



Board Agenda Item 53

DATE: June 6, 2017

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Agreement with AmeriNat for Loan Portfolio Management Services

RECOMMENDED ACTIONS:

- 1. Approve and authorize Chairman to execute Agreement with AmeriNational Community Services, LLC., dba AmeriNat, to provide loan portfolio management services for the Affordable Housing Programs and Façade And Commercial Enhancement Program (\$275,000);**
- 2. Authorize the Director of the Department of Public Works and Planning, or his designee, to execute all related documents necessary for implementing portfolio management services, including any amendments thereto, subject to review of County Counsel and Auditor-Controller/Treasurer-Tax Collector.**

This action recommends awarding the contract to AmeriNat for Loan Portfolio Management Services in response to Request for Proposal 17-063, and authorizes the Chairman to execute an Agreement with AmeriNat, the recommended vendor deemed the most responsive, responsible bidder. The Agreement is to provide loan portfolio management services (loan servicing) for the County's loans under its Affordable Housing Programs (AHP) and Façade And Commercial Enhancement Program (FACE). The recommended Agreement is a three year contract with two potential one-year renewals subject to written authorization based on satisfactory performance and funding availability.

ALTERNATIVE ACTION:

If the recommended actions are not approved, no loan portfolio management services will be provided. This would jeopardize the County's ability to manage loan repayments consistent with Federal grant regulations.

FISCAL IMPACT:

There is no Net County Cost associated with this item. The Agreement provides funding of approximately \$55,000 for each year of the three-year contract, for a total of \$165,000. The recommended Agreement is a three-year contract, with two potential one-year renewals subject to written authorization based upon satisfactory performance and availability of grant funds, for a potential contract amount of up to \$275,000 over the five-year period. This is a reduced cost comparative to the current contract (\$305,000 for the five year term), which expires in June, 2017.

Funding for the contracted services will be primarily from the County's HOME Investment Partnerships (HOME) Grant and Community Development Block Grant (CDBG), where the total loan repayments currently average approximately \$500,000 for each grant annually. Sufficient appropriations for loan servicing are primarily included in the Department's FY 2016-17 annual budgets for Public Works and Planning - Grants Org 5512

(HOME) and Community Development Block Grant Org 7205 (CDBG). Loan repayments from other one-time housing grants such as CalHome, Neighborhood Stabilization Program (NSP) and Housing Preservation Grant (HPG) pay the servicing costs for those programs' outstanding loans through Org 5512 annually as well. Sufficient appropriations for future years will be included in those requested budgets.

DISCUSSION:

In June, 2012, the County entered into an Agreement with AmeriNational Community Services, Inc. (now dba AmeriNat), through a formal RFP process, to provide Loan Portfolio Management Services for the County's Affordable Housing Program (AHP) and Façade And Commercial Enhancement (FACE) Program outstanding loans. AmeriNat has successfully provided satisfactory and cost efficient loan servicing for the County since that time. The loan portfolio has been reduced appropriately over the past five years from over 1,200 outstanding loans to just over 1,000, as over 200 loans have matured and been successfully paid off through the streamlined loan servicing process implemented by the County and its current vendor. The current contract with AmeriNat expires in June, 2017.

Consistent with the County's policy to bid out services every 3-5 years, the Department worked with the County's Purchasing Division re-bid these services through a formal RFP process. On March 10, 2017, the County published RFP Number 17-063, requesting proposals from qualified loan servicing agencies to provide loan portfolio management (loan servicing) for loans under the County's AHP and FACE Programs.

On April 7, 2017, two bids were received in response to the RFP. The most responsive, responsible bidder was AmeriNat, for an estimated three-year cost of \$165,000. AmeriNat demonstrated in its proposal the company's experience specifically servicing affordable housing type loans that are government-funded with low/no interest and low/deferred payments, and best met all of the requirements for the scope of work to be performed as listed in the RFP. An Evaluation Review Team, coordinated by the Purchasing Division, reviewed and ranked the two bid proposals, and unanimously ranked AmeriNat as the most responsive, responsible bidder.

It is recommended that the Board approve the bid and authorize award of the contract for loan portfolio management services to AmeriNat, in the amount of \$165,000 for a three-year contract. The recommended Agreement is for a three-year period with two potential one-year renewals subject to written authorization based on satisfactory performance and availability of funds. The total amount of the contract may be up to \$275,000 over a five-year period.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with AmeriNat

CAO ANALYST:

John Hays