate broker services. The loan servicing contractor services the HCIDLA portfolio of regular payment loans including those acquired from the former Community Redevelopment Agency of the City of Los Angeles. The real estate broker contractors provide market and sales services for HCIDLA REO properties.

### **Loan Servicing**

The HCIDLA contract with AmeriNational Community Services is utilized for the HCIDLA 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 additional one-year renewal options. HCIDLA proposes to renew the contract from May 1, 2016 to April 30, 2017. AmeriNational Community Services 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 loan servicing of the acquired portfolio of the former Community Redevelopment Agency of the City of Los Angeles. Due to the fact that the AmeriNational Community Services contract has \$129,314.09 remaining unspent funds which is projected to be sufficient in providing services anticipated during the additional fifth one-year period, HCIDLA does not seek additional funds for this contract.

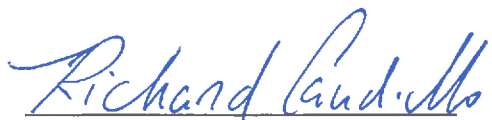
### Real Estate Broker Services

HCIDLA currently utilizes two real estate broker contractors, Comprehensive Real Estate Services and Cal Pacific Properties, Inc., to market and sell selected properties from the HCIDLA REO portfolio. The contractors were selected through a RFP released in November 2013 (C.F. 13-0725). HCIDLA subsequently entered into contracts with the selected contractors for a term of one year, commencing on October 1, 2014 through September 30, 2015. The contractors are compensated through commissions from the sale of REO properties and not from City funds; therefore, HCIDLA does not seek additional funds for this contract. The contracts include provisions for two one-year renewal options, and HCIDLA proposes to renew each respective contract from October 1, 2016 to September 30, 2017.

### 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 loan servicing and real estate broker services. The proposed amendments for the three contracts will either be funded through commissions generated by the sale of REO properties or funding previously allocated from the Municipal Housing Finance Funds and Low and Moderate Income Housing Fund.

Prepared by:



RICHARD CAUDILLO  
Management Assistant

Reviewed by:



MARK GANDARA  
Financial Development Officer II

Reviewed by:



VASKEN DJANSEZIAN For  
Community Housing Program Manager

Reviewed by:



DOUGLAS SWOGER  
Director of Housing

Reviewed by:



HELMI HISSERICH  
Assistant General Manager

Reviewed by:



LAURA K. GUGLIELMO  
Executive Officer

Approved by:



RUSHMORE D. CERVANTES  
General Manager

Attachment– Draft Contract Amendment

\_\_\_\_\_ AMENDMENT  
TO AGREEMENT NUMBER \_\_\_\_\_ OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND

THIS FIRST AMENDMENT to Agreement Number \_\_\_\_\_ 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 \_\_\_\_\_, 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 \_\_\_\_\_ and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section \_\_\_\_\_ of the Agreement provides for amendments to the Agreement; and

WHEREAS, The Agreement contemplated that modifications and closeout activities may be required after the time set forth in "§2A. Term of Agreement" of the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and the Mayor (refer to Council File Number dated \_\_\_\_\_) or the City Administrative Officer (CAO) and the Mayor (refer to CAO Report Number \_\_\_\_\_ dated \_\_\_\_\_) or Section 14.8 of the Los Angeles Administrative Code which authorizes the General Manager of the Housing and Community Investment Department (HCID), formerly known as the Los Angeles Housing Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of xxxxx Thousand Dollars (\$xxxx) for a new total of xxxx Thousand Dollars (\$xxxx); (b) adding an additional xxx (xx) months for a new ending date of xxxxx; (c) adding additional services; and (d) 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 as follows:

\_\_\_\_\_ AMENDMENT

- §1. Amend Section 201 Time of Performance by deleting the current ending date of xxxx and replacing with the new ending date of xxxxx. This amendment adds an additional xxxxx (xx) months for a total term of xxxx (xx) 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) duplicate originals, each of which is deemed to be an original. This Amendment includes \_\_\_\_\_ ( ) 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:  
MICHAEL N. FEUER, City Attorney

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

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

For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES  
General Manager  
Housing and Community  
Investment Department

Date \_\_\_\_\_

ATTEST:

By \_\_\_\_\_

HOLLY L. WOLCOTT, City Clerk

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

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Date \_\_\_\_\_

For: \_\_\_\_\_  
A \_\_\_\_\_

(Contractor's Corporate  
Seal or Notary)

By \_\_\_\_\_  
CONTRACTOR

Type Name \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

City Business License Number: \_\_\_\_\_  
Internal Revenue Service Number: \_\_\_\_\_  
Council File/CAO File Number: \_\_\_\_\_ Date of Approval \_\_\_\_\_  
Said Agreement is Number \_\_\_\_\_ of City Contracts Amendment 1