



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

22

2. Council Meeting Date:

April 28, 2011

TO: **MAYOR & COUNCIL**

3. Date Prepared: April 14, 2011

THROUGH: **CITY MANAGER**

4. Requesting Department:
City Manager – Neighborhood Resources

5. **SUBJECT:** Extend Agreement No. H06-946-2323 for Lender for Housing Rehabilitation Loan Program with AmeriNational Community Services, Inc.

6. **RECOMMENDATION:** Recommend extending Agreement No. H06-946-2323 for the Housing Rehabilitation Loan Program with AmeriNational Community Services, Inc.

7. **HISTORICAL BACKGROUND/DISCUSSION:** The City of Chandler has operated the Housing Rehabilitation Loan Program since 1994. During the past 16 years, 140 homes have been rehabilitated. AmeriNational Community Services, Inc. services the loans on behalf of the City. AmeriNational will continue to service Housing Rehabilitation Loans through collection of monthly payments, remittance of payments to the city, loan document preparation for amortized loans and other duties typical of a lending institution.

In July 2010, the City of Chandler amended the agreement with AmeriNational to provide additional services including home insurance monitoring, correspondence with the homeowner regarding delinquent payments, delinquency/default letters, credit reporting and confirmation of continued ownership. These additional services assist the City in insuring that Housing Rehabilitation Loan Program participants maintain compliance with program guidelines and that their required payments are being remitted to the City.

8. **EVALUATION PROCESS:** In July 2006 Council awarded a two year contract with eight (8) one year extensions to AmeriNational Community Services, Inc. Staff is recommending approval of the fourth extension. The term of this Agreement will be from August 1, 2011 through July 31, 2012.

9. **FINANCIAL IMPLICATIONS:** On an annual basis, the City pays AmeriNational approximately \$9,000 in fees associated with loan servicing. Funds for lending services are derived from the City's CDBG and HOME Programs. These funds are received from the U.S. Department of Housing and Urban Development and do not require repayment on the part of the City of Chandler.

10. **PROPOSED MOTION:** Move to approve a one year extension of Agreement No. H06-946-2323 with AmeriNational Community Services, Inc.

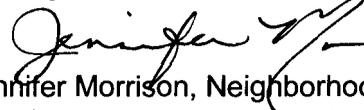
ATTACHMENT: Amendment 4

APPROVALS

11. Requesting Department


Jessica Fierro, Community Development Coordinator

12. Department Head


Jennifer Morrison, Neighborhood Resources Director

13. Procurement Officer


Sharon Brause, CPPB, CPCP

14. Acting City Manager


Rich Dlugas

**AMENDMENT NUMBER FOUR
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
AmeriNational Community Services, Inc.
FOR Lender for Housing Rehabilitation Program
AGREEMENT NO. HO6-946-2323**

This Amendment #4 to that certain Agreement between the City of Chandler (CITY) and AmeriNational Community Services, Inc. a corporation organized and existing under the laws of the State of Minnesota, along with its parent company American Bank of St. Paul, located at 217 South Newton Ave., Albert Lea, MN 56007, hereinafter referred to as the "Contractor" for Lender for Housing Rehab Program dated July 31, 2006 and is entered into this _____ day of _____, 2011.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

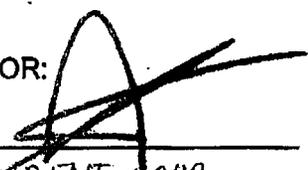
1. Section 5, Term of the Agreement is hereby amended to extend the Agreement for a one-year period, August 1, 2011 through July 31, 2012.
2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of _____, 2011.

CITY OF CHANDLER:

By: _____
City Manager/Designee

CONTRACTOR:

By: 
Title: PRESIDENT - CUD

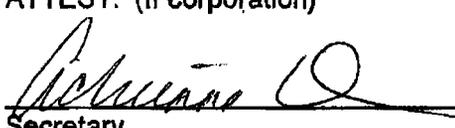
APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

ATTEST: (If corporation)


Secretary

WITNESS: (If Individual or Partnership)

[SEAL]