



## Legislation Details (With Text)

**File #:** 1315-2020      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 5/29/2020      **In control:** Economic Development Committee

**On agenda:** 6/15/2020      **Final action:** 6/18/2020

**Title:** To authorize the repeal of ordinance 0201-2020; to authorize the appropriation and expenditure of \$95,000.00 from the Neighborhood Economic Development fund; to authorize the Director of Development to modify a contract with AmeriNational Community Services, LLC for loan servicing to add \$95,000.00; to authorize payments for services retroactive to March 1, 2020 and extend the contract end date to June 31, 2021; to authorize the addition/removal of program guidelines/loan servicing options as necessary throughout the contract period as loans are added/removed from the loan portfolio over time; and to declare an emergency. (\$95,000.00)

### Sponsors:

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### Code sections:

**Attachments:** 1. ORD1315-2020 2020-05-26 Housing Loan Service AmerinNational Contract Mod Repeal v2

Date	Ver.	Action By	Action	Result
6/18/2020	1	CITY CLERK	Attest	
6/17/2020	1	MAYOR	Signed	
6/15/2020	1	COUNCIL PRESIDENT	Signed	
6/15/2020	1	Columbus City Council	Approved	Pass

### BACKGROUND

This legislation authorizes the repeal of ordinance 0201-2020, authorizes the appropriation and expenditure of \$95,000.00 from the Neighborhood Economic Development fund, and authorizes the Director of Development to modify a contract with AmeriNational Community Services, LLC for loan servicing. The modification will include adding \$95,000.00, authorizing payments for services retroactive to March 1, 2020, extending the contract end date to June 31, 2021, and allowing the addition/removal of program guidelines/loan servicing options as necessary throughout the contract period, as loans are added/removed from the loan portfolio over time. These would be non-substantive changes to the terms of the contract.

AmeriNational services loans provided to small business, home owners, home builders, and multi-family unit builders funded by the city's Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and the Neighborhood Stabilization Program (NSP) grants.

Competitive bids were solicited for this service through Vendor Services in 2011. The 2011 Mortgage Loan Servicing RFP provided for four, two-year contract periods. One firm responded and was selected (AmeriNational Community Services, LLC).

The original procurement effort and contract, including most renewals, were managed by the Department of Finance and Management. In 2019, the Department of Development took ownership of the contract as the loans in the portfolio are held by the Department of Development. Since taking over the contract, Development has begun the process of reviewing the loan portfolio. Before the COVID-19 pandemic, the department intended to work diligently to review the portfolio, make it portable to a potential new vendor, and advertise for new loan servicing in mid-2020. Due to the disruption in work caused by the pandemic, and given that most of the files are paper files, the portfolio review will take

longer than anticipated so therefore, advertisement for loan servicing has been postponed until 2021.

If during the review of the portfolio it is determined that any change in services are needed, the department seeks authority to modify the services without seeking further council approval. This would be done through updating the program guideline forms AmeriNational uses to manage loan portfolios.

This ordinance repeals and replaces ordinance 0201-2020 due to a change in the funding source used to fund the contract and the contract completion date is being extended six months longer than originally proposed due to COVID-19.

Prior contracts/renewals were authorized as follows:

Ordinance 0139-2012	\$185,000.00
Ordinance 0112-2013	\$120,000.00
Ordinance 0146-2014	\$120,000.00
Ordinance 0362-2015	\$118,260.00
Ordinance 0400-2016	\$103,753.17
Ordinance 0995-2017	\$102,463.00
Ordinance 0166-2018	\$ 80,000.00
Ordinance 0218-2019	<u>\$ 80,000.00</u>
	\$909,476.17

The total compensation for all authorized parts of prior renewals and this modification number 1 results in a total contract amount of \$1,004,476.17.

Emergency action is requested in order to continue services without interruption.

#### **FISCAL IMPACT**

Funding is available in the amount of \$95,000.00 in the Neighborhood Economic Development Fund (Fund 2237).

To authorize the repeal of ordinance 0201-2020; to authorize the appropriation and expenditure of \$95,000.00 from the Neighborhood Economic Development fund; to authorize the Director of Development to modify a contract with AmeriNational Community Services, LLC for loan servicing to add \$95,000.00; to authorize payments for services retroactive to March 1, 2020 and extend the contract end date to June 31, 2021; to authorize the addition/removal of program guidelines/loan servicing options as necessary throughout the contract period as loans are added/removed from the loan portfolio over time; and to declare an emergency. (\$95,000.00)

**WHEREAS**, it is necessary to repeal ordinance 0201-2020 and replace it with this ordinance; and

**WHEREAS**, the Director of Development desires to modify the contract with AmeriNational Community Services, LLC for loan servicing to add \$95,000.00; allow payment retroactive to March 1, 2020; to extend the contract end date to June 30, 2021; and to add/remove program guidelines/loan servicing options as necessary throughout the contract period as loans are added/removed from the loan portfolio over time; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to modify the contract with AmeriNational so program services can continue without interruption, thereby preserving the public health, peace, property, safety and welfare; now, therefore

#### **BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That Ordinance Number 0201-2020, passed 1/27/2020, is hereby repealed.

**SECTION 2.** That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2020, the sum of \$95,000.00 is appropriated in Fund 2237 (Neighborhood Economic Development Fund), Dept-Div 4401

(Administration), in object class 03 (Services) per the account codes in the attachment to this ordinance.

**SECTION 3.** That the expenditure of \$95,000.00 or so much thereof as may be necessary is hereby authorized in Fund 2237 (Neighborhood Economic Development Fund), Dept-Div 4401 (Administration), in object class 03 (Services) per the account codes in the attachment to this ordinance.

**SECTION 4.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 5.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 6.** That the Director of Development be and is hereby authorized to modify the contract with AmeriNational Community Services, LLC for loan servicing to add \$95,000.00; to allow payment for services starting March 1, 2020; to extend the contract end date to June 30, 2021; and to add/remove program guidelines/loan servicing options as necessary throughout the contract period as loans are added/removed from the loan portfolio over time.

**SECTION 7.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.