

TRANSMITTAL

To:

THE COUNCIL

Date: 10/24/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, Interim General Manager

Housing Development Bureau
1200 West 7th Street, Los Angeles, CA 90017
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hcidla.lacity.org

October 20, 2016

Council File: 13-0725-S1
Council District: Citywide
Contact Person: Mark Gandara (213) 808-8677
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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 AUTHORITY TO EXECUTE THE SECOND AMENDMENT WITH INTUITIVE REAL ESTATE SOLUTIONS, LLC FOR PROPERTY MANAGEMENT SERVICES

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) requests authority to execute a second amendment to City Contract C-125338 with Intuitive Real Estate Solutions, LLC (IRES) to provide property management services for HCIDLA-owned properties. This contract commenced on January 1, 2015 for an initial one-year period in the amount of \$130,000 with an option to renew for two additional one-year periods (C.F. 13-0725-S1). Thereafter, HCIDLA executed the first amendment to the contract with IRES to exercise the first renewal period, which expires on December 31, 2016. The proposed second amendment consists of a one-year extension that will begin on January 1, 2017 and a funding increase by \$190,000, from \$130,000 to \$320,000 for additional property management costs. A draft of the second amendment is provided in the Attachment.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests the following:

- 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 second amendment of City Contract C-125338 with IRES to increase the contract amount by \$190,000, from \$130,000 to an

amount not to exceed \$320,000, and extend the term for one year to continue to provide property management services for HCIDLA properties, subject to review and approval by the City Attorney as to form;

- B. Authorize the City Controller to expend funds for City Contract C-125338 with IRES from the following sources; and,

Fund Name – Number	Account	Account Name	Amount
Housing Production Fund – 240	43L449	Property Management	\$75,000
Low and Moderate Income Housing – 55J	43L449	Property Management	\$115,000
Total			\$190,000

- C. Authorize the HCIDLA General Manager, or designee, to prepare Controller’s instructions and technical adjustments consistent with the Mayor and City Council actions, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

BACKGROUND

Previously, the Mayor and City Council authorized HCIDLA to conduct a competitive Request for Proposals (RFP) process for property management services in April 2012, and, real estate broker services in August 2013 (C.F. 12-0194 & 13-0725, respectively). As such, HCIDLA released the joint RFP for Real Estate Broker and Property Management Services in November 2013, selecting IRES as a qualified contractor to provide property management services for HCIDLA-owned properties. IRES was awarded a contract not to exceed \$320,000 in compensation for a contract term of one year, with option to renew for two additional one-year periods. The funds for City Contract C-125338 were allocated from the Low and Moderate Income Housing Fund (LMIHF) in the amount \$245,000 and from the Housing Production Revolving Fund (HPRF) in the amount of \$75,000 (C.F. 13-0725-S1).

HCIDLA currently owns 27 vacant properties, including sites that were transferred from the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA). These properties consist of single family homes, small apartment buildings and vacant lots acquired for the purpose of creating affordable housing. HCIDLA has an ongoing need for services to prevent blighted conditions or health and safety concerns at the former CRA/LA sites. Under the terms of its contract, IRES provides active property management services including but not limited to: graffiti abatement, litter, trash or large debris removal, clearance of brush overgrowth, and repair of damaged fences.

HCIDLA projects that \$130,000 in compensation will be disbursed by December 31, 2016 for services provided by IRES. As of September 2016, there is \$190,000 in funds available for the second extension, consisting of \$115,000 from the LMIHF and \$75,000 from the HPRF. HCIDLA requests to increase the contract amount by \$190,000 for the remaining renewal period, which will be utilized for ongoing maintenance expenses, site preparation work associated with property disposition activities and any unanticipated site repairs or blight removal. The second extension is proposed to expire on December 31, 2017.

FISCAL IMPACT STATEMENT

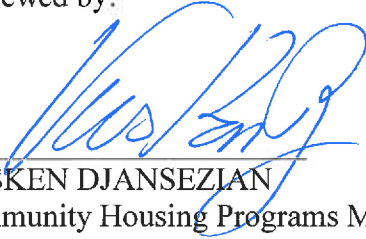
There is no impact on the General Fund. The recommendations in this report will allow for an amount not to exceed \$115,000 from the LMIHF and \$75,000 from the HPRF to pay for property management expenses for HCIDLA-owned properties.

Prepared by:



MARK GANDARA
Finance Development Officer II

Reviewed by:



VASKEN DJANSEZIAN
Community Housing Programs Manager




DOUGLAS SWOGER
Director of Housing

Approved by:



HELMI HISSERICH
Assistant General Manager



LAURA GUGLIELMO
Executive Officer

Approved by:



RUSHMORE D. CERVANTES
General Manager

Attachment: Draft Amendment for Intuitive Real Estate Solutions, LLC

SECOND AMENDMENT
TO AGREEMENT NUMBER C-125338 OF CITY OF LOS ANGELES CONTRACT
BETWEEN
THE CITY OF LOS ANGELES
AND
INTUITIVE REAL ESTATE SOLUTIONS,LLC.
PROPERTY MANAGEMENT SERVICES

THIS FIRST AMENDMENT to Agreement Number C-125338 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 INTUITIVE REAL ESTATE SOLUTIONS,LLC., 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 January 1, 2015 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 City Council and Office of the Mayor, dated XX XX, 2016 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 December 31, 2017 (b) increase total contract funding to \$320,000 and (c) 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 January 1, 2017, as follows:

SECOND AMENDMENT

- §1. Amend Section **§201 Time of Performance**, by deleting the current ending date of December 31, 2016, and replacing with the new ending date of December 31, 2017.

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

- §2. Amend Section **§301 Compensation and Method of Payment**, by deleting the current total dollar amount of One Hundred and Thirty Thousand Dollars (\$130,000.00) and replacing with the new total dollar amount of Three Hundred and Twenty Thousand Dollars (\$320,000.00). This amendment adds One Hundred and Ninety Thousand Dollars (\$190,000.00) allocated from Low and Moderate Income Housing Fund No. 55J and Housing Production Revolving Fund No. 240.

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

- §4. 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 _____, 2016

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: _____
Print name: _____
Title: _____

Date: _____

ATTEST:

Executed this ____ day of _____, 2016

HOLLY L. WOLCOTT, City Clerk

For: INTUITIVE REAL ESTATE
SOLUTIONS, LLC.
A California for Profit Corporation

By: _____
Deputy City Clerk

By: _____
Print name: JOSEPH WILLIAMS
Title: President

Date: _____

(Contractor's Corporate Seal or Notary)

Attest:
By: _____
Print name: _____
Title: _____

CAO/Council File Number	Contract/Amendments	Dates
Executive Directive No. 3	1st Amendment	12/04/2015
C.F. 13-0725	Original Contract	10/01/2014

Said Agreement is Number C- 1251338 of City Contracts, Amendment 2

City Business License Number: 0002697988-0001-8

Internal Revenue Service Number: 46-2276553